2024

SUSTAINABILITY REPORT

Darfon Electronics Corp.

DARFON

The Path of ESG: From Vision to Action, Advancing Sustainable Value

Plastic waste is a global environmental challenge. The plastic circular economy is not only a solution to mitigate its environmental impact but also an opportunity to promote sustainable development. Darfon Electronics has long been committed to addressing plastic waste issues, continuously implementing key actions to reduce their environmental, social, and economic impacts. By integrating sustainability into its core competitiveness, Darfon Electronics drives the development and market application of sustainable products. Through innovative technologies, design, and collaboration, the company achieves plastic reduction and circular economy goals, thereby creating long-term competitive advantages and sustainable value.

400 Million Tons of Plastic Waste Produced Globally Each Year – Continued Efforts Needed to Combat Plastic Pollution

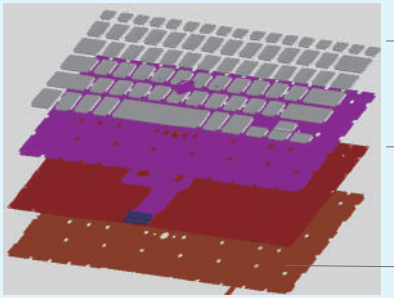
According to the United Nations, about one million plastic bottles are sold every minute around the world, and people use five trillion plastic bags each year — creating at least 400 million tons of plastic waste. If nothing changes, global plastic production is expected to double by 2040, yet less than 10% can be recycled and reused. Most of it ends up being tossed away as trash, and over 11 million tons of plastic waste find their way into lakes, rivers, and oceans every year, posing serious threats to marine life.

As plastics break down, many turn into microplastics smaller than 5 millimeters, spreading through the entire ecosystem. From the top of Mount Everest to the depths of the Mariana Trench, and even in the air of the Earth's upper atmosphere, traces of plastic have been found. These seemingly light and convenient materials are harming our health and that of animals, speeding up climate change, and worsening the ecological crisis.

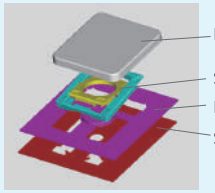
Darfon Electronics Drives Corporate Sustainable Consumption and Plastic Reduction Transformation through Business

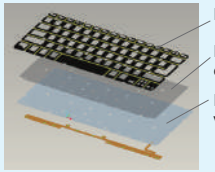
The recycled plastic content ratio of keyboard products increased to 95% in 2024.

Keyboard Stack-up



Application of Innovative Material Technologies





Plastic recycling and the circular economy have become critical pillars of global environmental sustainability, urgently requiring effective measures to mitigate the long-term impact of waste on ecosystems. The United Nations Global Plastic Treaty is an international agreement aimed at addressing plastic pollution worldwide, covering the entire lifecycle of plastics—from production and consumption to disposal. It sets regulatory standards and implementation targets, serving as a key tool for source reduction.

In proactive response to these objectives, Darfon Electronics is committed to innovation in plastic circularity, transforming the traditional “cradle-to-grave” product lifecycle into a “cradle-to-cradle” model—creating a closed-loop cycle of “resources → products → regenerated resources” and advancing toward the core principles of the Global Plastic Treaty. Guided by the core principle of “biological sustainability,” Darfon integrates circular design and green, low-carbon materials as dual strategic pillars, embedding circular economy concepts into both product design and manufacturing processes. By combining scientific recycling mechanisms with innovative material technologies, the company effectively reduces the potential environmental and biological impacts of plastics, significantly extends product lifespans, and demonstrates the tangible value and potential of recycled plastics in the circular economy.

From Linear Economy to Circular Economy – Green Circularity in Keyboard Products

Facing the environmental challenges of plastic waste, Darfon Electronics has demonstrated both innovation and responsibility in reducing the use of plastic products. As of today, 40.9% of its patents are related to green products. The company continues to advance toward sustainable transformation, making the reduction of virgin plastic production, lowering carbon emissions, and mitigating the threat of plastic pollution to biodiversity central to its circular sustainability strategy.

From product design to usage, Darfon maximizes recyclability and reuse value. For example, its keyboard products—featuring high strength and lightweight properties—are designed with vertically stacked assembly for easy disassembly and recycling, while enhancing the user experience. Considering that plastics account for approximately 51.1% of the product’s total weight, Darfon prioritizes materials with high recyclability and continuous circularity. The company has gradually adopted recycled plastic technologies, achieving a 95.6% usage rate of recycled plastics in 2024. Through reduction, recycling, and regeneration, plastic resources are kept in circulation, advancing sustainable development. (The application of recycled materials in IT peripheral products is detailed in the Green Products section.)

Every gram of plastic recycled reduces the burden on Earth and builds a better future.

Darfon Electronics remains deeply committed to addressing global climate change and its environmental, social, and economic impacts. The company consistently takes key actions to respond and mitigate these challenges, embedding sustainability into its core competitiveness. Through product design, supply chain management, and daily operations, Darfon practices carbon reduction, leads the journey toward net-zero, and demonstrates its commitment to sustainable corporate development—making a meaningful contribution to global environmental sustainability.

CONTENTS

About The Report

This report is the 7th Corporate Sustainability Report published by Darfon Electronics Electronics Corp. (hereinafter referred to as "Darfon Electronics Electronics" or "Darfon Electronics"). It discloses Darfon Electronics's efforts and achievements in various aspects of sustainable development. As a leading brand in IT and green energy products, Darfon Electronics has continuously driven transformation through resilient operations since its establishment in 1997, demonstrating outstanding innovation and breakthrough performance. The company continues to deepen its people-oriented management philosophy, striving to create a safe, respectful, and harmonious workplace. At the same time, Darfon Electronics actively promotes environmental protection, social engagement, and other sustainability initiatives. While pursuing profitability and growth, Darfon Electronics also fulfills its corporate social responsibilities, aiming to achieve shared prosperity for both the industry and society.

Basis of Report

Darfon Electronics Electronics collects key international economic, environmental, and social issues and identifies stakeholder concerns through a materiality analysis. In the fourth quarter of 2024, key topics were determined through stakeholder survey feedback and internal decision-making. The implementation results related to each material topic are presented in this report.

This report is prepared in accordance with the "Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE and TPEx Listed Companies" and discloses information based on the GRI Standards, SASB standards for the Computers & Peripherals industry, and the TCFD framework. It aims to communicate Darfon Electronics's strategies and activities in the economic, environmental, and social dimensions to stakeholders, along with its performance outcomes and management approaches.

Reporting Boundaries

This report covers Darfon Electronics Electronics' global sustainability performance from January 1 to December 31, 2024, aligning with the company's financial reporting period. The reporting boundary includes Darfon Electronics's Taoyuan corporate headquarters, Tainan plant, Suzhou plant, Huai'an plant, Chongqing plant, and Vietnam plant as the main entities, along with partial information from the Thailand and Czech plants (data from the Thailand and Czech plants are disclosed but not included in the 2024 performance metrics). In addition, Darfon Electronics's wholly owned subsidiaries—Darui Innovation and Dayu Energy—operate from offices located within the Darfon Electronics corporate headquarters building, and their relevant data are included in the consolidated statistics of the headquarters.

Report Management

The company's sustainable development committee executive team is responsible for the overall planning, communication and integration, data collection, editing and revision of the report, which is issued after approval by the board of directors.

Third Party Verification (GRI 2-5)

This report has been verified by AFNOR ASIA LTD. in accordance with the requirements of AA 1000ASv3 Type 1 Moderate Assurance Level.

Report Publication(GRI 2-3)

Darfon Electronics Electronics publishes a sustainability report annually on a regular basis. The current report was released in August 2025, with relevant information disclosed on Darfon Electronics's Corporate Sustainability webpage.

Contact Information(GRI 2-3)

If you have any suggestions or inquiries about the report, feel free to contact us using the following contact information.

Sustainability Department of Darfon Electronics Electronics Corp.
Address: No. 167-1, Shanying Rd., Guishan Dist., Taoyuan City
Phone : (03) 250-8800
Email: integrity@darfon.com
ESG Website of Darfon Electronics: https://esg.darfon.com.tw/

Message From Chairman

Over the past year, the world has faced continued inflationary pressures, escalating geopolitical conflicts, intensified great power competition, unprecedented supply chain restructuring pressures, and increasingly severe climate change, creating a highly variable business environment. Under these challenges, Darfon Electronics Electronics has consistently adhered to the core principles of steady operations and sustainable co-prosperity, actively responding to changing situations, adjusting strategic pace, and strengthening competitiveness, striving to demonstrate resilience in operational management, continuous breakthroughs in product innovation, and steady progress in ESG practices to ensure sustainable enterprise development and long-term value growth.

In terms of economic performance, consolidated revenue for 2024 was NT$21.7 billion. Although this represented a 15.9% year-over-year decline, it demonstrated steady performance against the backdrop of global economic stagnation and slowing consumer markets, reflecting our solid foundation in operational efficiency and financial discipline. Through product portfolio adjustments and cost structure optimization, we pursued steady increases in gross profit margins, achieving net income attributable to parent company of NT$620 million and earnings per share of NT$2.22, fully demonstrating our ability to maintain profitability and operational resilience in adverse conditions. Our IT peripherals business focused on high-value-added applications such as backlit keyboards and touch modules, combined with strict cost and expense control, maintaining high-level overall operational performance. The components business continued to consolidate market share through technology upgrades and strengthening niche applications. In green energy business, we focused on E-Bike core components as the main axis, promoting supply chain optimization and product upgrades through cross-domain integration of subsidiaries. In 2024, we also completed strategic investment in European high-value-added distributor Grofa Action Sports, expanding overseas presence and deepening European market layout, establishing a solid foundation for long-term growth. Facing global supply chain transformation, we actively promoted "China+" short-chain strategy, establishing manufacturing bases in Southeast Asia and Europe, developing smart manufacturing and local supply to enhance flexibility while considering carbon emission control and ESG responsibilities.

We have always believed that sustainability is not an option, but a necessary path for enterprises toward the future. Therefore, Darfon Electronics has generously invested resources to comprehensively initiate actions in the three major dimensions of Environment, Social, and Governance, strengthening corporate responsibility and enhancing the resilience and transparency of internal and external value chains.

In environmental aspects, Darfon Electronics implements innovation-driven low-carbon future. In response to climate risks and global net-zero targets, we continue to deepen carbon reduction actions through SBTi carbon reduction target commitments, using 2021 as baseline, targeting 48.4% carbon reduction by 2031. The company also completed carbon footprint certification for battery module products this year and promoted the implementation of AI intelligent processes and green design technologies. In materials, we continue to introduce recycled plastics, plastic reduction solutions, and lightweight designs to enhance product lifecycle sustainability, widely applied in diverse fields such as E-Bikes, power tools, and power banks. We also actively promote internal carbon pricing and supply chain carbon inventory, moving toward comprehensive carbon management and achieving win-win resource efficiency and environmental friendliness.

In social aspects, Darfon Electronics is committed to creating a diverse, inclusive, and talent-driven workplace. We deeply understand that talent is the most solid asset of an enterprise. Through the "STP RD Elite Talent Program" and "International Technical Talent Program," we strengthen technical core and cross-cultural competitiveness. Women's participation in STEM and business units continues to increase, promoting the implementation of Diversity, Equity, Inclusion & Belonging (DEIB) culture in daily management. Additionally, we have been honored with the HR Asia Best Companies to Work for in Asia award for consecutive years and received recognition for sustainable workplace and talent awards at TCSA.

In governance aspects, Darfon Electronics deepens institutional soundness and risk management. We continue to enhance Board governance quality and composition diversity, maintaining top 6-20% performance in Taiwan Stock Exchange's corporate governance evaluation. In 2024, we were again selected for the "Corporate Governance 100 Index" and first selected for "Foreign Investment Selected Taiwan Top 100," demonstrating recognition of our governance transparency, sustainability strength, and international investor confidence. Starting this year, we incorporated ESG performance into senior management compensation systems and guided management teams to use non-financial value indicators as the foundation for corporate responsibility implementation, making sustainability no longer just a concept but concrete action and culture.

On this path toward net-zero and shared value, no enterprise can go alone. We will continue to work hand-in-hand with customers, supply chain partners, shareholders, and all employees to jointly implement sustainability commitments and fulfill corporate long-term responsibilities to society and environment. Looking ahead, we will advance with global vision and local action, committed to playing a steady, innovative, and responsible key role in the industrial ecosystem, becoming an internationally competitive enterprise model for sustainability.

We sincerely thank all partners who care about and support Darfon Electronics, allowing us to jointly become actors promoting sustainable change and move toward a better future.

Looking forward, AI and low-carbon transformation will drive global industrial reconstruction and value chain restructuring. Darfon Electronics Electronics will continue to focus on the core "Smart + Green Energy" dual-axis strategy, combining data-driven approaches, talent development, and supply chain resilience, moving toward a new milestone of smart manufacturing and sustainable operations. We aim not only to be a profitable enterprise but also to become a leader in industrial transformation, social value, and environmental responsibility.

Chairman

Chapter.1

Company Overview : About Darfon Electronics

1. Darfon Electronics Information
2. Financial Performance

1.Darfon Electronics Information (GRI 2-1, 2-6)

Since its establishment in May 1997, Darfon Electronics Electronics, a member of the BenQ AUO Group, has adhered to an operational philosophy that balances innovation with responsibility. In its early years, the company focused on the research, development, and manufacturing of computer peripherals, backlight modules, and passive components. In response to the global trend toward green transportation, Darfon Electronics officially entered the electric bicycle (E-Bike) industry in 2012. The launch of its own brand, BESV, in 2015 further demonstrated its commitment to sustainable mobility.Through years of development and strategic transformation, Darfon Electronics has successfully evolved into a leading enterprise in the fields of information technology and green energy. With 13 operational sites worldwide, the company is dedicated to promoting environmentally friendly products and building a sustainable value chain, fulfilling its corporate social responsibility.

Stock Code:
8163(TWSE)

Number of Employees (GRI 2-7)
6,575

Listing Date
2007/11/28

Paid-in Capital
NT$ 28 billion

Product Self-Manufacturing Rate
100%

Operational Activities and Business Model

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

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

Vision Realizing the Truth, Goodness, and Beauty of Technology in Life

Darfon Electronics is committed to the development of technology applications in daily life, aiming to bring consumers a better life and create driving forces for progress in human society.

Mission

Darfon Electronics is a global leader in precision components, materials, and green energy technologies, providing innovative IT peripherals, passive components, power, and energy management solutions.

Corporate Culture Integrity and Self-Discipline, Passion and Commitment, Pursuit of Excellence, Care and Contribution

Emphasizing an innovative, proactive, and positive attitude, with a spirit of thoroughness to achieve challenging goals, while cherishing the natural environment and caring for the society and people around us. In response to climate change trends, Darfon Electronics also actively supports climate action and demonstrates environmentally friendly practices.

Operation Location

Darfon Electronics has a total of 13 operating sites worldwide, including facilities in Taiwan, China, the Netherlands, the United States, the Czech Republic, South Korea, Japan, Vietnam, and Thailand. In addition, the offices and plant locations of Darfon Electronics's wholly owned subsidiaries, Darui Innovation and Dayu Power, are located in the Darfon Electronics corporate headquarters building.

Corporate Headquarters:
No. 167-1, Shanying Rd., Guishan Dist., Taoyuan City, Taiwan

Tainan Plant:
No. 21, Gongye 2nd Rd., Yantian Village, Annan Dist., Tainan City, Taiwan

Suzhou Plant:
No. 99, Zhuyuan Rd., New District, Suzhou City, China

Huai'an Plant:
No. 9, Xuyang St., Huai'an Economic and Technological Development Zone, China

Chongqing Plant:
Building 1, Standard Factory for Electronic Industry, Hechuan Industrial Park, Hechuan Dist., Chongqing City, China

Vietnam Plant:
Dong Van IV Industrial Zone, Dai Cuong Commune, Kim Bang District, Ha Nam Province, Vietnam

Thailand Plant:
No. 700/50, 52, 54, Village No. 6, Nong Mai Daeng Subdistrict, Mueang Chonburi District, Chonburi Province, Thailand

From Green Energy to Sustainability

Launching the Transformation 2.0 Program in 2024 to Open a New Chapter of Innovation (GRI 2-6)

In 2024, Darfon Electronics officially launched the "Transformation 2.0" program, shifting from a focus on green energy toward comprehensive sustainable innovation, and actively expanding into the E-Mobility sector, broadening solution applications extending from electric bicycles (E-Bikes). On the technical front, the company continues to strengthen its mastery of battery, frame, electric control, and integration technologies, while optimizing its global distributed manufacturing layout, including production bases in Vietnam and the Czech Republic, and deepening partnerships with distribution partners in Germany and other parts of Europe. Darfon Electronics is committed to leveraging high-technology, high-value, and high-growth products and services to enhance market differentiation and leadership, thereby maximizing operational efficiency.

In terms of green innovation, the company continues to introduce recycled materials and renewable energy, promote lightweight and low-power product designs, practice low-carbon operations, and enhance the overall sustainable value of its green energy solutions. Meanwhile, with the deepening of AI and digital transformation, operational efficiency and business models are continually optimized, driving the recovery of demand in the NB/PC industry and supporting the steady growth of high-margin illuminated keyboards and other high value-added products. Given the long-term demand for electric bicycles in the European and U.S. markets, the E-Mobility industry remains an important driver of future sustainable development. In addition to continuously enhancing its green energy solutions with sustainability concepts, Darfon Electronics is committed to high-voltage, high-series, modular, and customized Battery Management System (BMS) software and firmware technologies, providing diversified product application solutions. The company is also actively building a new E-Mobility distribution platform business unit in Europe to rapidly penetrate key European E-Mobility markets and strengthen overall revenue and profitability through platform-based sales, thereby creating synergies.

1997
Founding Period

Integration of components and materials, moving toward IT manufacturing

- Fully established product lines for communication and precision components such as ceramic components and microwave components, as well as antenna and module product layouts.
- Entered the backlight module inverter sector, becoming one of the world's major suppliers.

2012
Cross-industry Expansion

Layout in E-Bike market, opening new capabilities

Expanded into the E-Bike sector.

2015
Brand Creation

Self-branded BESV launch, establishing complete vehicle industry chain

Launched the self-owned brand BESV of electric-assist bicycles, integrating a complete industry chain covering frame, battery, bicycle assembly, electronic control, and intelligent integration technologies. This includes the acquisition of a high-end bicycle assembly plant, a battery module plant, and a bicycle frame R&D and manufacturing plant, as well as establishing overseas factories to expand production lines.

2021
Solution Deepening

Comprehensive promotion of green energy products

Darfon Electronics is fully promoting green energy products, with over 40% of its patents related to this field. The company's product focus includes keyboards, inductors, high-end capacitors, and electric bicycles, while continuously expanding into E-Mobility green energy solutions such as vehicle batteries, smart modules, electronic control kits, and smart training systems.

2023
Emission Reduction

Launch of SBTi science-based targets, providing green energy solutions

Officially submitted science-based carbon reduction targets to the SBTi and plans to make further concrete commitments in the future, working together with supply chain partners to support global climate action. In information technology, the company is dedicated to leveraging low-carbon innovative technologies to increase the proportion of green products; in the green energy business, it continues to expand its global market presence and share, taking concrete actions to actively address climate issues.

2024
Sustainability Enhancement

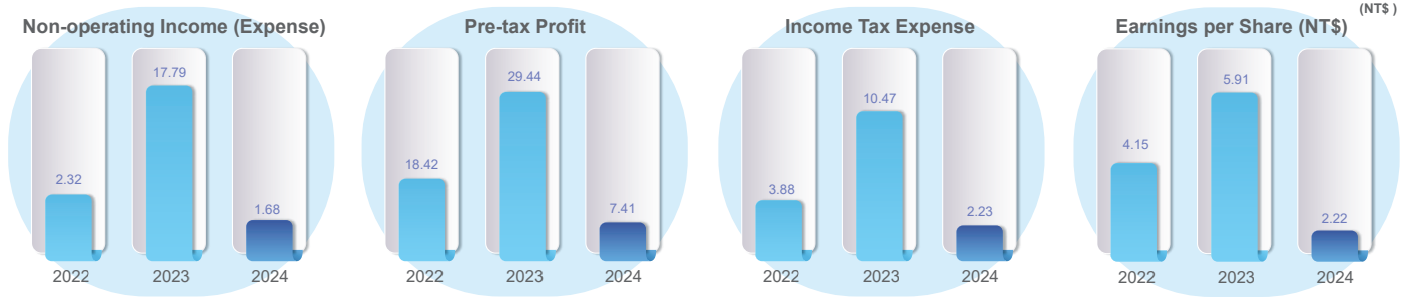
Transformation 2.0 and dual-track advancement of SBTi 1.5°C

Officially launched the "Transformation 2.0" program, shifting from a focus on green energy to comprehensive sustainable innovation, and successfully obtained SBTi approval for the 1.5 °C carbon reduction target.

2. Financial Performance

Revenue and profitability over the years (GRI 201-1,201-4)

In 2024, Darfon Electronics reported Consolidated annual revenue was NT$21.7 billion.
Gross profit totaled NT$3.986 billion
Operating income was NT$573 million
Net income attributable to the parent company amounted to NT$620 million.
Earnings per share (EPS) stood at NT$2.22.



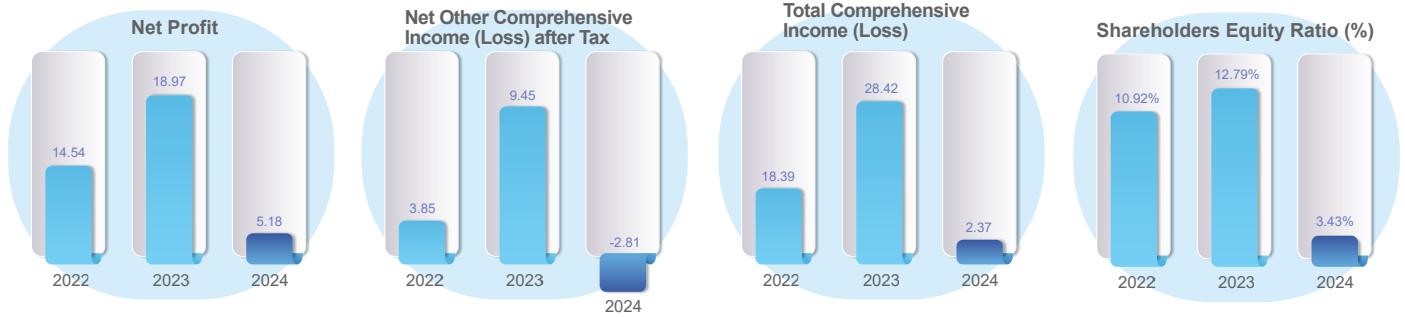


Table of Economic Value Distribution in 2024

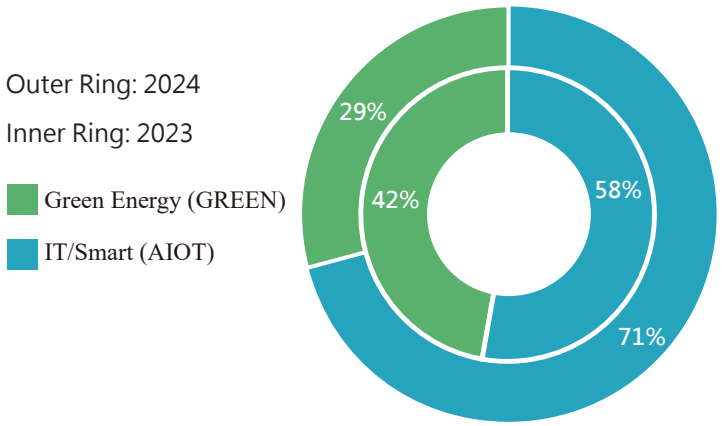
Items (Unit: NT$ 100 Million)	Amount
Revenue from Primary Direct Economic Value	
Revenue	217.00
Allocated Economic Value	
Operating Costs	151.29
Employee Wages and Benefits (including profit sharing)	42.07
Payments to Capital Providers (interest and dividends)	13.73
Government Payments (taxes)	4.70
Community Investment - Donations	0.03
Retained Economic Value	
Revenue - Operating Costs	5.18

Product Revenue Breakdown

Item	2023 Revenue (Million)	2023 Revenue Share (%)	2024 Revenue (Million)	2024 Revenue Share (%)
IT/Smart (AIOT)	148.31	58	153.12	71
Green Energy (GREEN)	109.60	42	63.88	29
Total	257.91	100	217.00	100

Note: 2024 figures are based on customers' preliminary estimates, with actual green energy revenue share declining

Product Revenue Contribution in 2023 and 2024



Main Products and Customers

Darfon Electronics initially started with component and backlight module products such as inverters. With improvements in technology and efficiency, as well as market demand, the company gradually developed IT products and expanded its transformation into the green energy sector. It now operates across three major fields.

IT Peripherals and Precision Products / Smart (AIoT) Products

Laptop and desktop computer keyboards, illuminated keyboards, mice, gaming keyboards, gaming mice, detachable keyboards for tablet computers, leather keyboards, precision modules, laptop computer touchpad modules, fingerprint recognition modules, etc.

Green Energy Products

E-Mobility lithium battery modules and chargers, smart fitness modules, E-Bike drive system kits, E-Bike smart modules (IoT), smart fitness consoles, high-power energy storage systems, multilayer ceramic capacitors, power inductors, composite inductors, current sensors, magnetic beads, etc.

E-Bike

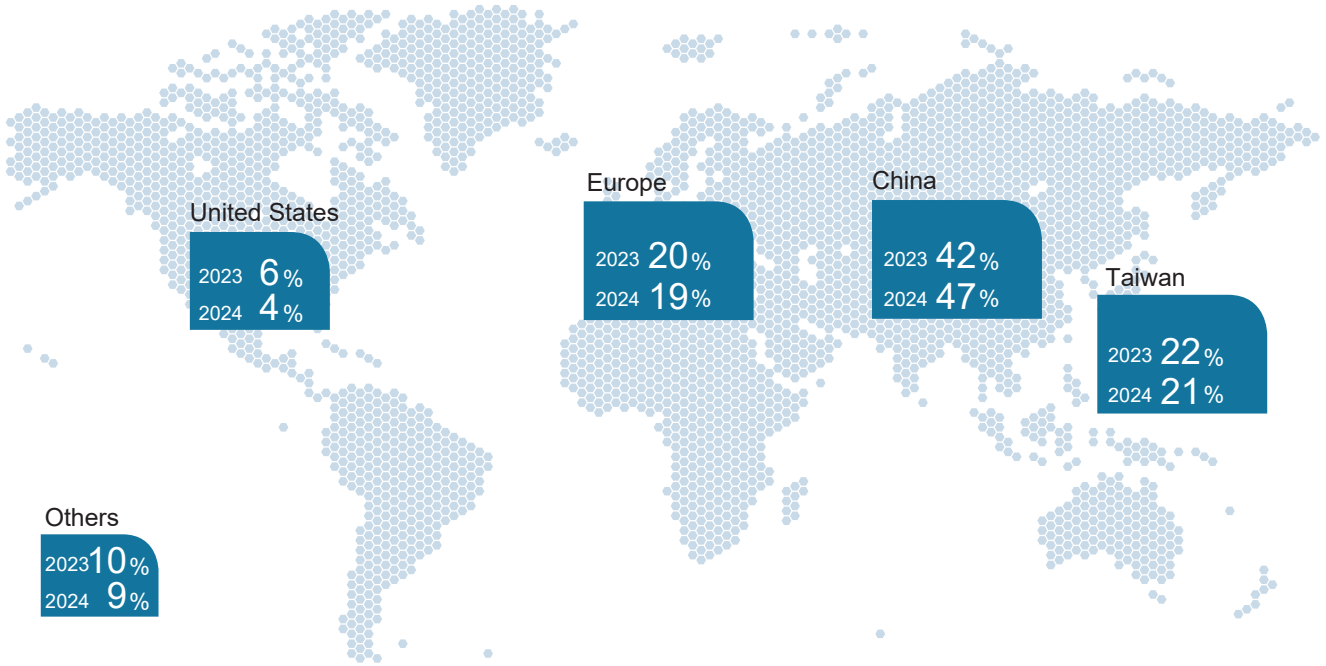
Drive system kits, electric bicycle batteries, electric mountain bikes, electric road bikes, electric city bikes, electric folding bikes

Sales Regions and Proportions of Major Products

Darfon Electronics's main products are primarily for export, with exports accounting for 79% in 2024, an increase of 1% compared to 2023 (Note 2). The main sales regions include Europe, the United States, and China.

	2023 Revenue (NT$ billion)	% of Sales	2024 Revenue (NT$ billion)	% of Sales
Taiwan	56.85	22%	44.77	21%
United States	16.51	6%	8.67	4%
China	107.4	42%	102.25	47%
Europe	51.1	20%	40.8	19%
Others (Note 1)	26.05	10%	20.51	9%
Total	257.91	100%	217	100%

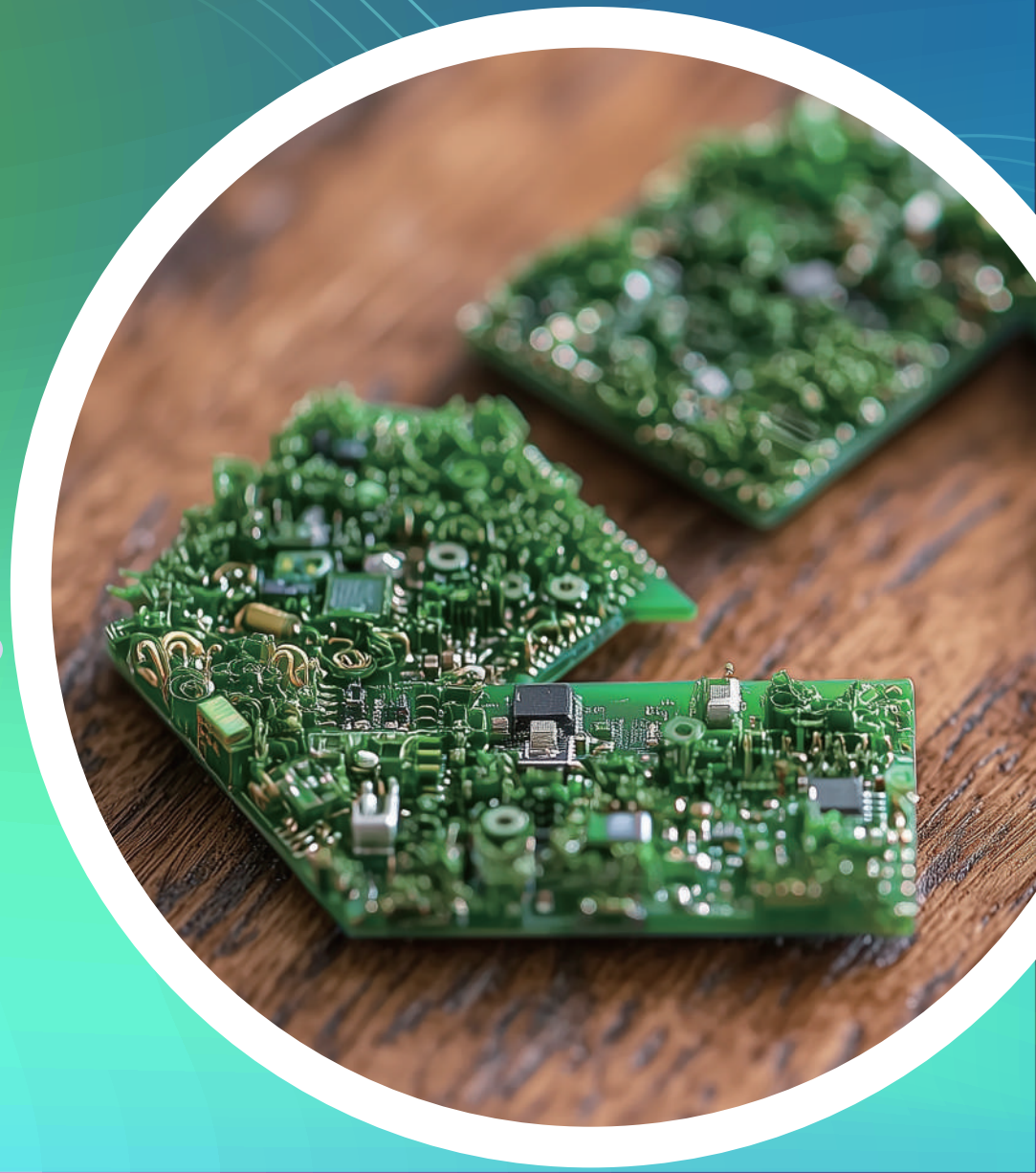
Note 1: "Others" include Japan, South Korea, and other regions.
Note 2: The data on page 12 of the 2023 Sustainability Report contained an error; the 2023 export ratio should be 78%. This was not due to a change in calculation method or any significant change in business nature, and therefore had no material impact.



Chapter.2

Sustainability Management

1.Sustainability Governance
2.Materiality Analysis



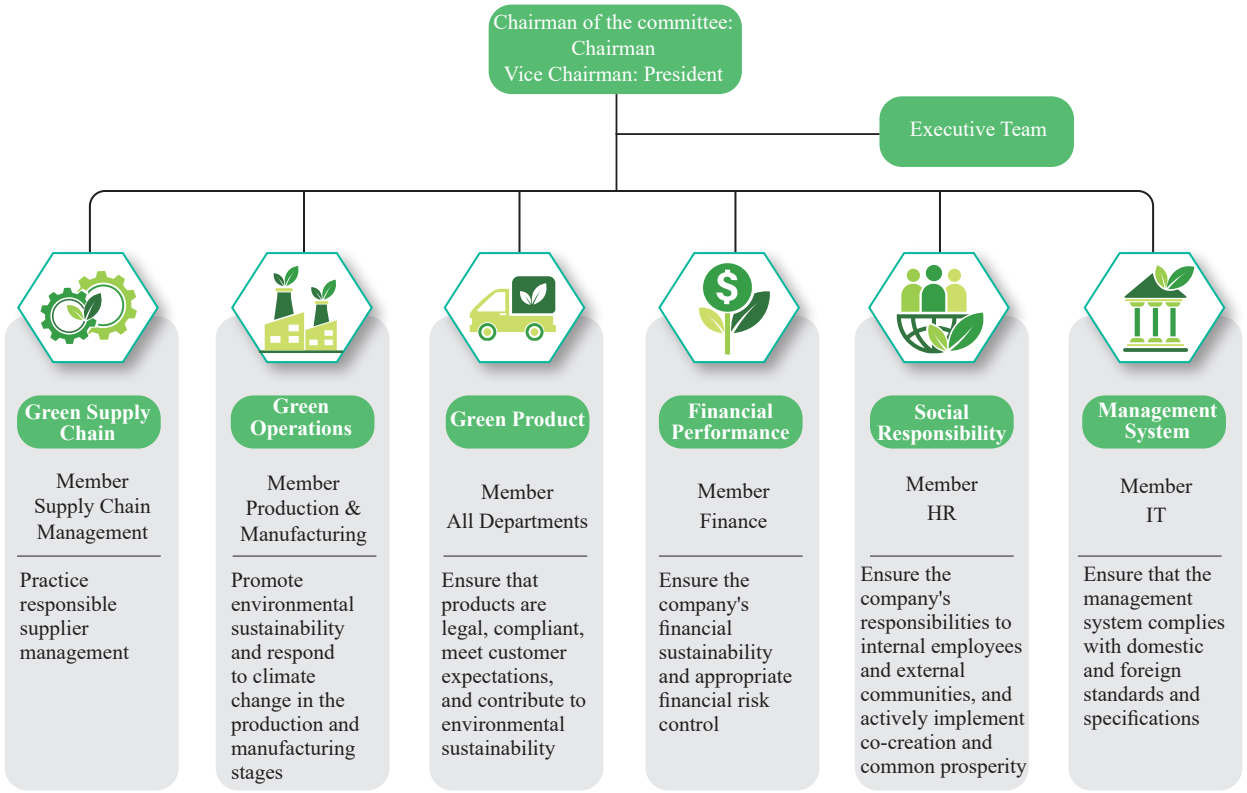
1.Sustainability Governance

Sustainable Development Committee

In 2016, Darfon Electronics established the "Corporate Social Responsibility Committee," which was officially renamed the "Sustainable Development Committee" in 2021. The committee is chaired by the Chairman of the Board, with the General Manager serving as Vice Chair. Under the committee, there are six functional subgroups, each composed of senior executives from different departments. Additionally, a dedicated secretariat is in place to exclusively coordinate and promote sustainability-related matters across departments. In 2022, the company adopted the "Sustainable Development Practice Guidelines." To ensure the effectiveness and transparency of the company's sustainability initiatives, the Sustainable Development Committee reports significant sustainability-related events and management performance to the Board of Directors annually. The most recent report was completed in November 2024. Key points presented to the Board in 2024 included the company's awards received in the previous year, disclosures in the sustainability report, results from climate change scenario analysis projects, greenhouse gas reduction plans, social engagement, and employee care outcomes, among others.

Key Responsibilities of the Sustainable Development Committee

We continuously monitor domestic, international, and industry developments across corporate governance, economic, environmental, and social dimensions, while paying close attention to key issues of concern to our stakeholders. With an open and receptive mindset, and a commitment to continuous learning, we actively draw on diverse experiences and carefully assess the relevance of ESG trends and sustainability developments to Darfon Electronics' core business, as well as the potential impacts of our operations on stakeholders. Under the guidance of the Board of Directors, we formulate relevant policies, systems, and management guidelines, and develop concrete implementation plans, strategically and steadily advancing toward our goal of corporate sustainability.



2.Materiality Analysis

To enhance the effectiveness of sustainability information disclosure and communication, DARFON conducts a materiality analysis based on the GRI Standards 2021, AA1000 Stakeholder Engagement Standard (SES), and AA1000 Accountability Principles Standard (AP). Through this process, the company identifies key material issues. For these issues, we formulate corresponding management policies and plan medium- to long-term goals as the foundation for driving sustainability efforts.

Stakeholder Engagement

DARFON identifies six major categories of key stakeholders based on the five principles of the AA1000 Stakeholder Engagement Standard (SES) — dependency, responsibility, influence, diverse perspectives, and tension. To deepen communication effectiveness, we start from the issues stakeholders are concerned about and combine this with a comprehensive engagement mechanism to fully understand the expectations and needs of various stakeholder groups. The company maintains good interaction with stakeholders through diversified communication channels, ensuring transparency of information and two-way communication. The outcomes of these communications are compiled annually and reported to the Board of Directors to ensure that sustainable governance is closely linked to stakeholder concerns, further strengthening corporate trust and accountability commitments.

Process to determine material topics

DARFON conducts a materiality analysis annually. In 2024, following the core spirit of GRI 3: Material Topics emphasized in the GRI 2021 Standards, the company revisited and redefined the content and scope of material issues. The analysis process includes the following three main steps:

Continuous Identification of Impacts:

Broadly gather opinions and concerns from internal and external stakeholders, and identify actual and potential positive and negative economic, environmental, social, and human rights impacts throughout the lifecycle of DARFON's operations, products, and services.

Assess the signifcance of the impacts:

Systematically evaluate the scope, degree, and likelihood of impacts for each issue, thereby confirming those with significant impacts on internal and external stakeholders.

Determine material topics for reporting:

Based on the significance of impacts, identify priority material topics to be disclosed, serving as the basis for sustainability reporting and strategic initiatives.

The identified material issues are submitted to the Sustainable Development Committee for review and discussion. Based on this, short-, medium-, and long-term sustainability goals and action plans are developed. These strategies and management practices are further internalized into the company's operational processes to ensure that sustainability objectives are closely integrated with daily operations, realizing comprehensive sustainable management.

Identification

Regarding material issues, we collect internal and external perspectives to identify topics relevant to DARFON's operations. Sources include international sustainability standards and frameworks such as GRI, SDGs, TCFD, SASB, and IFRS S1/S2. We also reference internal management goals, benchmarking against international peers, stakeholder feedback, external expert advice, and future group materiality considerations. From 20 topics identified in the previous year, 18 issues relevant to DARFON's operations were consolidated and adjusted.

Changes in Material Issues

2023 Material Issues ★ (10 Items)	2024 Material Issues ★ (10 Items)
Board Performance ★	Corporate Governance ★ (Renamed) Composition, Operation, and Board Performance Evaluation
Operational and Financial Performance	(Deleted)
Business Ethics and Code of Conduct	Integrity Management (Renamed)
Sustainable Supply Chain Management ★	Sustainable Supply Chain Management ★ (No change)
Information Security ★	Information Security ★ (No change)
Tax	Tax(No change)
Customer Relationship Management ★	Customer Relationship Management ★ (No change)
Climate Change Response and Adaptation ★	Climate Strategy ★ (Renamed)
Energy Management ★	Energy Management ★ (No change)
Low-Carbon Product Innovation and R&D ★	Green Product Innovation ★ (Renamed)
Environmental Conservation and Biodiversity	Biodiversity(Renamed)
Pollution Impact Management	Air Pollution Prevention(Renamed)
Water Resource Management	Water Resource Management(No change)
Waste Management ★	Waste Management ★ (No change)
-	Talent Recruitment and Retention(New)
Employee Diversity and Inclusion	Human Rights, Diversity, and Inclusion (Consolidated) (New)
Workers' Human Rights	
Talent Development and Training ★	Talent Development and Training ★ (No change)
Occupational Health and Safety ★	Occupational Health and Safety ★ (No change)
Customer Safety and Health	(Moved to Customer Relationship Management)
Social Participation	Social Participation(No change)

★ Issues marked with * denote the material issues for the current year.

Analysis

DARFON identifies material issues with significant impact by analyzing three dimensions: stakeholder concern levels, operational impact, and sustainability impact. This is done through internal and external questionnaire surveys and analysis results.

Stakeholder Interest
92 stakeholders

A total of 92 questionnaires collected
Investors/Investment institutions: 4, Customers: 2, Suppliers/Contractors: 18, Government: 10, Employees: 45, Subsidiaries/Affiliated companies: 13

Operational Impact
40 internal managers and colleagues

40 managers and colleagues representing various units assessed the impact of material topics on operations (revenue growth, operational risks, customer satisfaction, employee cohesion)

Sustainability Impact
38 internal managers and colleagues

From economic, environmental, and human rights perspectives, assessed the significance of material topics in terms of positive/negative, actual/potential, and irremediable (responsibility mechanism) impacts. Assessment was conducted with the participation of 38 managers and colleagues on material topics.

Confirmation

Based on the above analysis, representatives of the Sustainable Development Committee discussed and decided on 10 material issues, corresponding to 12 GRI topics and 1 DARFON-specific topic. Compared to the previous year, there were no changes in the material issues except for some name adjustments. We also review which parts of the value chain (upstream, operations, downstream) each topic relates to, in order to collect and disclose relevant information. Management policies and goals are established to manage and mitigate sustainability impacts.

Definition of Positive and Negative Impacts

	Positive	Negative
Economic	4	1
Environmental	2	3
Human Rights	4	3

Analysis of Significant Impacts

Actual Positive Impact:
- Scale、Scope

Actual Negative Impact:
- Scale、Scope、Irreversibility

Potential Positive Impact:
- Scale、Scope
- Likelihood

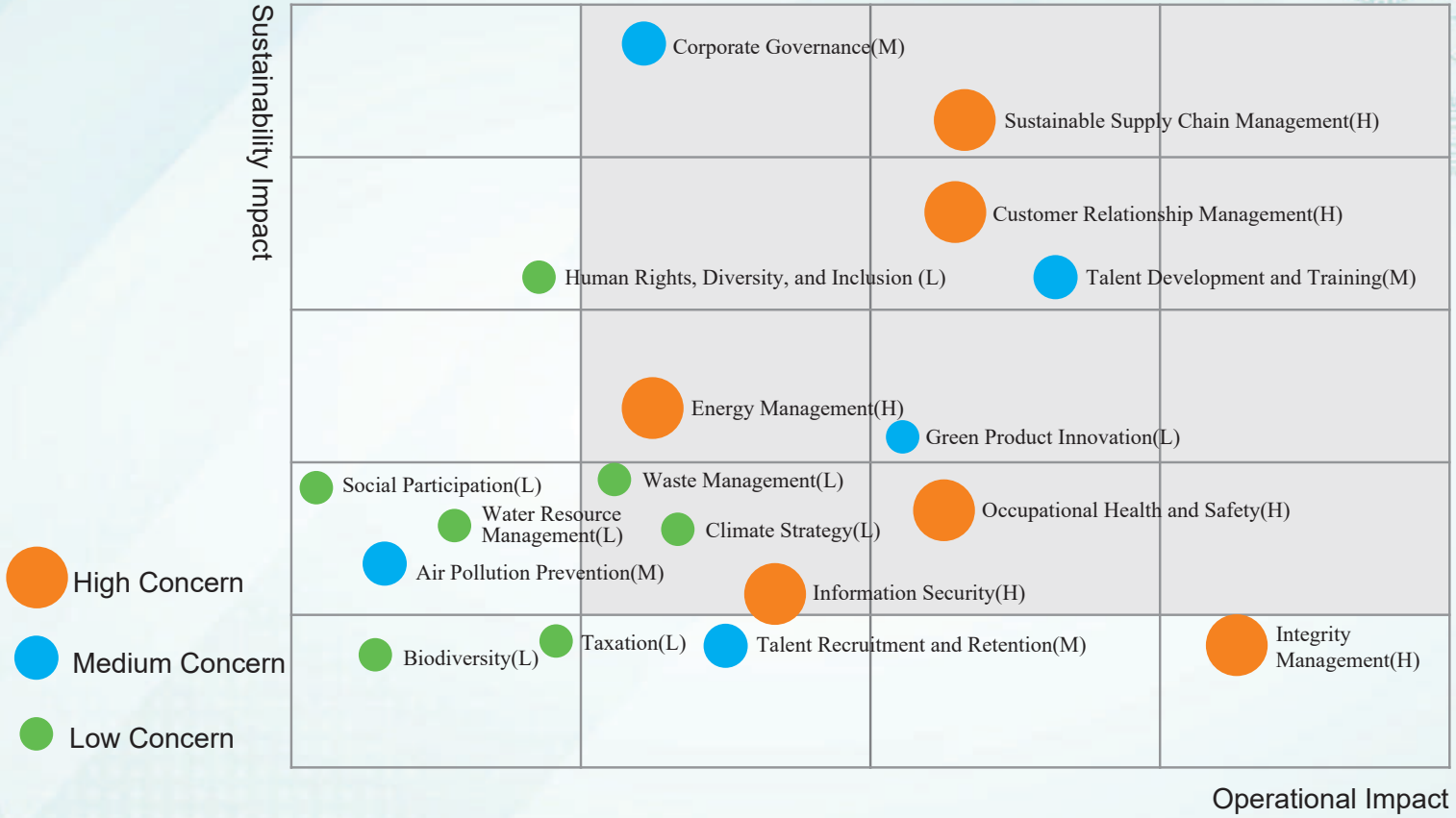
Potential Negative Impact:
- Scale、Scope、Irreversibility
- Likelihood

17 Significant Impacts
The development and application of company products or technologies contribute to innovation and advancement in industrial technology.
Rising procurement costs impact the value creation of upstream suppliers.
Taxes paid to governments (domestic and abroad) support infrastructure development and social welfare programs.
Increased tax rates raise the financial burden on investors.
Business operations affect environmental issues (energy/climate change/water resources/waste/recycling).
Use of renewable energy, recycling of water resources, and waste reduction mitigate environmental impacts.
Violation of employee labor protection rights leads to unequal treatment.
Increasing employee remuneration improves quality of life.
Workplace safety and health risks affect employee productivity.
Changes in public policies or regulations impact the company's operational environment.
Failure to comply with product quality and safety requirements affects customer trust and product information integrity.
Use of non-renewable resources increases production costs and environmental impacts (ecological damage).
Climate change causes changes in the natural environment.
Business operations affect environmental resources (air, biodiversity, water, temperature).
Discrimination or unequal treatment of employees or stakeholders causes harm to human rights.
Manufacturing processes cause pollution and increase greenhouse gas emissions (air pollution).
Occupational hazards cause injuries and affect their health and employee satisfaction.

Identification of Material Issues

Impact Level	Sustainability Issues
Very High	Corporate Governance Integrity Management Sustainable Supply Chain Management
High	Customer Relationship Management Talent Development and Training Human Rights, Diversity, and Inclusion
Impactful	Information Security Tax Climate Strategy Energy Management Green Product Innovation Biodiversity Air Pollution Prevention Water Resource Management Waste Management Talent Recruitment and Retention Occupational Health and Safety Social Participation

Darfon Materiality Matrix



Material Topics Relevant to Darfon, Corresponding GRI Standards, and Value Chain Impacts

Material Issue	Importance to Darfon	GRI-specific Topic	SASB Standard	Value Chain			Standard
				Upstream Suppliers/ Software Providers	Standard	Customer Applications	
Corporate Governance	Sound corporate governance forms the foundation of Darfon's stable operations and sustainable growth. It strengthens internal controls, enhances board effectiveness and decision-making transparency, and fosters trust among investors and stakeholders.	Anti-corruption (GRI 205)	-		■		Chapter 4: Integrity Governance: Compliance and Steady Operation
Customer Relationship Management	Maintaining strong customer relationships enhances satisfaction and loyalty, creating stable revenue streams while strengthening brand value and market competitiveness.	Customer Health and Safety (GRI 416)	-		■	○	Chapter 3: Section 2: Customer Relationship Management
Sustainable Supply Chain Management	Advancing environmental and social responsibility across the supply chain helps ensure stability and compliance of supply sources, mitigate operational risks, and enhance the company's competitive advantage within the global sustainable supply chain network.	Procurement Practices (GRI 204) Supplier Environmental Assessment (GRI 308) Supplier Social Assessment (GRI 414)	TC-HW-430a.1 TC-HW-430a.2 TC-HW-440a.1	▲	■		Chapter 3: Section 3: Supply Chain Management
Information Security	In the era of digital transformation and smart manufacturing, information security has become critical to business operations. Safeguarding confidential data of both customers and the company protects commercial interests and preserves corporate reputation.	Customer Privacy (GRI 418)	-		■	○	Chapter 4 Section 4: Information Security
Climate Strategy	Implementing carbon reduction and adaptation strategies in response to climate change risks enables us to meet international and customer expectations for a low-carbon transition, while enhancing corporate resilience and reinforcing our reputation for environmental responsibility.	Emissions (GRI 305)、Economic Performance (GRI 201)	-	▲	■	○	Chapter 5 Section 2: Climate Change Mitigation and Adaption
Energy Management	Improving energy efficiency and expanding the use of renewable energy reduce operating costs and carbon emissions, while optimizing resource utilization and driving progress toward our energy-saving and carbon-reduction goals.	Energy (GRI 302)	-		■		Chapter 5 Section 4: Energy Management
Waste Management	Effective waste segregation, reduction, and recycling help minimize environmental impact, increase resource circularity, and embody the principles of green manufacturing.	Waste (GRI 306)	-				Chapter 5 Section 6: Waste Management
Green Product Innovation	Driving green innovation in product design and manufacturing supports compliance with environmental regulations and market expectations, opens up green business opportunities, and strengthens the brand's sustainable value.	Darfon-specific Topics	TC-HW-410a.1 TC-HW-410a.2 TC-HW-410a.3		■		Chapter 3: Product Innovation and Customer Trust
Talent Development and Training	Providing employees with diverse learning resources and growth opportunities helps unlock their potential, enhance organizational performance, and build a professional team with strong competitiveness and adaptability.	Training and Education (GRI 404)	-		■		Chapter 6 Section 3: Talent Development and Retention
Occupational Health and Safety	Protecting employee safety and health is a fundamental corporate responsibility. A robust occupational safety and health system not only safeguards employee well-being but also helps reduce workplace incidents and the risk of operational disruptions.	Occupational Health and Safety (GRI 403)	-	▲	■		Chapter 6 Section 4: Occupational Health and Safety

Level of Involvement: ■ Causes、▲ Contributes to、○ directly linked to

Chapter.3

Innovative R&D: Innovative Product and Customer Trust

1.Innovative R&D Action
2.Customer Relationship Management
3.Supply Chain Management

Performance Highlights

- R&D expenditure in 2024 totaled **NT$1.015 billion**
- **Ranked 52nd** among the Top 100 patent applicants in Taiwan
- Obtained **154 domestic and international patents** in 2024, representing a 6% increase compared to the previous year
- **100%** of products from IT peripherals, green energy products, components, and E-Bike business units **complied with RoHS requirements** in 2024; no major violations occurred

1.Innovative R&D Action

In recent years, Darfon Electronics Electronics has actively pursued transformation, positioning itself as a leading enterprise focused on information technology (IT) and the green energy industry. The company continues to increase its investment in innovation and research and development. In 2024, R&D expenditures reached NT$1.015 billion, with a focus on green products and technological innovations that positively contribute to sustainable development.

In addition to ongoing investments in energy-saving and carbon-reduction technologies within its core keyboard manufacturing business, Darfon Electronics is also expanding its green energy operations. Leveraging its existing foundation in materials science, the company is developing dual core technologies in power storage and precision mechanical structures, aiming to build long-term competitive advantages.

In product development, Darfon Electronics integrates sustainability principles from the design stage, promoting modular structures for products such as notebook computers. These designs emphasize ease of assembly, repairability, and high recyclability. The company adopts the “Design for Harvest” approach to optimize the reusability and maintainability of key components such as keyboards and touchpads.

Additionally, product design incorporates the feasibility of automated disassembly to enhance environmental benefits and resource efficiency within a circular economy. This reduces the environmental impact throughout the product lifecycle and reflects Darfon Electronics’s forward-looking commitment to green innovation.

R&D Investment

In 2024, research and development (R&D) expenses amounted to NT$1.015 billion.

Focusing on green products and technological innovations that positively contribute to sustainable development.

Intellectual Property Management

Darfon Electronics Electronics is committed to comprehensive intellectual property (IP) management and fostering a culture of innovation. Through the establishment of a robust patent portfolio and a systematic IP management framework, the company effectively supports its R&D strategy and global market expansion.

Internally, Darfon Electronics promotes an innovation incentive program that encourages employees to actively engage in invention and creativity. The program includes a rigorous evaluation process and a reward system that balances both the quantity and quality of patent applications. For example, the "Inventor of the Year" recognition is in place to further inspire the creative potential of R&D teams.

In terms of system development, Darfon Electronics adopts an IP management goal-oriented approach, integrating patent landscape analysis from the early stages of R&D to guide technology planning. The company also strengthens IP awareness and participation through internal proposal processes and employee training programs. Patent application strategies are aligned with technological priorities and market demands, focusing on global deployment. During product development, patent clearance and comparison are conducted to reduce potential infringement risks.

To enhance risk management, Darfon Electronics implements patent monitoring and alert mechanisms to stay abreast of external developments and avoid possible IP conflicts. For core technologies, regular reviews of key patent assets are conducted to assess their commercial potential and operational value, serving as the basis for patent licensing and future technology development. The company also audits the efficiency of patent resource utilization, optimizing portfolio strategies and controlling management costs to strengthen the group’s IP competitiveness in the global market.

Externally, Darfon Electronics maintains close communication with patent authorities in various countries to facilitate understanding of the company’s technological content, improve examination efficiency, and secure patent protection. Through active engagement, the company also seeks government subsidies for patent applications and litigation support. In 2024, no patent litigation was initiated by or against Darfon Electronics.

In 2024, Darfon Electronics obtained 154 new patents domestically and internationally, bringing its cumulative total to 1,090 patents from 2003 to 2024—an increase of approximately 6% compared to the previous year. Notably, 40.9% of all patents are related to green energy products and systems.

Category/ Year	2022	2023	2024
Number of valid patents (current year)	105	136(Note)	154
Number of valid patents (2003 to date)	926	1,022 (Note)	1,090
Ranking of legal person patent applications by the Intellectual Property Offi ce, Ministry of Economic Aff airs, R.O.C	80	49	52

Note : In 2023, due to the patent office's adoption of an electronic certificate issuance system, there was a transitional gap in the notification process. As a result, 29 cases were subsequently added, and the data have been adjusted accordingly

Country/Region	Number of Patents Accumulated in 2024
Taiwan	426
China	470
United States	182
Others (Note)	12

Note: "Others" includes regions such as Europe, Japan, Germany, South Korea, and others.

2.Customer Relationship Management

Darfon Electronics upholds a “zero-defect” quality goal and has established a quality management policy centered on delivering competitive green products and services to customers on time. We place great importance on the voice of the customer and aim to address unmet needs through a comprehensive customer relationship management policy. By gaining deep insights into customer characteristics and their market environments, and aligning with the operational features and business needs of each product division, Darfon Electronics develops targeted and differentiated strategic plans. The company is committed to building long-term partnerships with its customers to create sustainable value together.

Quality Policy and Quality Management

To ensure the effective implementation of its quality policy across all business units, Darfon Electronics Electronics has established tailored quality management systems based on the market characteristics and customer requirements of each product division. In alignment with global customer shipping needs, Darfon Electronics also assists clients in obtaining necessary product certifications. In addition to complying with mandatory product safety labeling requirements, the company proactively supports customers in securing environmental and compliance markings that meet international or country-specific regulations—helping to ensure smooth product launches and full compliance with local laws. In 2024, 100% of Darfon Electronics's products obtained safety certifications, with no violations of health or safety regulations related to products and services, and no product-related safety incidents causing personal injury.

To continuously meet customer needs and enhance overall competitiveness, Darfon Electronics enforces its quality policy through internal continuous improvement activities and the implementation of management directives. The company promotes awareness and practice of quality, problem-solving, and a culture of improvement among front-line personnel. Various improvement platforms are used to encourage employee participation, boost morale, and provide systematic training to strengthen staff capabilities in using quality management tools and problem-solving skills—deeply embedding quality values into the organizational culture.

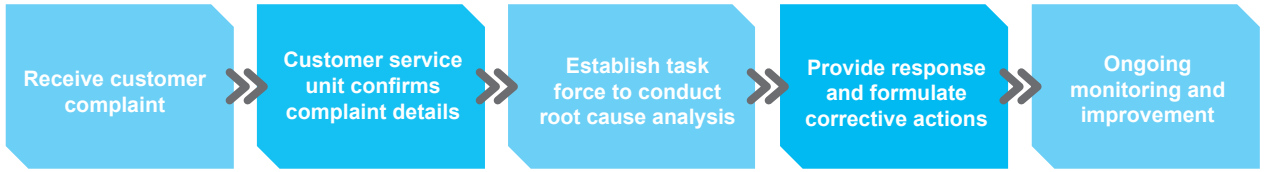
To this end, Darfon Electronics promotes quality culture and continuous improvement through the following five key initiatives:

- Establishing a proposal improvement system that encourages employees to proactively identify issues and propose actionable solutions
- Promoting QCC (Quality Control Circles) and QIT (Quality Improvement Teams) to enhance team collaboration and effectiveness
- Building a cross-departmental quality cooperation culture to improve communication, coordination, and resource integration
- Implementing quality incentive and recognition systems to reinforce positive motivation
- Launching the "Quality Academy" training system to systematically develop quality management professionals

In the event of product quality issues, Darfon Electronics has developed a robust abnormality handling process based on its quality management policy. The procedure includes real-time notification, investigation and issue statement, severity assessment and risk scope definition, root cause analysis, corrective actions (including product recall if necessary), and thorough documentation and tracking. This allows the company to manage risks promptly, protect consumer safety, and safeguard its corporate reputation.

Customer Feedback Channels and Complaint Handling Process

Darfon Electronics has established a diverse and comprehensive customer feedback and complaint handling mechanism, with dedicated contact points set up according to the business characteristics of each unit. These include various communication channels such as telephone hotlines, email, and platform-based feedback. All business units follow the “1-2-5 Principle,” which requires that issues be registered within 1 day, investigations initiated within 2 days, and responses along with corrective actions completed within 5 days, ensuring that customer issues are addressed promptly and effectively.



In 2024, Darfon Electronics achieved significant improvements in overall customer complaint handling performance. For example, the ICM business unit reported an average complaint resolution time of 4.01 days, meeting internal standards. The GEP business unit identified and implemented 4 specific corrective actions based on complaint analysis, all of which have been successfully closed. The E-Bike business unit handled a total of 627 customer complaints in 2024, representing a 23% decrease from 806 cases in 2023—indicating a notable enhancement in product quality and service efficiency. Additionally, the average resolution time for E-Bike complaints was reduced from 5.6 days in 2023 to 3.2 days in 2024, marking a 42.8% improvement in response efficiency.

Customer Satisfaction Survey

To enhance service quality and strengthen customer relationships, each business unit at Darfon Electronics conducts customer satisfaction surveys semi-annually, targeting the top 10 customers by revenue. The survey results are analyzed, and improvement actions are developed for areas with lower satisfaction, serving as the foundation for continuous enhancement.

The survey covers key aspects such as product quality, sales service, shipping accuracy, delivery timeliness, and green product quality. Each business unit sets annual satisfaction targets. According to the 2024 survey results, overall customer satisfaction exceeded the established benchmarks, demonstrating the strong foundation of trust and effective communication between Darfon Electronics and its customers.

Customer Satisfaction Performance Over the Past Four Years

Busness Unit	2021	2022	2023	2024	2024 Target
E-Bike	78.7	85	77	81.3	80
ICM	96	96	96	96	90.5
GEP	85	90	83	91	80
HID	94.8	94.6	95.2	93.7	92
Customer Coverage Rate (%)	>80%	>80%	>80%	>80%	>80%

Note: The top 10 customers by revenue in each business unit contribute over 80% of the respective unit's total revenue.

Customer Recognition

Darfon Electronics has long been committed to delivering high-quality, innovative, and reliably supplied products and services, earning strong recognition from international clients. In 2024, the company received several prestigious awards from key customers, acknowledging its outstanding performance in R&D innovation, supply stability, and partnership excellence.

Among the honors, Darfon Electronics was awarded the "2024 TIPC Partners' Day Outstanding Contribution Award" by Samsung, recognizing its significant contributions to supply chain collaboration and technical support. Lenovo presented Darfon Electronics with the "Technology Innovation Award" at its 2024 Shenzhen Supplier Conference, highlighting the company's capabilities in product development and technology integration. Dell Technologies honored Darfon Electronics with the title of "2024 BEST KB Supplier", affirming its continued leadership in the quality and service of keyboard products.

These awards demonstrate Darfon Electronics's professional strength and trusted partnership value in the global market. Looking ahead, the company remains committed to continuous improvement and to driving competitive and sustainable growth together with its customers.

Customer Recognition in 2024

Sumsung 2024 TIPC Partners'Day

Lenovo Supplier Conference 2024 shenzhen Technology innovation

Dell 2024 Dell Technologies BEST KB supplier

3.Supply Chain Management

Darfon Electronics plays an important role in the global IT and green energy supply chain and has long followed the Responsible Business Alliance (RBA) Code of Conduct and Conflict Minerals principles to fulfill its social responsibility. We also require our suppliers to implement these international standards and requirements. From the onboarding of new suppliers, we carry out source management and implement the PDCA (Plan-Do-Check-Act) continuous improvement cycle to ensure that the entire product supply chain upholds Darfon Electronics's corporate commitment to social care.

If a supplier is found to have a significant negative impact on environmental or social indicators, and the findings are verified, Darfon Electronics may terminate or dissolve the contract with the supplier at any time in accordance with the terms.

Darfon Electronics Supplier Code of Conduct

To align suppliers with Darfon Electronics Electronics' sustainability goals and establish clear, actionable behavioral standards, Darfon Electronics Electronics has developed the "Darfon Electronics Supplier Code of Conduct" in accordance with international sustainability trends and relevant initiatives. This Code is based on the Responsible Business Alliance (RBA) Code of Conduct and globally recognized standards for labor, health and safety, environmental protection, and ethics. All suppliers engaged in business transactions with Darfon Electronics in the reporting year are required to sign the Code; in 2024, the signing rate reached 100%. The Code stipulates that suppliers must ensure a safe and human rights–respecting work environment, operate in compliance with regulations, and adopt environmentally and socially responsible business practices, with the aim of strengthening the sustainability and resilience of the supply chain.

To further implement the RBA Code of Conduct, Darfon Electronics Electronics annually communicates its corporate social responsibility and environmental, health, and safety policies, RBA system requirements, and conflict minerals policy to all registered suppliers. The latest RBA requirements are also cascaded to second-tier suppliers. In the event of major policy updates, timely notifications are issued to ensure suppliers fully understand and comply with the most current sustainability standards.

Conflict Minerals Management

Darfon Electronics supports the Responsible Minerals Initiative (RMI) and strictly adheres to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as well as the RBA (formerly EICC) Code of Conduct, to ensure careful management of mineral sourcing. The company explicitly prohibits the use of any minerals mined by armed groups involved in serious human rights violations in conflict-affected areas—so-called "conflict minerals"—including tantalum (Ta), tin (Sn), tungsten (W), gold (Au), and other high-risk materials such as cobalt (Co) and palladium (Pd). Comprehensive due diligence is conducted on the sourcing, procurement, and supply chains of these minerals.

To ensure that the mineral sources within the supply chain are free from human rights risks and illicit financial flows, suppliers are required to conduct mineral sourcing investigations in accordance with international standards. Each year, suppliers must report supply chain mineral information using the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT) provided by the RMI, or equivalent tools. Additionally, Darfon Electronics requires suppliers to use only smelters that have passed RMAP audits (i.e., those listed on the conformant smelter list) and to provide smelter source information for customer review or verification.

Supplier Classification and Management

In supply chain management, Darfon Electronics classifies its suppliers and manages them in accordance with the company's "Supplier Management Procedures." The Procurement Department categorizes suppliers into two main types based on the nature of the procurement items:

- Sales Procurement: Production materials.
- Non-Sales Procurement: Materials used in production, including machinery/equipment parts, samples, and office-related equipment.

For sales procurement suppliers, Darfon Electronics further identifies key suppliers and implements various management measures based on the Supplier Management Procedures. As Darfon Electronics continues to expand its business operations, supplier management is being further strengthened, with a focus on the following actions:

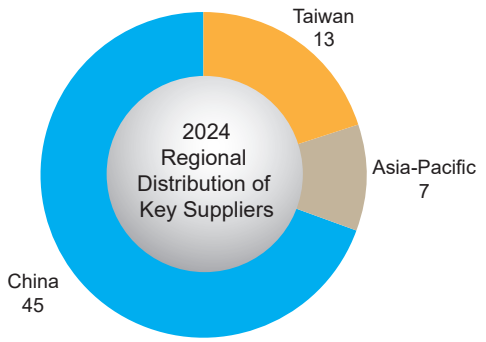
- Clearly communicating and requiring suppliers to comply with ESG-related environmental and social standards.
- Conducting regular supplier compliance assessments and supply chain risk evaluations to identify sustainability risks within the supply chain and assess corresponding mitigation measures.

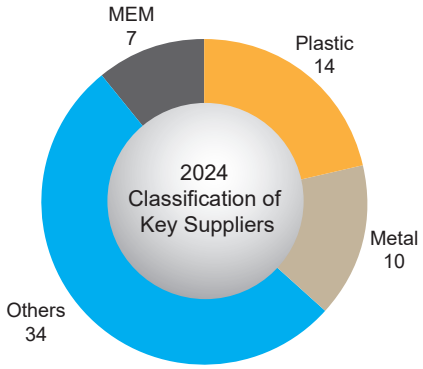
2024 Regional Distribution of Key Suppliers

Region	Number of Suppliers	Procurement Amount Share (%)
Taiwan	13	20%
Asia-Pacific	7	11%
China	45	69%
Total	65	100%

2024 Classification of Key Suppliers

Supplier Categories	Number of Suppliers	Procurement Amount Share (%)
Plastic	14	22%
Metal	10	15%
Others	34	52%
MEM	7	11%
Total	65	100%





New Supplier Management

To establish a comprehensive green product management system, Darfon Electronics Electronics conducts hazardous substance-free (HSF) assessments prior to supplier selection. Suppliers are required to complete a questionnaire evaluating their policies and practices related to environmental protection, occupational health and safety management, human rights, social standards, and business ethics. Only suppliers that pass this evaluation are qualified to become Darfon Electronics's approved suppliers. In addition, to ensure effective implementation of the RBA Code of Conduct, major and new suppliers undergo a sustainability risk assessment using the "Environmental and Social Responsibility Evaluation Checklist." If areas for improvement are identified during the assessment, suppliers are required to develop improvement plans. In cases of major violations of the RBA Code, suppliers must submit a corrective action plan within one month for reassessment. In 2024, all new suppliers met 100% of the environmental and social standards, including 7 suppliers for the IT Products Business Unit (HID), 2 suppliers for the Integrated Components & Materials Business Unit (ICM), and 6 suppliers for the Green Energy Products Business Unit (GEP).

Supplier Evaluation and Assessment

Darfon Electronics conducts annual evaluations of all suppliers based on indicators such as process/professional capabilities, incoming material quality, supplier cooperation, on-time delivery/shipping performance, and price/cost reduction achievement rates. In addition, one supplier is randomly selected each year for an on-site audit. Suppliers that fail the on-site audit must submit a concrete improvement report and complete corrective and preventive actions within a specified period. Darfon Electronics will dispatch personnel to verify the implementation of improvements on-site. Failure to comply will result in the supplier being classified as non-cooperative, and Darfon Electronics may terminate the business relationship if necessary. Furthermore, if a supplier receives a grade of C or lower for three consecutive years, Darfon Electronics will consider discontinuing cooperation.

To ensure that suppliers consistently deliver zero-defect and competitive products, Darfon Electronics conducts annual evaluations through phone interviews, email correspondence, and system data comparison, covering aspects such as quality, cost, logistics, delivery, service, technology, manufacturing, and financial performance. Evaluation results are categorized into four levels: A, B, C, and D. Suppliers graded D are required to undergo a follow-up documentation review and must improve their rating to at least C (70 points). Suppliers with outstanding overall performance are awarded as Excellent Suppliers and may receive preferential payment terms.

Grade A
X ≧ 90

Grade B
90>X ≧ 80

Incentives for Outstanding Suppliers

- Suppliers rated Grade A for three consecutive years will receive advance payment of the current month's amount by one month.
- Suppliers rated Grade A or B will be granted a higher share of procurement volume and priority selection for new product supply.

Grade C
80>X ≧ 70

Grade D
X<70

Penalties for Suppliers Requiring Improvement

- Suppliers rated Grade D for two consecutive quarters will receive a warning.
- Suppliers rated Grade D for two consecutive years will have payment of the current month's amount deferred by one month.
- The procurement volume for Grade D suppliers will be reduced.
- Suppliers will be required to make improvements until their rating is restored to 70 points or above.
- Suppliers rated Grade D three times or more will be scheduled for an on-site audit within one month.

Supplier Risk Management

For supplier risk management, suppliers are categorized based on risk levels: key materials/components and key suppliers are defi ned according to the characteristics of each business unit. Supplier risk is assessed and determined based on three elements: supplier process, management practices, and monitoring controls. Darfon Electronics has established different management mechanisms for suppliers with varying levels of risk to ensure supply quality. According to the 2024 assessment, major suppliers are classified as low risk and have not caused signifi cant production impact.

Number and Percentage of Supplier Risk Levels in 2024

Year	2022		2023		2024	
Risk Level	Number of Suppliers	Percentage (%)	Number of Suppliers	Percentage (%)	Number of Suppliers	Percentage (%)
Low Risk	30	100%	30	100%	70	81%

Environmental and Social Standards Due Diligence for Suppliers (GRI 308, GRI 414)

To strengthen sustainable supply chain management, Darfon Electronics Electronics conducts annual due diligence to assess whether major suppliers comply with environmental and social standards, as well as relevant regulations. This process also evaluates the suppliers' awareness of ESG issues. According to the 2024 due diligence results, 100% of major suppliers across all business units met the environmental and social standards, with no violations of related laws or regulations.

Critical Raw Materials Risk Management

To reduce the impact of supply chain disruptions and cost fluctuations on operations, Darfon Electronics has established a key raw material risk management mechanism for major components such as plastics, metal parts, and battery cells. As key materials may be subject to uncertainty due to limitations in availability, price volatility, regulatory changes, and other physical constraints, they pose potential risks to business stability. The company continuously monitors issues related to raw material procurement and supply security.

In response, Darfon Electronics mitigates risks through strategies such as supplier diversification, material stockpiling, development of alternative materials, and sourcing from substitute suppliers. In addition, the company actively invests in the research, development, and application of recycling and reuse technologies for critical materials, thereby enhancing resource resilience and sustainable operational capabilities.

Chapter.4

Integrity Governance: Compliance and Steady Operation

1.Board Operation and Performance
2.Integrity Management
3.Risk Management
4.Information Security

Performance Highlights

- Selected as a constituent of the **Corporate Governance 100 Index**
- Ranked in the **top 6–20% in the Corporate Governance Evaluation**
- **Independent Directors** comprise **50%** of the board
- Net income after tax: **NT$620 million**
- Cash dividend: **NT$2 per share**
- First-time inclusion in the **"2024 Taiwan FINI 100 –** Foreign Investors' Top 100 Picks in Taiwan"

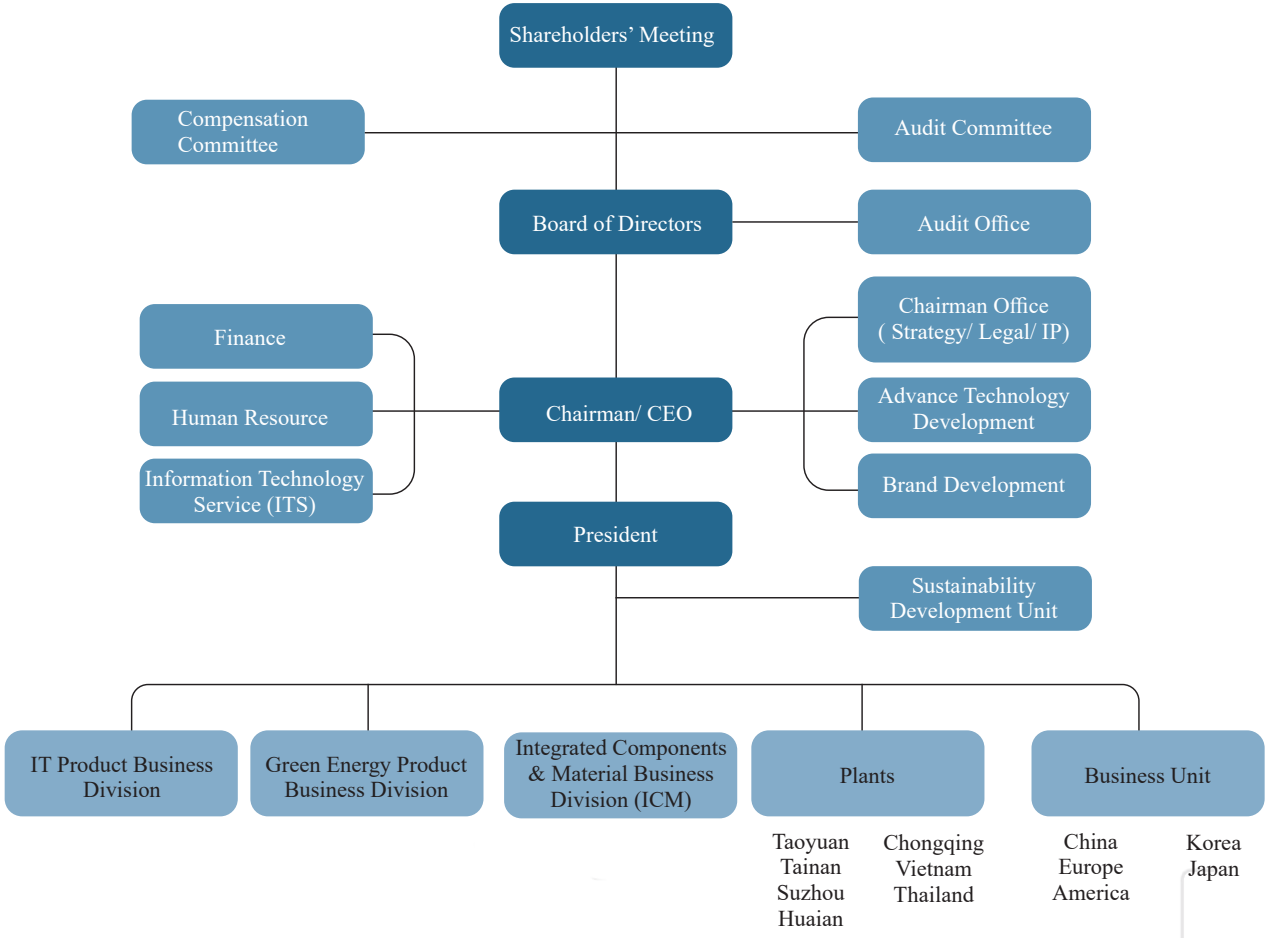
1. Board Operation and Performance

Corporate Governance Structure

Darfon Electronics's Board of Directors serves as the company's highest governance body and decision-making center, responsible for establishing and supervising business development and major strategic directions. The company has established "Corporate Governance Principles" to clearly regulate the operational matters of various company units and enhance corporate governance effectiveness.

To strengthen corporate governance mechanisms and enhance Board functions, Darfon Electronics has established a "Compensation Committee" and "Audit Committee" in accordance with relevant laws and regulations to assist in improving compensation policy transparency and financial supervision independence, ensuring sound company operations and protection of stakeholder interests.

On August 5, 2020, the Board of Directors resolved to appoint the Deputy General Manager as the Corporate Governance Officer and the Director of Financial Project Department as the Corporate Governance Personnel, responsible for executing corporate governance-related affairs. Both personnel have more than 3 years of management experience in finance and shareholder services at public companies, meeting the requirements of Article 3-1 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.



Board Composition and Operations

In accordance with the company's Articles of Incorporation, the Board of Directors consists of 7 to 9 directors, with at least 3 independent directors. Director elections adopt a candidate nomination system. After reviewing candidate lists based on nominees' educational and professional backgrounds, the "Director Election Procedures," and "Corporate Governance Principles," the lists are submitted to the annual shareholders' meeting for election by shareholders from among qualified candidates. Directors (including independent directors) serve 3-year terms and may be re-elected for consecutive terms.

The company's Chairman concurrently serves as Chief Executive Officer, considering their work experience and corporate governance expertise in areas such as industry knowledge, operational judgment, and business management. This arrangement enables effective implementation of operational supervision and management, enhances decision-making capabilities, and strengthens company operations, providing clear benefits to the company. Through their expertise, they can provide timely supervision and professional advice to the Board when exercising Chairman responsibilities.

The company's Board of Directors convenes at least quarterly. In 2024, the Board held 7 meetings with an average director attendance rate of 100%.

Board of Directors

The Board held **7** meetings

Average director attendance rate **100 %**

Number of Members **8** persons

(Independent Directors 4 persons)

Implementation of Board Diversity and Independence (GRI 2-9, 2-10, 2-11, 2-12, 405-1)

In accordance with the company's "Corporate Governance Principles," the composition of Board members should consider diversity. In addition to directors who concurrently serve as company managers not exceeding one-third of Board seats, diversification policies are established in the review standards based on the needs of operations, business model, and future development. These include but are not limited to basic conditions such as gender, age, nationality, and culture, as well as professional knowledge including professional background, professional skills, and industry experience.

To strengthen the overall functions and representativeness of the Board, Darfon Electronics Electronics has further established management objectives including "at least one female director seat," "at least one-third of directors and independent directors possessing industry or technology and business management expertise," "directors concurrently serving as company managers should not exceed one-third of Board seats," and "establishing more independent director seats than legally required."

Additionally, the qualification requirements for the company's independent directors, including professional capabilities, shareholding ratios, concurrent position restrictions, independence determination, nomination and election procedures, and other compliance matters, are all handled in accordance with the "Regulations Governing the Appointment and Exercise of Powers by Independent Directors of Public Companies" and related laws.

During the 2024 annual shareholders' meeting, all directors were re-elected. The company has 8 directors in total, with 4 independent directors accounting for 50% of all Board members, and 1 female director accounting for 12.5%. Six directors are aged 61 and above, and 2 are aged 51-60, demonstrating the Board's diversity in professional experience and generational distribution.

Functional Committees

The Board of Directors has an Audit Committee and a Compensation Committee. Both Committees are composed of independent directors, and their terms of offi ce are the same as those of the Board of Directors.

	Audit Committee	Compensation Committee
Key Functions	● Fair presentation of the company's financial statements ● Selection (dismissal) of certified public accountants and their independence and performance ● Effective implementation of the company's internal controls ● Company's compliance with relevant laws and regulations ● Management of existing or potential risks of the company Please refer to the Audit Committee Organizational Charter for details.	● Establish and regularly review policies, systems, standards, and structures for performance evaluation and compensation of directors and managers. ● Regularly evaluate and determine compensation for directors and managers. Please refer to the Compensation Committee Organizational Charter for details.
Establishment Date and Composition	● Established on January 1, 2007, in accordance with Article 14-4 of the Securities and Exchange Act ● Composed of all independent directors, with 4 members. The term of office for members is the same as that of directors elected in the same term	● Established by Board resolution on October 27, 2011 ● Composed of four independent directors, with one independent director elected by all members to serve as convener. The term of office for committee members is the same as the term of the appointing Board of Directors
Operational Status	In 2024, the Audit Committee convened 6 meetings, with a 100% attendance rate for independent directors.	In 2024, the Compensation Committee convened 2 meetings, with a 100% attendance rate for independent directors.

Audit Committee
The Board held 6 meetings
Average director attendance rate 100%
Number of Members 4 persons
(Independent Directors 4 persons)

Compensation Committee
The Board held 2 meetings
Average director attendance rate 100%
Number of Members 4 persons
(Independent Directors 4 persons)

Board Training (GRI 2-17)

To strengthen directors' professional knowledge and capabilities, Darfon Electronics regularly arranges continuing education courses for directors annually. In 2024, Board of Directors members accumulated a total of 69 hours of continuing education. For details, please refer to the Market Observation Post System and Darfon Electronics Electronics Annual Report.

Management of Conflict of Interest (GRI 2-15)

Darfon Electronics directors uphold high standards of self-discipline with integrity as the core principle, committed to establishing a sound corporate governance mechanism and strictly prohibiting inappropriate mutual support behaviors. To this end, the company has clearly stipulated relevant regulations in the "Board Meeting Rules" and "Code of Integrity Management," establishing conflict of interest prevention and management mechanisms to supervise and manage risks that may lead to dishonest behavior, and providing appropriate reporting mechanisms for directors, managers, and other stakeholders attending or present at Board meetings to proactively disclose potential conflicts of interest with the company. Directors, managers, and other stakeholders attending or present at Board meetings who have interests in agenda items on the Board agenda that conflict with their own interests or those of the legal entities they represent must explain the important content of such interests at the Board meeting. If there is a risk of harm to the company's interests, they may not participate in discussions and voting, must recuse themselves during discussions and voting, and may not exercise voting rights on behalf of other directors, thereby ensuring fairness and objectivity in the decision-making process.

Furthermore, directors, managers, employees, appointees, and substantial controllers may not use their positions or influence in the company to seek improper benefits for themselves, spouses, parents, children, or other third parties. In practical implementation, if directors are involved in conflicts of interest with agenda items, they will recuse themselves from voting in accordance with regulations, and the recusal circumstances will be thoroughly disclosed in the

company's annual report to strengthen information transparency. When deliberating various agenda items, the Board also values and considers the professional opinions of independent directors, balancing governance principles and interest avoidance to ensure maximization of overall company interests.

No Board members have cross-shareholdings with major suppliers. Qisda Corporation, a director and major shareholder of Darfon Electronics Electronics, did not transfer any company shares in 2024 and holds 58,004,667 shares of Darfon Electronics Electronics, representing 20.72% of Darfon Electronics Electronics' equity, making it the company's largest shareholder. The situations regarding Board members' positions on other boards, cross-shareholdings with suppliers or other stakeholders, controlling shareholders, related interest groups and their relationships, transactions, and outstanding balances are all disclosed in the company's annual report.

Board Performance Assessment(GRI 2-18)

In accordance with the "Board Performance Evaluation Procedures," the company stipulates that the Board of Directors conducts an internal performance evaluation annually. The evaluation should be conducted at the end of each year for that year's performance and completed before the next Board meeting in the following year. Additionally, an evaluation by an external independent institution or external expert team should be conducted at least every three years. Board performance evaluation results serve as reference criteria for selecting or nominating directors.

Darfon Electronics completed the internal evaluation of the Board of Directors and functional committees at the end of 2024, and reported the evaluation results at the March 2025 Board meeting. The internal self-evaluation achievement rates for the Board of Directors, individual directors, and functional committees were all above 96%, with evaluation results rated as "Excellent."

Darfon Electronics commissions external institutions to conduct Board evaluations every three years. The most recent evaluation was conducted in 2024 by the Taiwan Investor Relations Institute for Board performance evaluation. The evaluation results showed that overall Board operations were very good. Optimization recommendations included: appointing female directors to reach one-third of Board seats, establishing internal control systems for sustainability information management, announcing audited financial reports within 2 months after the end of the fiscal year and convening shareholders' meetings within 5 months after year-end, and actively promoting governance in environmental and social aspects. Regarding these recommendations, as of the publication date of the company's 2024 annual report, improvements are as follows:

1. The "Sustainability Information Management, Sustainability Report Preparation and Assurance Operating Procedures" was approved by the Board of Directors in November 2024, establishing an internal control system for sustainability information management.
2. The 2025 annual shareholders' meeting will be held at the end of May.

Remuneration Policy (GRI 2-19, GRI 2-20)

The company has established a comprehensive policy for compensating Board of Directors members, with compensation standards for directors, general managers, and deputy general managers linked to performance indicators such as business performance and future risks. Director and independent director compensation is paid according to the "Director and Functional Committee Member Compensation Regulations," referencing director performance evaluation results. Related performance assessments and compensation reasonableness are approved through resolutions of the Compensation Committee and Board of Directors, and reported to the annual shareholders' meeting.

The calculation of management performance compensation covers both financial and non-financial indicators. The compensation system is reviewed in a timely manner based on actual business conditions and relevant regulations to reflect the company's operational risks, achieving a balance between sustainable business operations and risk management. Short-term profits are not used as the sole consideration for compensation and performance evaluation, linking to shareholders' long-term value:

Financial Indicators

Based on the company's management income statement, allocation according to each business unit's contribution to company profits, and considering managers' target achievement rates.

Non-Financial Indicator

Practice of company core values, operational management capabilities, and participation in sustainable operations. Incentive compensation is awarded based on managers' annual achievement of ESG performance indicators, accounting for 0%~10% of their total annual compensation. Implementation methods include: green product innovation, low-carbon manufacturing transformation, occupational safety and health, and others.

2. Integrity Management

To strengthen the management of integrity operations, the Human Resources Department is responsible for formulating integrity management regulations and planning educational promotions. In addition to establishing the “Code of Integrity Management” and “Code of Ethical Conduct,” which clearly prohibit bribery and corruption (anti-corruption), illegal political donations and improper charitable donations or sponsorships, unreasonable entertainment or improper benefits, infringement of intellectual property rights, unfair competitive practices, and require prevention of products or services that may harm stakeholders, these serve as behavioral guidelines for the company’s directors, managers, employees, appointees, and substantial controllers. The company has also established the “Code of Integrity and Anti-Corruption Ethics,” “Employee Integrity Code,” “Whistleblowing and Grievance Management Procedures,” and “Disciplinary Procedures” that regulate various misconduct incidents, thereby strengthening the enforceability and implementation of internal integrity management systems.

The assessment and verification of integrity risks are handled by the audit unit reporting to the Board of Directors, thereby strengthening various operational processes, implementing division of responsibilities, and reducing the occurrence of fraud through systematic assistance. In 2024, the company completed integrity risk assessments for 100% of its operational locations. The assessment results showed no significant integrity risk issues, demonstrating the effectiveness of the company’s integrity governance system.

Integrity management promotion and education training (GRI 2-24, 205-2)

Darfon Electronics provides integrity handbooks in Traditional Chinese, Simplified Chinese, and English versions for all domestic and international employees to read. The company has established an integrity declaration that has required all new employees to sign upon joining since 2012, achieving a 100% signing rate for new employees in 2024. Additionally, management systems and codes of integrity are incorporated into the orientation training courses for office personnel, clearly communicating employees' rights and obligations, supplemented with post-training assessments to confirm training effectiveness, achieving a 100% completion rate in 2024.

Furthermore, the company conducts integrity management promotion through diverse channels such as e-newsletter announcements, posters, and emails, targeting directors, senior executives, and general employees. Annual online promotional activities are conducted regularly, with promotional windows automatically appearing when employees log into the intranet during promotional periods for self-reading and confirmation. For retail stores, operators, and migrant workers, native language hard copy sign-offs are provided separately. In 2024, the company completed internal promotion of integrity concepts, covering topics such as "conflict of interest and avoidance, regulatory compliance, trade secrets and company assets, and political activity participation." The promotion reached a total of 1,052 people, achieving a 100% promotion completion rate.

For suppliers, promotion is conducted through the signing of "Integrity, Honesty, and Confidentiality Commitments." In 2024, hard copy promotion was completed for 95 suppliers, with no incidents of partnership termination due to violations of integrity and honesty regulations during the year.

Complaint and Whistleblower Mechanism (GRI 2-25, 2-26)

When colleagues have questions about the Code of Conduct, they can make inquiries through the Human Resources mailbox or by directly contacting the Human Resources department. Darfon Electronics has also established the "Whistleblowing and Grievance Management Procedures," which clearly define comprehensive communication processes for grievances, whistleblowing, and suggestions, providing complete communication and feedback mechanisms. When internal or external personnel discover illegal activities or violations of the regulations stipulated in the Code of Integrity, they are required to file reports under their real names through designated channels to ensure proper handling of incidents:

Internal Reporting Channels

File complaints and handle them through the Human Resources Department complaint mailbox (my.darfon@darfon.com)

External Reporting Channels

- For stakeholder communication channels, please refer to Darfon Electronics' official website：https：//www.darfon.com.tw/tw/channel
- integrity@darfon.com

To protect the rights and interests of whistleblowers, Darfon Electronics strictly commits to maintaining the confidentiality of whistleblowers' identities, ensuring their personal safety and protection from any form of retaliation. All application, investigation, and deliberation documents related to whistleblowing cases are controlled according to internal confidentiality levels and properly preserved and managed by authorized units to maintain the fairness of case handling and information confidentiality principles.

Integrity-related whistleblowing cases are handled by the Human Resources Department. Upon receiving a report, the company will initiate investigation procedures. For cases involving general employees, investigations are conducted by a Personnel Review Committee composed of cross-departmental senior executives and legal staff. Cases involving directors, senior management, or matters constituting serious violations of integrity are reported to the Audit Committee and Board of Directors for review in accordance with relevant laws and operating procedures. The investigating unit must complete an investigation report within one month. Once facts are established, the case is referred to the responsible unit for disciplinary action.

Those who violate corporate integrity policies will be subject to disciplinary measures based on the severity of the violation, including verbal warnings, written warnings, or termination of employment. Legal action will also be taken if deemed appropriate under applicable laws and regulations. In addition to the above, those who violate integrity policies and obtain improper personal benefits must return such benefits to the affected parties or the company. In 2024, Darfon Electronics received no whistleblowing cases related to violations of business integrity principles.

Regulatory Compliance Implementation Results (GRI 2-27, 205-1)

To ensure that Darfon Electronics and its employees comply with the laws of various countries when conducting business, we continuously monitor regulatory amendments concerning the legal requirements of our operational locations, including personal data protection, confidentiality, anti-bribery, anti-discrimination, environmental protection, intellectual property protection, anti-insider trading, anti-unfair competition, labor protection, as well as product marketing, product labeling, and product safety. Based on these regulations, we establish internal management policies and operating procedures.

In 2024, Darfon Electronics had no major legal litigation cases domestically or internationally where a single incident resulted in fines or penalties exceeding NT$1 million. There were no confirmed incidents of corruption, no legal actions related to anti-competitive behavior, antitrust and monopolistic practices, no violations of health and safety regulations concerning products and services, no non-compliance with information and labeling regulations related to products and services, and no violations of marketing communications regulations.

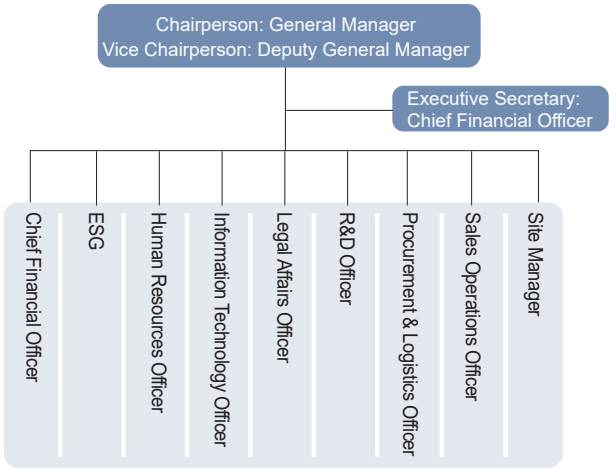
3.Risk Management (GRI 2-12)

Darfon Electronics has established a Risk Management Committee and, in accordance with the “Risk and Opportunity Assessment and Emergency Response Operating Procedures,” conducts annual discussions and evaluations of environmental changes across all departments, selects priority focus topics, conducts crisis drills to enhance crisis awareness and strengthen response capabilities. Each facility also conducts risk reviews and implements preventive measures according to various management systems (ISO 9001, IATF 16949, ISO 14001, ISO 45001, ISO 22301, TIPS, GMP, etc.).

Risk Management Policy and Governance Framework (GRI 2-23)

Darfon Electronics has established a risk management policy that clearly defines the risk management vision, objectives, and policy procedures. The company commits to continuously providing products and services to create long-term value for customers, shareholders, employees, and society. Through systematic risk management operating procedures and organization, the company identifies, evaluates, handles, reports, and monitors significant risks that affect the company's survival capabilities in a timely and effective manner, enhances risk awareness among all employees, and pursues maximum benefits under acceptable risk conditions to optimize risk management costs.

The company's Board of Directors serves as the highest decision-making body for risk management, responsible for approving the risk management vision, policies, and procedures, and ensuring alignment between operational strategic direction and risk policies. The Board authorizes the Audit Committee to supervise risk management policies and implementation results, approve risk tolerance (risk appetite), guide appropriate resource allocation, conduct quarterly regular reviews of risk management implementation, propose necessary improvement recommendations, and report to the Board of Directors annually.



Unit	Responsibilities
Board of Directors	Define risk management framework and policy procedures
Audit Committee	Supervise the implementation of risk management policies and their effectiveness
Risk Management Committee	Develop risk management policies and review key decisions
Risk Management Unit	Execute, inspect, and report on matters related to risk management

Risk Management Procedure

Darfon Electronics follows the ISO 31000 international risk management standard to establish a comprehensive risk management process that covers risk identification, assessment, treatment, reporting, and monitoring. The Risk Management Committee conducts systematic annual evaluations of four major risk categories—strategic, financial, operational, and hazard risks—as well as risk items identified during meetings. Through assessment of risk frequency, impact magnitude, and control effectiveness, the committee screens for significant risks and formulates response measures. Meanwhile, considering both internal and external risk scenarios, comprehensive management is implemented using risk radar charts and business continuity plans.

Risk Identification and Assessment

- Risk Identification: The Risk Management Committee identifies potential risk events within the four major risk categories of "strategic, financial, operational, and hazard" risks under their functional scope through methods such as gathering internal and external risk information and analyzing historical data.
- Risk Analysis and Assessment: For each risk factor, risks are quantified after considering "frequency of occurrence, degree of impact, and level of control." Based on the results of risk analysis, risk radar charts are generated.

Risk Response and Improvement

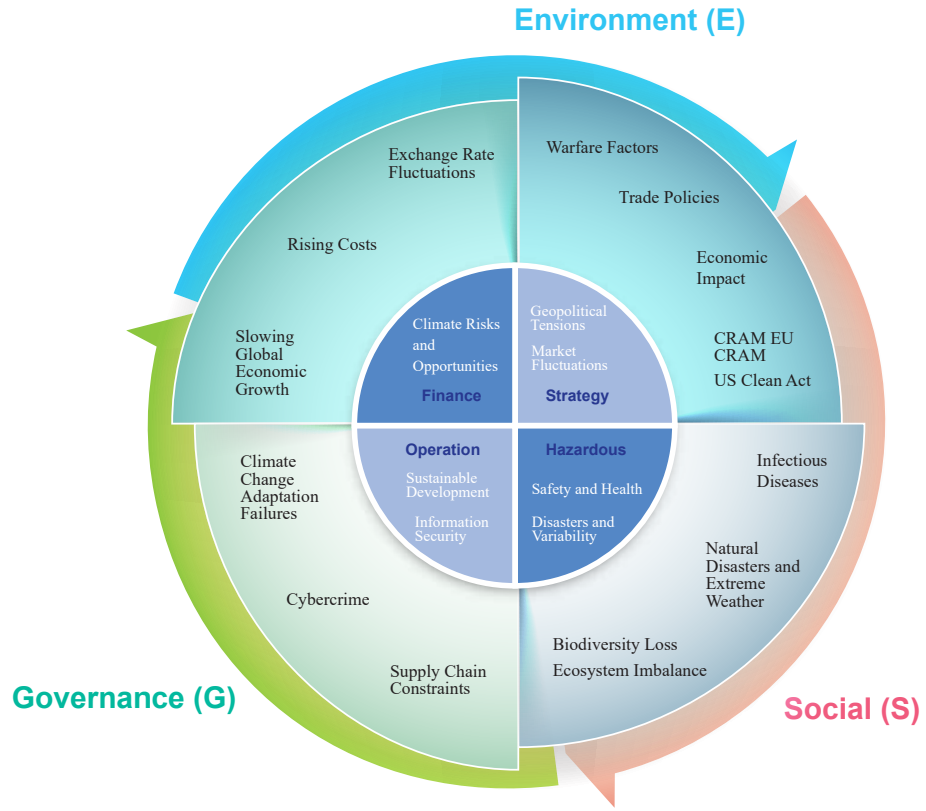
- Members of the Risk Management Committee (RMC) conduct risk identification and formulate response strategies for material risks.
- For the company's annual key risks, specific response plans are proposed to reduce the frequency and/or severity of risks, and/or enhance control effectiveness.
- During the quarterly RMC meetings, reports, discussions, resolutions, and follow-ups on implementation effectiveness are conducted.

Annual Risk Management Report

The Risk Management Committee annually submits execution status, risk radar distribution charts, major unacceptable risks, and significant incident reports to the Audit Committee and Board of Directors for reporting and record.

Risk identification results and management policy responses in 2024 (GRI2-24)

Darfon Electronics systematically identifies potential risks that may be encountered in enterprise operations based on the three major ESG dimensions, and combines existing risk management mechanisms to conduct quantitative assessments from three aspects: "frequency of occurrence," "degree of impact," and "control maturity." In 2024, sensitivity analysis and stress testing were conducted for key risk factors to further confirm the degree of risk exposure and their importance ranking, and accordingly draw risk radar charts as important reference bases for corporate decision-making and resource allocation.



After identification and assessment by the Risk Management Committee, management was conducted for the company's material topics and risk items in 2024, with related risk strategy actions as follows:

Dimension	Risk Assessment Category	Implementation of Risk Management Strategy
Environment (E)	Operational Risk - Corporate Sustainability Development	● Disclosed the sustainability report, committed to optimizing corporate governance, enhancing information transparency, promoting environmental protection and social responsibility, and actively participating in advocacy and collaborative development. ● Passed the SBTi scientific target review, with 2021 as the base year, reducing Scope 1 & Scope 2 emissions by 4.84% annually and Scope 3 emissions by 2.75% annually, and continuing various energy-saving and carbon-reduction initiatives. ● Promoted various sustainability actions from multiple aspects, including climate change, energy management, water resource utilization, waste management, and air pollution prevention, while enhancing the company's long-term value. ● Implemented ISO 50001 verification to validate energy-saving and carbon-reduction performance. The related performance indicators correspond to the Environmental Sustainability section.
Social (S)	Hazard Risk - Safety and Health	● Established a compliance management mechanism, conducted ISO 45001 verification at all plants, implemented an autonomous occupational health and safety management system, identified existing safety concerns, and made immediate improvements. ● Provided an occupationally safe, healthy, and humane working environment. ● Conducted internal audits and external verifications to ensure that all plants operate in compliance with RBA standards. The related performance indicators correspond to the Occupational Health and Safety section.
	Hazard Risk - Disasters and Catastrophes	● Conducted scenario simulations of natural disasters (such as earthquakes, floods, and typhoons) and human-induced risks, along with corresponding response strategies. ● Established backup production sites to reduce the impact of regional disasters on business operations. ● Mitigated the economic losses caused by disasters through corporate property insurance, business interruption insurance, and liability insurance. ● Established comprehensive emergency plans, combined with reviews of regional fire safety compliance, and strengthened disaster prevention hardware facilities. ● Conducted annual BCP, fire safety, first aid, and evacuation drills at all plants to further develop employees' emergency response capabilities and reinforce the importance of safety awareness.
Governance (G)	Financial Risk - Climate Risks and Opportunities	● Conducted climate risk and opportunity scenario analysis and financial impact assessment, completed an independent TCFD report, and disclosed corresponding measures. ● Invested in energy-saving and carbon-reduction technologies, introduced renewable energy, improved energy efficiency, reduced energy consumption and carbon emissions, and promoted green manufacturing and low-pollution technologies. ● Enhanced supply chain resilience by diversifying suppliers and adopting a regionalized production layout to reduce the impacts of extreme weather. ● Participated in the SBTi global climate initiative to enhance corporate competitiveness.
	Strategic Risk – Information Security	● Each plant has gradually obtained ISO 27001 certification, with the Vietnam plant scheduled for 2025. ● Implemented a Managed Detection and Response (MDR) cybersecurity alert system to help block attacks and ensure information security. ● Introduced a system for collecting and preserving system logs to facilitate alerts, analysis, and tracking of cybersecurity incidents. ● Implemented a two-factor authentication mechanism to enhance personnel login security. ● Encrypted files to prevent leakage of the company's core technologies and strengthen the company's competitiveness. ● Conducted social engineering drills to enhance employees' cybersecurity awareness and eliminate cybersecurity risks. The related performance indicators correspond to the Information Security section.

Internal Control and Audit

To effectively address the actual and potential negative impacts that may arise from the company's business activities, as well as potential ESG-related risks (covering issues such as corporate governance, environmental sustainability, and social engagement), Darfon Electronics Electronics has established a comprehensive internal control system along with various policies and regulations.The audit unit regularly evaluates the effectiveness of the internal control mechanisms and conducts corresponding audit operations based on the evaluation. Audit results are reported periodically to the Audit Committee and the Board of Directors to assist management in gaining real-time insights into the company's operational status and to ensure the achievement of overall governance and management objectives.

4. Information Security

Darfon Electronics places great importance on information security management and has implemented the ISO 27001 Information Security Management System. Through regular certification audits, the company ensures the effective execution of its information security policies to protect customer data and corporate intellectual assets, while enhancing its ability to respond to information security incidents.

Darfon Electronics obtained its initial ISO 27001 certification in October 2022, covering 100% of its Taiwan facilities. In 2023, the certification scope was expanded to include its China facilities, and further expansion to its Vietnam facility is planned for 2025. To continuously improve management effectiveness, Darfon Electronics adopted the updated ISO 27001:2022 standard in June 2024 and is scheduled to complete the transition certification process by October 2025.

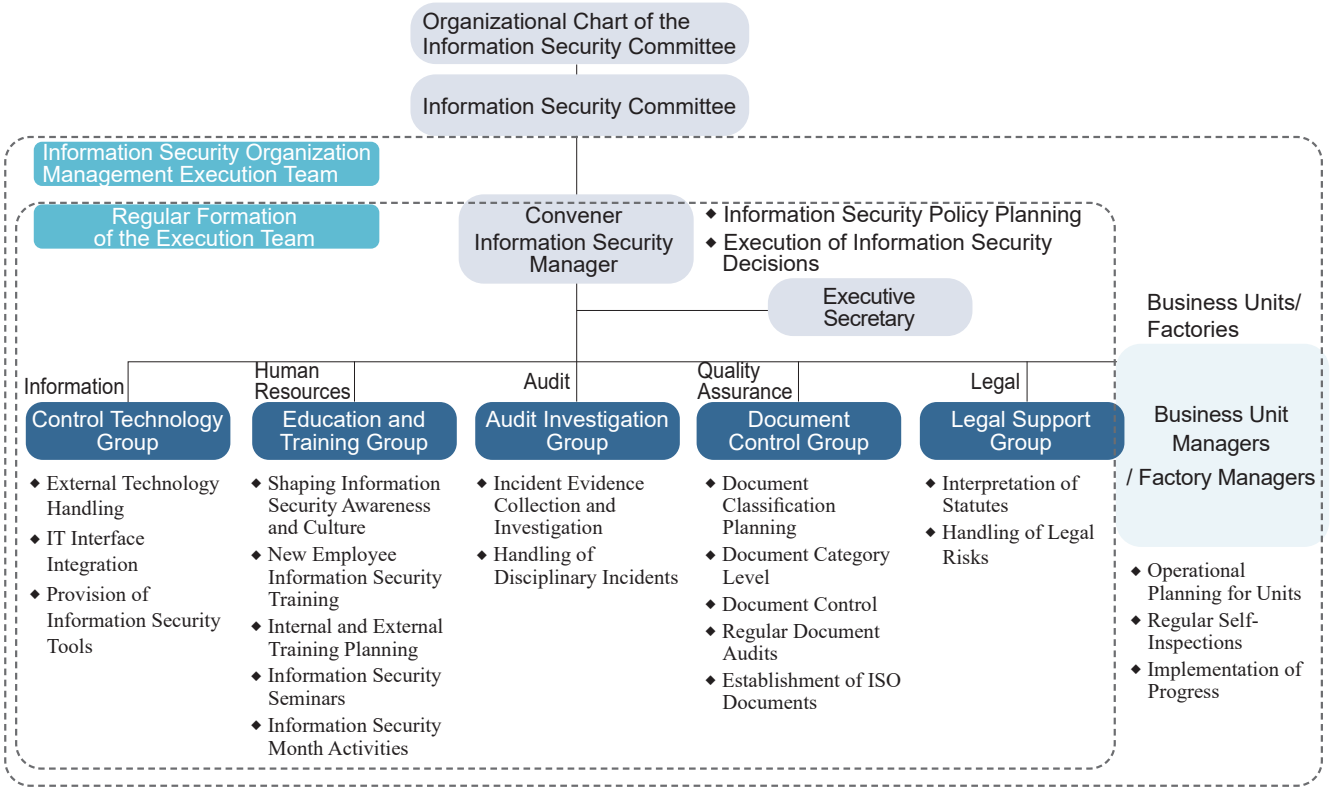
Information Security Policy and Governance Structure

To strengthen information security management, ensure the confidentiality, integrity, and availability of information, the reliability of information equipment (including computer hardware, software, and peripherals) and network systems, as well as employees' awareness of information security, Darfon Electronics has established an Information Security Management Policy.

An Information Security Committee has been formed, with the General Manager serving as the Chairperson and Vice President-level executives serving as committee members. A Chief Information Security Officer (CISO) is appointed as the convener of the committee, responsible for planning and executing information security policies and decisions, assisting in regularly convening information security review meetings, and regularly reporting the implementation status of information security risk management to the Board of Directors.

Under the committee, five functional groups have been established: the "Technology Control Group," the "Education and Training Group," the "Audit and Investigation Group," the "Document Control Group," and the "Legal Support Group." These groups work alongside the committee to jointly manage information security risks, promote various security policies, establish and implement security systems, and carry out information security risk audits.

In 2024, two information security review meetings were held, and the annual implementation status of information security risk management was reported to the Board of Directors in November 2024.



Information Security Management Mechanism

Darfon Electronics has established internal operating regulations in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" under the section of "Information Processing by Computerized Information Systems" to mitigate the unknown information security risks and threats arising from the rapid changes in information technology applications and environmental variations.The company has formulated relevant information security standards, such as the "System Security Management Operating Guidelines" and the "Network Security Management Operating Guidelines." These regulations and policies are revised based on the information security environment and developments to ensure control over the protection of hardware, software, and personal data. In addition, regular annual inspections and audits of computer operation controls are conducted, with reviews and improvements made based on the inspection results.

1 Information Security Infrastructure

- Data Center Environmental Security: Implementation of dual-loop UPS power supply systems and backup air conditioning systems to ensure the stability and safety of the server room environment.
- System Information Security: Deployment of anti-spam protection and email log backup systems; introduction of RP historical data virtualization to ensure long-term system and data security; enhancement of external systems with encrypted data transmission.
- Network Information Security: Upgraded firewalls with IPS (Intrusion Prevention System) capabilities; implementation of company-wide policies to block unauthorized network devices from accessing internal networks; use of VPN encryption and multi-factor authentication for remote work connections.
- Host Information Security: Company-wide deployment of endpoint protection to prevent unauthorized software installation and malicious trojans; comprehensive server monitoring and real-time SMS alert systems; upgraded traditional IT infrastructure to high-availability, multi-replica hyper-converged architecture.
- Data Security: Confidential data access is fully encrypted throughout the process; access to all systems requires account application and is permission-controlled; accounts are deleted upon employee departure; user passwords must be updated every three months and comply with complexity requirements.

2 Information Security Early Warning Mechanism

- Implemented relevant information security early warning systems and mechanisms to visualize internal security risks that were previously unknown.
- Integrated external cybersecurity intelligence and analysis to detect potential hacker intrusion activities in advance and initiate proactive countermeasures.
- onducted regular internal and external vulnerability scans to identify and patch system weaknesses, thereby reducing exposure to information security risks.
- Performed annual external penetration testing drills, simulating hacker attack techniques to identify unknown vulnerabilities and implement necessary improvements and reinforcements.

3 Information Security Protection Mechanism

- Implemented MFA (Multi-Factor Authentication) to verify user legitimacy through a two-step authentication process, preventing unauthorized users from accessing internal company information or conducting malicious activities.
- Implemented SIEM (Security Information and Event Management) for centralized log management, enabling efficient tracking, clarification, and prevention of future information security incidents.
- Implemented PAM (Privileged Access Management) to prevent abuse or external compromise of internal privileged accounts through centralized management and regular audits, thereby reducing the risk of intrusion.
- Implemented Trade Secret Protection to prevent the leakage of confidential data and critical technologies, safeguarding the company's core competitiveness.
- Implemented EDR (Endpoint Detection and Response) to strengthen risk control of vulnerabilities in critical hosts and enable automated responses to suspicious incidents.
- Implemented User Internet Activity Monitoring, using abnormal behavior analysis to identify potential information security risks.

Information Security Management Training

To continuously strengthen all employees' awareness and capabilities in information security, the company periodically updates information security knowledge through the internal website and pushes security bulletins via email to enhance employees' sensitivity to potential information security risks and their ability to respond. For new employees, the company arranges basic information security orientation at the time of onboarding to help them quickly understand the company's information security policies.

In addition, Darfon Electronics plans online training sessions on information security topics twice a year for all employees, and these are designated as mandatory courses. In 2024, the training content included information security policies, social engineering prevention, personal data protection, and common cybersecurity threats. These trainings aim to improve employees' alertness and response abilities in daily operations. Personnel involved in information and communication security have not only completed ISO 27001:2022 internal auditor training, but also actively participated in external seminars such as: CYBERSEC Taiwan Cybersecurity Conference, Cybersecurity 365 Annual Conference, Operational Practices for Personal Data Security Protection Workshop, Industrial Cloud Security AI Seminar, Secure Software Development and Security Deployment Seminar, cybersecurity courses from the Taiwan Academy of Banking and Finance, Cyber Insurance Strategy and Response Seminar, and the TWCERT/CC Taiwan Cybersecurity Notification Annual Conference. Total participation time exceeded 80 hours to ensure continued enhancement of professional skills.

In 2024, Darfon Electronics conducted social engineering simulation drills for employees, resulting in an overall click rate of 8.4%, meeting the company's control target of under 10%. Employees who clicked on the simulated phishing emails were arranged to undergo enhanced re-training to reinforce information security awareness and further reduce potential cybersecurity risks.

Information and Personal Data Protection Violations in the Past Four Years

Darfon Electronics places great importance on information security and the privacy of customer data. The company has established a comprehensive information security management system and incident response procedures. Over the past four years, no major information security incidents have occurred. In addition, Darfon Electronics complies with relevant privacy protection regulations and has not received any confirmed complaints related to privacy or personal data breaches during this period.

Chapter.5

Environmental Sustainability – Implementing Environmental Protection and Climate Action

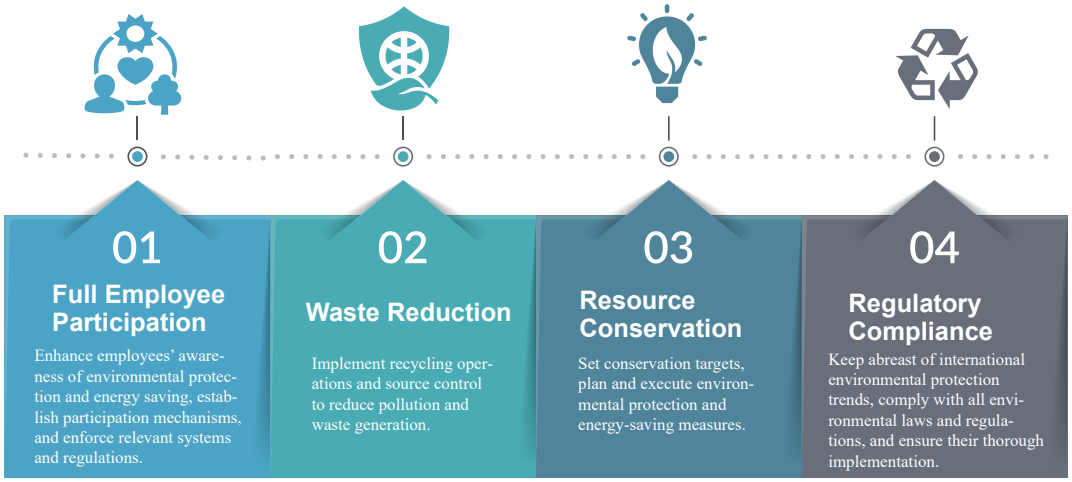
1.Sustainable Environmental Management
2.Climate Change Mitigation and Adaptation
3.GHG Managemen
4.Energy Management
5.Pollution Prevention
6.Wastewater Discharge Management

Performance Highlights

- Successfully **passed the target validation review of SBTi.**
- **Awarded the "1.5°C Temperature Alignment"** label by the Commonwealth Magazine's Corporate Carbon Reduction Thermometer.
- Maintained a **B rating** in the CDP Carbon and Water questionnaires continuously.
- Included in the "Taiwan Index Corporation Taiwan Sustainability Assessment – **Environmentally Friendly Module."**
- **Water Intensity ↓14.96%**
- **Renewable Energy Usage Ratio: 8.71%**
- **Waste Recycling Rate: 87.57%**

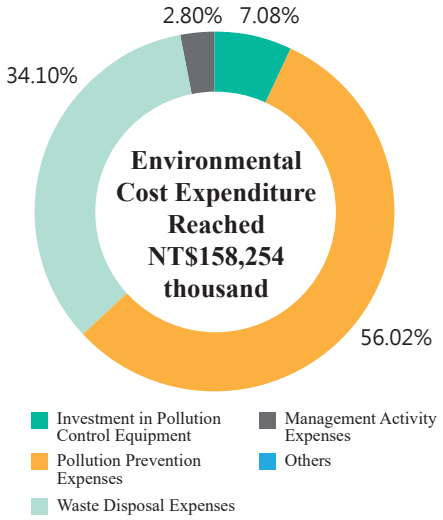
1.Sustainable Environmental Management

Darfon Environmental Policy



Environmental Cost Investment

In 2024, Darfon's environmental cost expenditure reached NT$158,254 thousand, accounting for 1.12% of total revenue, showing a significant increase compared to 2023. The expenses were mainly focused on pollution prevention costs (56.02%) and waste disposal costs (34.10%), demonstrating the company's ongoing efforts to strengthen pollution control and waste management. By facility, the Suzhou plant had the highest expenditure, indicating it is a key area for environmental management.



	2023						2024							
	Taoyuan	Tainan	Suzhou	Huaian	Chongqing	Total	Taoyuan	Tainan	Suzhou	Huaian	Chongqing	Vietnam	Total	Percentage
Investment in Pollution Control Equipment	0	0	7,377	4,798	165	12,340	0	172	2,200	1,000	23	7,813	**11,208**	7.08%
Pollution Prevention Expenses	368	4,985	261	18,002	1,924	25,540	360	2,380	76,000	7,495	2,296	116	**88,647**	56.02%
Waste Disposal Expenses	1,612	6,933	4,723	9,295	6,632	29,195	1,325	6,076	43,342	1,374	1,495	352	**53,964**	34.10%
Management Activity Expenses	1,558	0	5,576	88	474	7,696	1,530	1,550	850	10	218	277	**4,435**	2.80%
Others	0	0	233	0	92	325	0	0	0	0	0	0	**0**	0.00%
Total (TWD$ Thousand)	3,538	11,918	18,170	32,183	9,287	75,096	3,215	10,178	**122,392**	9,879	4,032	8,558	**158,254**	100.00%

Note 1: The Vietnam plant was not included in the statistics for 2023 but is fully included in the 2024 annual statistics.
Note 2: Due to the relocation of the Suzhou plant in 2024, expenses increased due to the installation of new pollution control equipment at the new site and the clearance of wastewater and waste at the old site.
Note 3: The cost of purchasing green energy accounts for 0.4% of revenue.
Note 4: The Czech and Thailand plants are not included in the performance report as they have not been operational for a full year.

2.Climate Change Mitigation and Adaptation

Darfon Electronics first adopted the TCFD (Task Force on Climate-related Financial Disclosures) framework in 2022 and began assessing climate-related risks and opportunities. Through this process, we identified the following key climate risks:

- Challenges in managing greenhouse gas emissions, covering both our own operations and our supply chain emissions control;
- Increased market demand for low-carbon products and green energy, requiring the company to accelerate responses to product transformation pressures and opportunities brought by climate change.

To actively respond to global climate action, Darfon formally submitted a target-setting application to the Science Based Targets initiative (SBTi) in 2023. We committed to planning according to the carbon reduction pathway that aims to limit global warming to within 1.5°C.

With 2021 as the baseline year, Darfon has set the following annual carbon reduction targets:

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- Scope 1 & Scope 2: reduce emissions by 4.84% annually, achieving a cumulative 48.4% reduction by 2031;
- Scope 3: reduce emissions by 2.75% annually, achieving a cumulative 27.5% reduction by 2031.

Greenhouse Gas Management

Within Darfon's own operations, the primary source of emissions comes from purchased electricity under Scope 2, accounting for approximately 92.9% of the combined Scope 1 and Scope 2 carbon emissions. Therefore, Darfon has implemented multiple energy-saving and carbon reduction measures across its global plants, including replacing outdated equipment, gradually adopting the ISO 50001 Energy Management System, installing rooftop solar power systems at factories, and purchasing internationally recognized renewable energy certificates.

Collaborating with the Supply Chain to Develop Low-Carbon Products and Reduce Scope 3 Emissions

Regarding Scope 3 emissions, the main sources are purchased raw materials and services, as well as energy consumption during the product use phase. In recent years, Darfon has partnered with customers and suppliers to promote environmentally friendly designs from the source, including reducing materials, introducing post-consumer recycled (PCR) plastics, using low-impact materials, and improving product energy efficiency. These efforts effectively reduce the carbon emissions from both raw materials and energy consumption during product use, fostering the development of low-carbon products.

Target Management for Climate Change Mitigation and Adaptation

Indicators and Targets

In light of the global net-zero emission trend and the carbon border adjustment mechanisms in Europe and the U.S., net-zero transition has become a critical economic issue closely related to corporate international competitiveness. Daxon is committed to reducing carbon emissions at all stages through the Science Based Targets initiative (SBTi), with the following related indicators and targets:

1.Climate Change Mitigation and Adaptation

Scope 1 and Scope 2 emissions to be reduced by 4.84% annually compared to 2021 levels; Scope 3 emissions to be reduced by 2.75% annually (new target).

2.Energy Management

Electricity intensity to decrease by 1% annually; renewable energy use to reach 50% by 2030.

3.Waste Management

100% proper disposal rate for hazardous industrial waste; waste recycling and reuse rate to reach 88% by 2030.

4.Water Use Efficiency

Water withdrawal intensity to decrease by 1% annually; 100% compliance rate for wastewater treatment.

5.Low-Carbon Product Innovation and R&D

Target 40% proportion of green products.

6.Sustainable Supply Chain Management

100% compliance rate for suppliers' social and environmental standards.

Climate Governance

Darfon's highest governance body for climate change management is the Sustainable Development Committee, chaired by the Chairman of the Board. The committee reports annually to the Board of Directors on climate-related initiatives and execution results, ensuring top management's attention and integration into corporate decision-making.

The Risk Management Committee (RMC) is responsible for execution, chaired by the General Manager, with members including department heads and general managers of operating sites. The RMC meets quarterly, conducts an annual risk review in the fourth quarter, and reports to the Board. When necessary, the Chair may convene ad hoc meetings in response to significant changes to ensure the continuity and timely adaptability of risk management plans.

Climate Strategy

To assess the impacts of short-, medium-, and long-term climate-related risks and opportunities on the organization's operations, Darfon's Sustainable Development Committee collaborates with relevant departments to identify such risks and opportunities and actively develop solutions. For short-term (within one year), medium-term (within two to three years), and long-term (within five years) climate risks, management indicators and targets are established in accordance with the procedures of the environmental and risk management systems.

Climate Risk and Opportunity Assessment

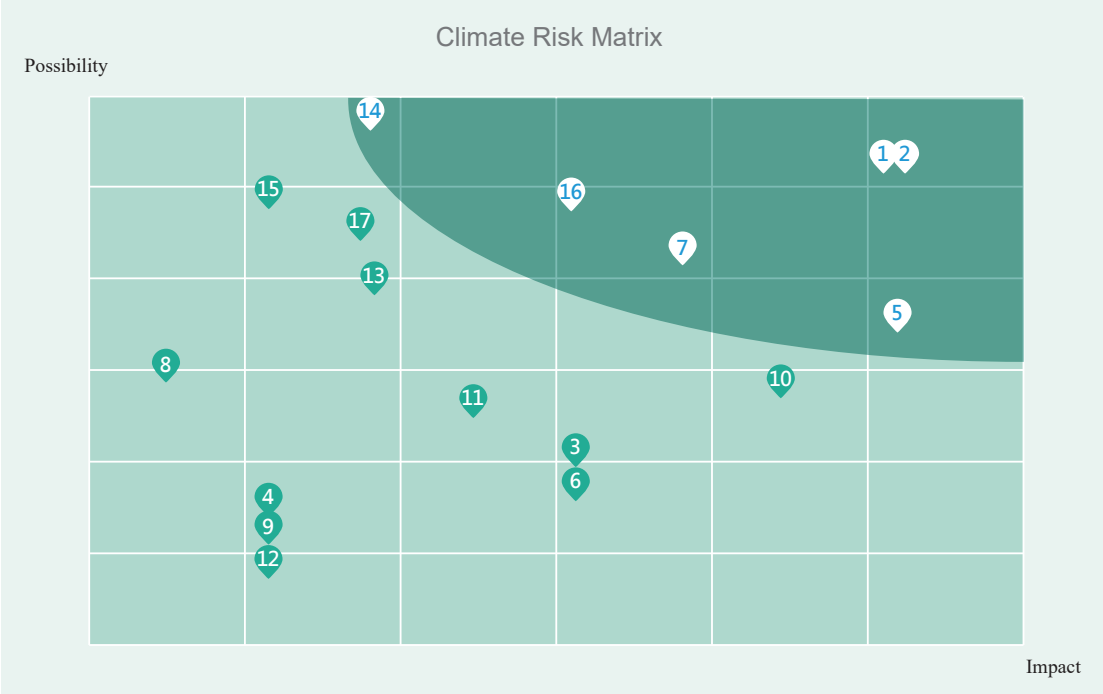
We evaluate the potential impacts of various scenarios on climate-related risks and opportunities, as well as possible response strategies for Darfon Electronics. For physical risks, we refer to the Representative Concentration Pathway (RCP) scenarios developed by the Intergovernmental Panel on Climate Change (IPCC), considering RCP2.6, RCP4.5, and RCP8.5. These scenarios are assessed in conjunction with our voluntary decarbonization actions under the Science Based Targets initiative (SBTi) and the Nationally Determined Contributions (NDC), as well as existing global and Taiwan-specific climate data under different RCP conditions, to estimate the potential impacts on Darfon's major production facilities. (For further details, please refer to the independently published TCFD Report.)

- RCP2.6: A very low radiative forcing mitigation scenario, assuming global warming can be limited to within 2°C above pre-industrial levels.
- RCP4.5 / RCP6.0: Two medium-emission scenarios representing moderate levels of warming.
- RCP8.5: A high greenhouse gas emission scenario assuming no emission reduction actions by any government, representing the most severe "worst-case" warming trajectory.
- NDC: Nationally Determined Contributions, which represent the scenario currently most aligned with Darfon's approach and serve as the basis for our science-based carbon reduction targets.

Climate Risk

Climate Risk Matrix

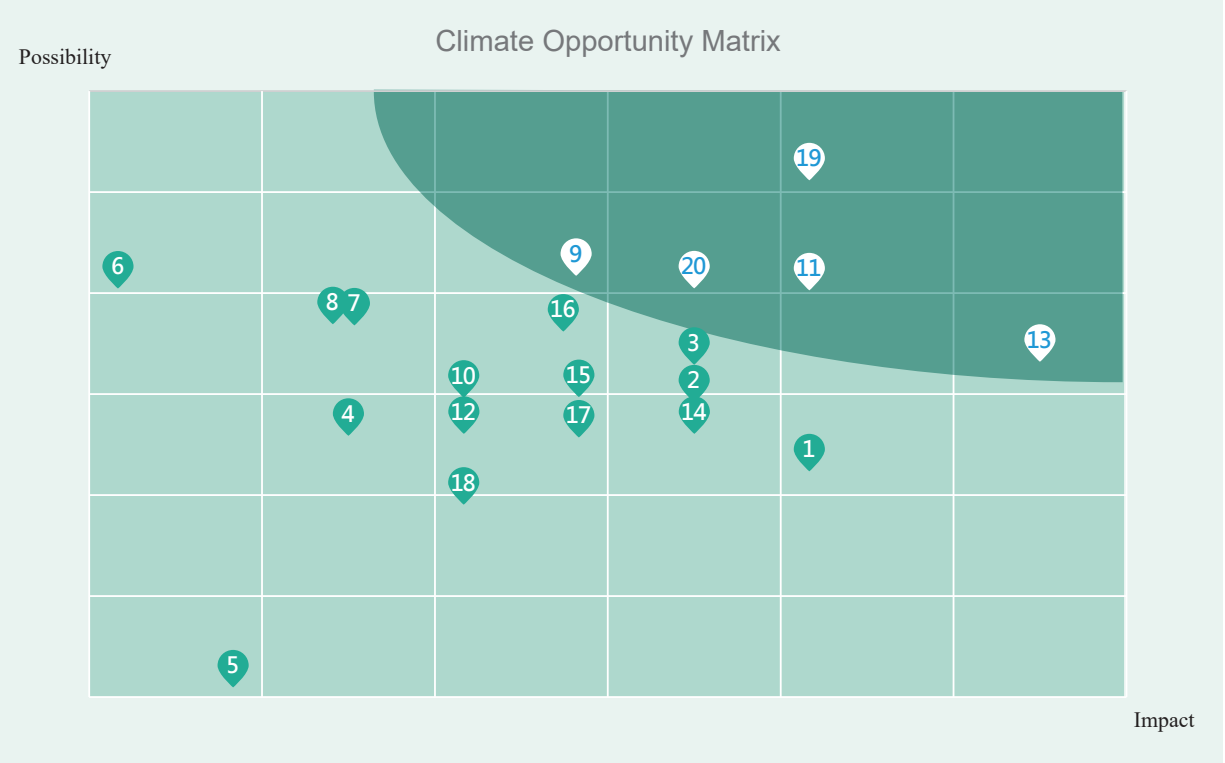
Based on the assessment results, among the transition risks, policy-related risks—such as enhanced greenhouse gas emission reporting obligations and increased greenhouse gas emission pricing—along with changes in customer behavior and rising raw material costs, are identified as the short-term risks with relatively greater impact.



1. Increased greenhouse gas emissions pricing
2. Enhanced greenhouse gas emission reporting obligations
3. Mandatory disclosure of carbon emissions for existing products and services
4. Climate-related litigation risks
5. Changes in customer behavior
6. Uncertainty of market information
7. Rising raw material costs
8. Replaced the company's existing products and services with low-carbon products
9. Failure of investment in new technologies
10. Increased costs of low-carbon technology transformation
11. Shifting consumer preferences (for low-carbon products)
12. Industry stigmatization
13. Increased stakeholder scrutiny and negative feedback
14. Increased severity of extreme weather events (e.g., hurricanes, floods)
15. Changes in precipitation (water) patterns and extreme climate variations
16. Rising average temperatures
17. Rising sea levels

Climate-Related Opportunities

We categorize climate-related opportunities based on their potential impact and likelihood of occurrence, assessing the 20 climate-related opportunities outlined in the TCFD recommendations.



1. Adopt more efficient transportation methods
2. Use more efficient production and distribution processes
3. Recycle and reuse
4. Switch to more efficient buildings
5. Reduce water usage and consumption
6. Use low-carbon energy
7. Implement incentive policies
8. Adopt new technologies
9. Purchase green electricity/certificates
10. Transition to decentralized energy
11. Develop and/or increase low-carbon products and services
12. Develop climate adaptation and insurance risk solutions
13. Research and innovate in new product and service development
14. Diversify business activities
15. Shifting consumer preferences
16. Enter new markets
17. Utilize public sector incentive programs
18. Acquire new assets and areas requiring insurance
19. Participate in renewable energy projects and adopt energy-saving measures
20. Energy substitution/diversification

Climate Risk Management Process

We consider climate-related risk management policies, practical assessment methods, and preventive measures to reduce the operational impact of climate risks. In 2024, discussions with various departments will be conducted to quantify indicators and implement concrete risk management approaches within each department. An annual risk assessment and management process will be regularly held to ensure full understanding and monitoring of risk changes, allowing timely formulation of related mitigation measures and actions.

Indicators and Targets

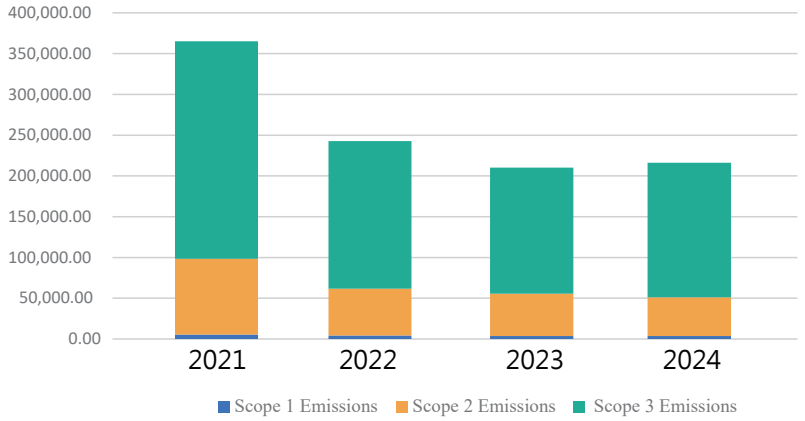
Key risks requiring proactive management in response to climate change include climate adaptation and mitigation, energy management, waste management, low-carbon product innovation and R&D, and sustainable supply chain management, among other important objectives:

Risk	Indicator/Target	Description
Climate Change Adaptation & Mitigation	Scope 1 & 2 carbon emissions to decrease by 4.84% annually compared to 2021; Scope 3 to decrease by 2.75% annually	Scope 1 & 2 emissions decrease by 16.05% annually compared to 2021; Scope 3 decreases by 13.61% annually
Energy Management	Annual reduction of 1% in electricity intensity; renewable energy usage to reach 50% by 2030	Electricity intensity in 2024 is 27.3, a 3.2% decrease from 2023; renewable energy usage is 8.71%
Waste Management	100% proper treatment of hazardous industrial waste; 88% waste recycling and reuse rate target by 2030	In 2024, 100% proper treatment rate for hazardous industrial waste; recycling and reuse rate is 87.57%
Water Efficiency	Annual reduction of 1% in water withdrawal intensity; 100% compliance with wastewater treatment standards	In 2024, water withdrawal intensity decreased by 15.0% compared to 2023; 100% compliance in wastewater treatment
Low-Carbon Product Innovation & R&D	Green product ratio target of 40%	Green product ratio in 2024 is 30%
Sustainable Supply Chain Management	100% compliance rate with suppliers' social standards and environmental standards	100% compliance rate for suppliers' social and environmental standards

3.GHG Managemen

	2021 (Base Year)	2022	2023	2024
Scope 1 Emissions	5,315.370	4,081.830	3,593.053	3,603.210
Scope 2 Emissions	93,036.760	57,618.850	51,767.883	47,390.546
Scope 3 Emissions	267,050.603	180,896.522	154,943.186	165,167.339
Total Emissions	365,402.733	242,597.202	210,304.122	216,161.095

Note 1: Information on greenhouse gas emissions for each plant and the status of third-party verification can be found in the attached table.
Note 2: The Czech and Thailand plants have not been included in the performance presentation due to operating less than one full year. The self-assessed carbon emissions for the Czech plant are approximately 60.20 tCO_2e, and for the Thailand plant approximately 143.99 tCO_2e.



Scope 3 Greenhouse Gas Emissions

In addition to waste disposal, procurement, and indirect electricity emissions that have undergone third-party verification, Darfon estimates and compiles emissions from various Scope 3 categories. The 2023 data was submitted to SBTi for review and was approved in 2024.

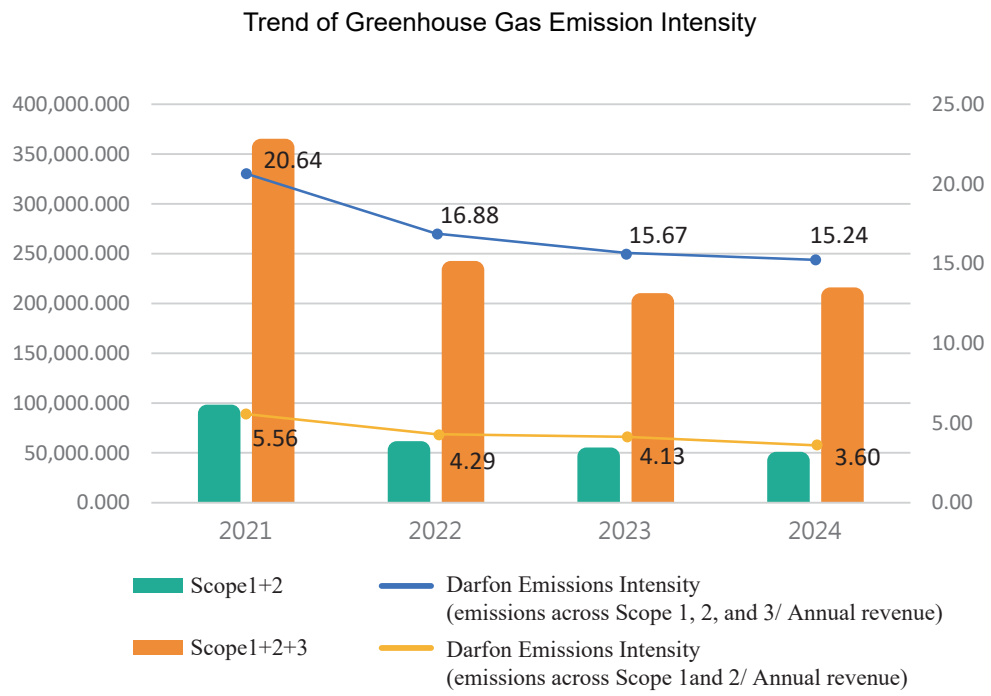
Carbon Emission Categories	2021	2022	2023	2024
Category 3：Indirect emissions from transportation	14,115.996	9,792.787	20,577.075	18,921.333
Category 3-1 Upstream Transportation and Distribution (C3-4)	1,356.286	1,336.138	3,043.675	1,806.019
Category 3-2 Business Travel (C3-6)	1,019.514	1,541.691	4,263.321	3,916.622
Category 3-3 Employee Commuting (C3-7)	8,425.200	5,071.950	6,214.350	5,807.630
Category 3-4 下 Downstream Transportation and Distribution (C3-9)	3,314.996	1,843.008	7,055.729	7,391.062
Category 4: Indirect emissions from the use of sold products	105,604.265	56,287.478	59,633.553	58,179.750
Category 4-1 Purchased goods and services (C3-1)	80,370.140	53,996.661	42,436.729	35,868.817
Category 4-2 Capital goods (upstream) (C3-2)	21,807.631	0.000	7,026.981	4,918.887
Category 4-3 Fuel- and energy-related activities (not included in Scope 1 or 2) (C3-3)	2,457.834	1,594.627	9,245.011	16,952.702
Category 4-4 Waste generated in operations (C3-5)	968.660	696.190	924.832	439.344
Category 4-5 Leased assets (upstream) (C3-8)	N/A	N/A	N/A	N/A
Category 5: Indirect emissions associated with the use of sold products by the organization	147,330.342	114,816.257	74,732.558	88,066.256
Category 5-1 Processing of sold products (C3-10)	N/A	N/A	N/A	N/A
Category 5-2 Use of sold products (C3-11)	142,142.592	111,057.452	71,519.178	84,603.889
Category 5-3 End-of-life treatment of sold products (C3-12)	5,187.75	3,758.805	3,213.380	3,462.367
Category 5-4 Leased assets (downstream) (C3-13)	N/A	N/A	N/A	N/A
Category 5-5 Franchises (C3-14)	N/A	N/A	N/A	N/A
Category 5-6 Investments (C3-15)	N/A	N/A	N/A	N/A
Category 6: Indirect emissions associated with the use of the organization's products	N/A	N/A	N/A	N/A
total	**267,050.603**	**180,896.522**	**154,943.186**	**165,167.339**

Note 1: The calculation method adopts the operational control approach, with reporting boundaries defined as per the scope in the report.
Note 2: The categories in parentheses correspond to the 15 Scope 3 categories defined by the GHG Protocol, aligned with Categories 3 to 6 in ISO 14064-1:2018.
Note 3: Items such as Categories 4-3 and 4-4 have undergone third-party verification.
Note 4: Categories 3-1 to 3-4, 4-2 to 4-4, and 5-4 were estimated using the GHG Protocol Scope 3 Evaluator tool.

GHG Emissions Intensity (GRI 305-4, 305-5)

unit：tCO_2e	2021 (Base Year)	2022	2023	2024
Scope 一 & 二 (tCO_2e)	98,352.130	61,700.680	55,360.935	50,993.756
Scope 一 & 二 & 三 (tCO_2e)	365,402.733	242,597.202	210,304.122	216,161.095
Annual Revenue (NT$ million)	17,702.000	14,372.000	13,418.00	14,182.44
Emissions Intensity A (tCO_2e)/ NT$ million)	5.56	4.29	4.13	3.60
Emissions Intensity B (tCO_2e)/ NT$ million)	20.64	16.88	15.67	15.24

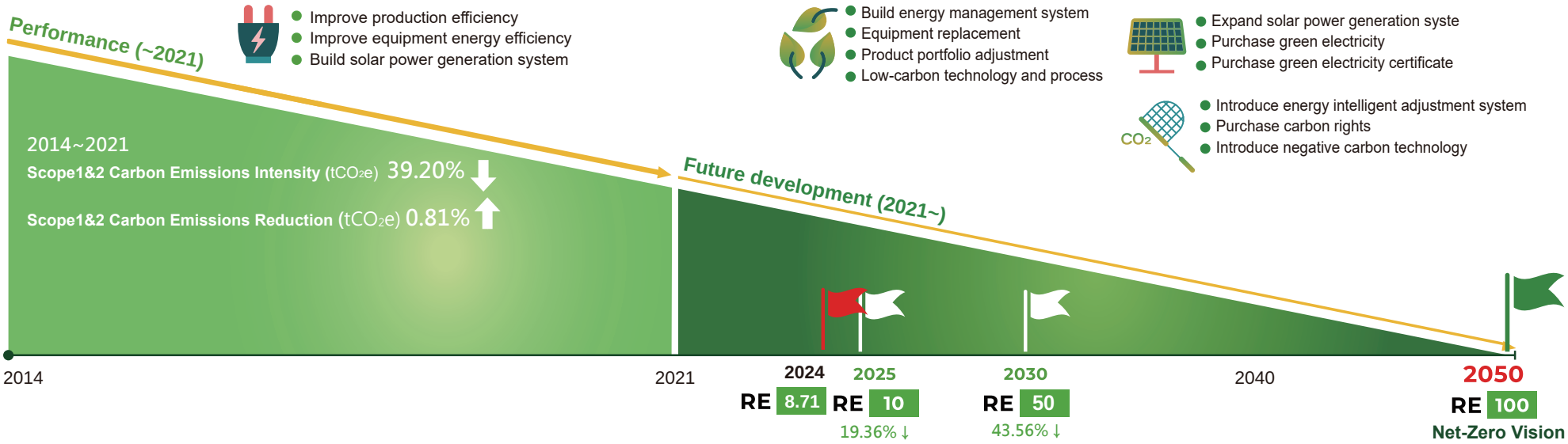
Note: Emission intensity A and B refer to the greenhouse gas emissions per unit revenue for Scope 1 & 2, and Scope 1, 2 & 3 respectively.



Carbon Reduction Pathway Planning and Net Zero Emission Vision

Darfon continues to deepen its carbon management efforts and has set specific and ambitious carbon reduction targets to address the increasingly severe global warming situation. Based on the scenario of "limiting global warming to within 1.5°C," we have formally submitted a carbon reduction target application to the international climate initiative organization SBTi (Science Based Targets initiative). We commit to using 2021 as the baseline year and achieving an absolute reduction of 48.4% in Scope 1 and Scope 2 greenhouse gas emissions by 2031, as well as an absolute reduction target of 27.5% for Scope 3 (Categories 3.1 and 3.11).

As 2024 data as an example, purchased electricity accounts for as much as 21.9% of carbon emissions across Scope 1, 2, and 3, indicating that the use of renewable energy will be a key factor in carbon reduction. For Scope 3 emissions, the main sources are Category 3-1 (purchased goods and services) and Category 3-11 (use of sold products), which together account for 72.9%, highlighting the importance of product eco-design and supply chain carbon management. Looking ahead, Darfon is committed to passing the SBTi target verification and will continue to promote diversified energy-saving and carbon reduction measures, strengthen the adoption of renewable energy, and foster environmental innovation in products. The company strives to effectively manage greenhouse gas emissions, implement science-based carbon reduction targets, and advance toward the sustainable vision of achieving global net-zero emissions by 2050.

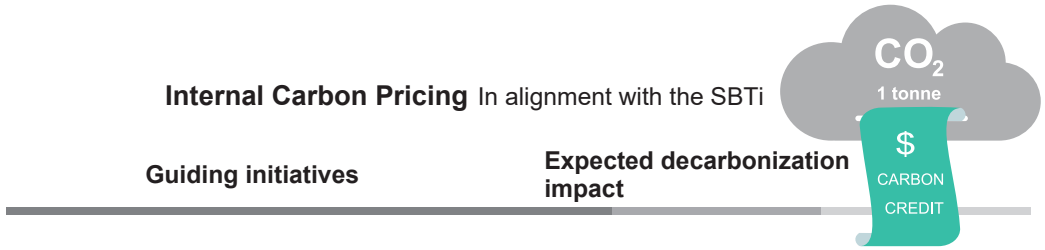


Internal Carbon Pricing

To strengthen decision-making for carbon reduction initiatives and effectively implement the SBTi decarbonization pathway, we have set an internal carbon price of USD 50 per ton of CO_2. This internal carbon pricing mechanism internalizes the cost of carbon reduction and optimizes investment in related projects. By assigning an economic value to carbon emissions, it further encourages the company and related units to incorporate carbon reduction into their operational decisions, ensuring a balance between environmental responsibility and economic benefits.

At the same time, this increases sensitivity to internal carbon emissions, prompting departments to prioritize carbon reduction benefits during project planning and execution. The collected carbon reduction costs are specifically allocated to investments and operations aimed at improving energy efficiency, expanding renewable energy deployment, and supporting carbon reduction infrastructure, ensuring the sustainability of these efforts and creating long-term competitive advantages.

Moreover, this mechanism promotes a corporate culture of carbon reduction internally, using cost reflection to increase motivation for low-carbon transformation and improve overall decarbonization effectiveness. Through this strategy, we can accelerate the carbon reduction process and maintain competitiveness in line with sustainable development trends.



4. Energy Management

Management Mechanisms and Practices (GRI 2-23, 2-24)

Darfon Electronics follows the ISO 50001 Energy Management System to systematically manage and optimize energy usage. The company's primary energy source is electricity (Scope 2 emissions). To improve energy efficiency and fulfill its energy conservation and carbon reduction goals, Darfon has implemented multiple initiatives, including:

- Phasing out outdated, energy-intensive equipment and introducing high-efficiency alternatives;
- Continuously optimizing production and air conditioning systems to reduce overall energy consumption;
- Actively adopting renewable energy sources, such as purchasing green electricity and installing solar power systems.

Through these strategies, Darfon is committed to reducing greenhouse gas emissions and enhancing operational energy efficiency, moving toward a low-carbon and sustainable business model.

Indicators and Targets

Darfon has set electricity intensity and the share of renewable energy usage as key performance indicators and targets.

Item	2024 Performance	2025 Target	2030 Target
Electricity Intensity (GJ per million revenue)	**27.32** (YoY↓3.2%)	26.71 (YoY↓1.0%)	25.38 (YoY↓1.0)
Share of Renewable Energy Usag (%) Note 2	**8.71**	**10**	**50**

Note 1 : Electricity Intensity = (Purchased electricity + Self-generated solar power from Suzhou and Huai'an sites) / Revenue (in millions)
Note 2 : Renewable Energy Usage Ratio = Renewable Energy Consumption / Total Energy Consumption Associated with Indirect Emissions

Energy Management

In 2024, Darfon's total annual energy consumption included 8.71% from renewable sources, indicating the company's continued progress toward increasing the use of green electricity.

From the energy structure perspective, purchased non-renewable electricity remained the primary energy source, accounting for over 90% of total energy consumption, with Huai'an, Tainan, and Taoyuan plants being the main electricity-consuming sites. The use of natural gas and diesel slightly decreased due to gradual transformation or downsizing of certain facilities in China. On the other hand, LPG (liquefied petroleum gas) consumption at the Taoyuan plant's cafeteria increased significantly, reaching 552.81 GJ.

Overall, although total energy consumption slightly increased, Darfon has continued to strengthen energy management efficiency through the adoption of renewable energy and energy-saving initiatives, laying a solid foundation for achieving a low-carbon operational model.

Energy Consumption Details by Source for the Past Three Years (Unit: GJ) (GRI302-1)

	Site	2021 (Base Year)	2022	2023	2024
Purchased Non-Renewable Electricity	Taoyuan	11,436.14	11,396.49	11,349.06	10,860.81
	Tainan	98,834.66	95,835.35	104,343.76	108,125.55
	Suzhou	170,054.14	129,181.68	54,618.86	19,675.84
	Huai'an	84,900.47	73,482.92	98,414.28	133,816.71
	Chongqing	90,474.34	65,395.33	73,391.51	70,505.55
	Vietnam	-	-	4,456.28	13,441.77
	Total	455,699.75	375,291.77	346,573.75	356,426.23
Natural Gas	Taoyuan	0.00	0.00	0.00	0.00
	Tainan	7,426.88	6,929.89	6,492.55	7,498.02
	Suzhou	3,781.85	2,176.83	2,125.25	0.00
	Huai'an	0.00	0.00	0.00	0.00
	Chongqing	44.82	40.26	44.88	0.00
	Vietnam	-	-	-	0.00
	Total	11,253.55	9,146.98	8,662.69	7,498.02
Diesel	Taoyuan	1.11	3.29	5.73	5.73
	Tainan	114.57	47.55	123.09	102.34
	Suzhou	53.60	53.60	10.72	3.55
	Huai'an	494.86	198.59	238.18	909.65
	Chongqing	1,144.96	1,240.01	394.01	307.45
	Vietnam	-	-	-	0.00
	Total	1,809.10	1,543.04	771.72	1,328.71
Gasoline	Taoyuan	969.28	463.59	816.69	816.69
	Tainan	22.48	16.14	18.08	15.05
	Suzhou	462.14	462.14	294.15	299.63
	Huai'an	380.95	324.87	454.69	395.18
	Chongqing	1,492.65	1,177.21	1,676.37	1,284.38
	Vietnam	-	-	-	151.76
	Total	3,327.50	2,443.95	3,259.98	2,962.69
Liquefied Petroleum Gas (LPG)	Taoyuan	266.49	268.96	304.07	552.81
	Tainan	0.00	0.00	0.00	0.00
	Suzhou	0.00	0.00	0.00	0.00
	Huai'an	0.00	0.00	0.00	0.00
	Chongqing	0.00	0.00	0.00	0.00
	Vietnam	-	-	-	0.00
	Total	266.49	268.96	304.07	552.81
Total Non-Renewable Electricity		472,356.39	388,694.70	359,572.22	368,768.47

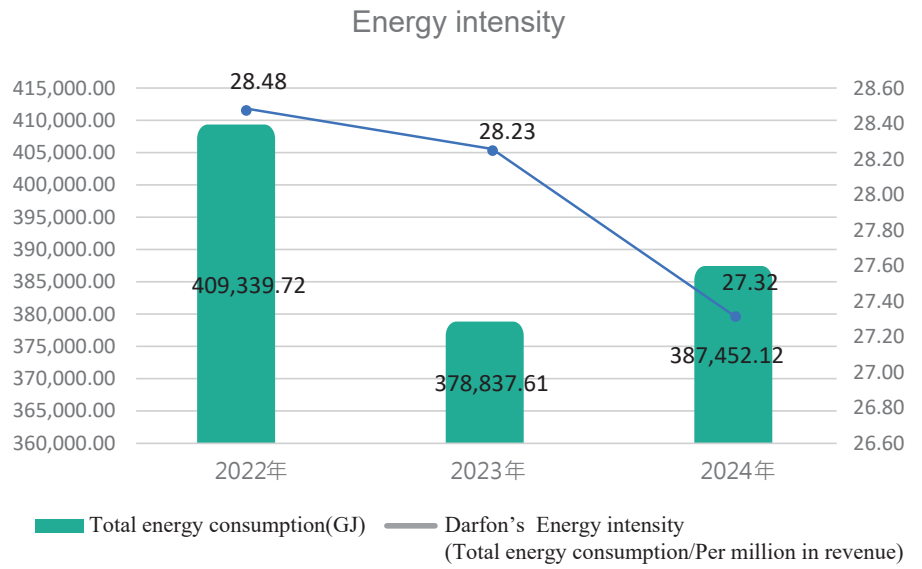
Note 1: All original energy consumption data provided by each site (verified through third-party greenhouse gas inventory) use the Taiwan Energy Bureau's latest announced version 6.0.4 energy heat value coefficients for conversion. For example: electricity heat value is 860 kcal/kWh, natural gas 8,000 kcal/m³, gasoline 7,800 kcal/L, diesel 8,400 kcal/L, and LPG 6,635 kcal/kg.
Note 2: The Vietnam site currently only has electricity data available.
Note 3: All data sources and calculation methods reference the ISO 14064 inventory guidelines.
Note 4: The Czech and Thailand sites are excluded from 2024 performance disclosure due to incomplete data for the year.

Energy Intensity (GRI302-3, 302-4)

In 2024, Darfon's total energy consumption reached 387,452.12 GJ, representing a 2.3% increase compared to 2023. This growth reflects the resumption of operational activities and production capacity adjustments. The annual energy intensity was 27.32 GJ per million in revenue, lower than 28.23 GJ per million in 2023, marking a 3.2% year-over-year decrease. This demonstrates that energy use has been effectively managed and remains on a stable downward trend.

Darfon's energy consumption (Unit：GJ)	2021 (Base Year)	2022	2023	2024
Self-generated Renewable Electricity	19,313.15	20,645.02	19,265.39	18,683.65
Non-Renewable Electricity consumption	472,356.39	388,694.70	359,572.22	368,768.47
Total energy consumption	491,670.24	409,340.43	378,837.61	387,452.12
Per million in revenue	17,702.00	14,372.00	13,418.00	14,182.44
Energy intensity (Total energy consumption/Per million in revenue)	27.77	28.48	28.23	27.32

Note 1 : The intensity calculation uses Darfon's standalone revenue (annual revenue), as the total revenue includes amounts outside the boundary of this report.
Note 2 : Self-generated renewable electricity comes from solar panels at Darfon's Suzhou and Huai'an plants in China.
Note 3 : The 2024 data excludes incomplete annual data from the Czech and Thailand sites.

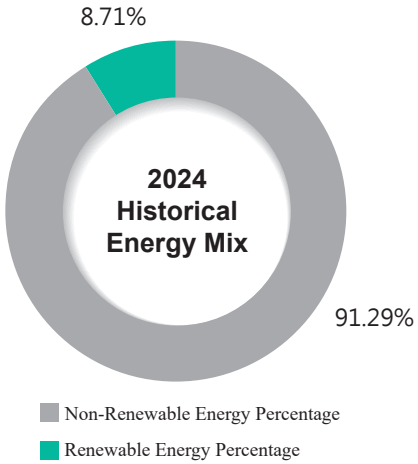


Historical Energy Mix

Darfon has been actively promoting energy transition in recent years, continuously increasing the share of renewable energy usage. Since 2021, the proportion of renewable energy has steadily risen from 3.92% to 8.71% in 2024, demonstrating significant progress in expanding green energy adoption. During the same period, the share of non-renewable energy decreased from 96.08% to 91.29%, reflecting Darfon's concrete actions in diversifying its energy structure and advancing low-carbon operational goals. These efforts lay a solid foundation for the company's journey toward achieving net-zero emissions.

	2021(Base Year)	2022	2023	2024
Non-Renewable Energy Percentage	96.08%	94.97%	94.73%	91.29%
Renewable Energy Percentage	3.92%	5.03%	5.27%	8.71%

Note 1 : Renewable energy is generated from solar panels at the Suzhou and Huai'an plants in China.
Note 2 : Renewable energy share = Renewable energy consumption ÷ Total energy consumption from all indirect emissions.
Note 3 : In 2024, a total of 4,250,000 kWh of renewable energy certificates were purchased/used.



Historical Sales Volume of Renewable Electricity

Beyond self-consumption, Darfon actively promotes the external valorization of renewable energy. In 2024, the company sold 1,112.29 GJ of self-generated renewable electricity, approximately 312,523 kWh, showing steady growth compared to previous years.

The annual sales volume of renewable electricity has gradually increased from 903.11 GJ in 2021 to the current 2024 level, demonstrating Darfon's ongoing commitment to maximizing the benefits of renewable energy and its concrete actions in advancing a green energy economy.

	2021(Base Year)	2022	2023	2024
Self-generated Renewable Electricity Sales (GJ)	903.11	779.38	797.11	**1,112.29**

Note 1:Renewable energy is generated from solar panels at the Suzhou and Huai'an plants in China.
Note 2:Renewable energy share = Renewable energy consumption ÷ Total energy consumption from all indirect emissions.
Note 3: In 2024, a total of 4,250,000 kWh of renewable energy certificates were purchased/used.

5.Pollution Prevention

Air Pollution Control (GRI 305-6, 305-7))

A summary of air pollutant emissions in 2023 and 2024 is provided below:

- Tainan Plant:Emissions of NOx, SOx, and PM were stably controlled. The annual monitoring value of VOC significantly dropped to 3 mg/Nm³, and emissions of hazardous air pollutants (HAPs), such as toluene and xylene, were well-managed and remained below regulatory limits.
- Suzhou Plant:Following relocation, the production processes changed and no longer generate air pollutant emissions.
- Huai'an Plant:VOC emissions were well below 80% of the permitted level, while HAPs emissions were significantly below 75% to 97.5% of regulatory thresholds.
- Chongqing Plant:Emissions of VOC and HAPs significantly decreased in 2024. Notably, toluene emissions dropped from 3,768 kg in 2023 to 54.29 kg in 2024, demonstrating strong management performance.
- Vietnam Plant:Although local regulations do not mandate strict control for most HAPs, Darfon proactively monitors and manages emissions. Concentrations of substances such as toluene, benzene, and ethyl acetate remained well below reference values.

Contents		2023				2024			
Site	Air Pollution Permit – Permitted Items	Emission Quantity		Emission Standard	Annual Monitoring Value	Emission Quantity		Emission Standard	Annual Monitoring Value
		(kg)		mg/ Nm³	mg/ Nm³	(kg)		mg/ Nm³	mg/ Nm³
Tainan Plant	(1) Nitrogen Oxides (Nox)	10,098.84		150ppm	1	9,770.92		150 ppm	1 ppm
	(2) Sulfur Oxides (Sox)	2,396.45		100ppm	1	2,360.90		100 ppm	1 ppm
	(4) Volatile Organic Compounds (VOCS)	1,654.44			7	1,768.65			3 mg/ Nm3
	(5) Hazardous Air Pollutants (HAPs)	Toluene	624.95	180ppm	Estimated Value	Toluene	655.44	180 ppm	Estimated Value
		Xylene	5	175ppm		Xylene	5.98	175 ppm	
		Ethylbenzene	3.78	175ppm		Ethylbenzene	4.5	175 ppm	
	(6) Particulate Matter (PM)	758.43		50	<0.3	824.75		50	< 1 mg/ Nm3

Contents		2023				2024			
Suzhou Plant	(4) Volatile Organic Compounds (VOCS)	Non-Methane Total Hydrocarbons	427.584	60	2.23-2.27	Non-Methane Total Hydrocarbons	256.615	60	0.00765-0.115
	(5) Hazardous Air Pollutants (HAPs)	Methanol	0	50	0	-	-	Non-regulated Item	-
		Isopropanol	0	---	0	-	-	Non-regulated Item	-
		Sulfuric Acid Mist	20.1055	30	0.44	-	-	Non-regulated Item	-
		Benzene	0	1	0	-	-	Non-regulated Item	-
		Toluene	11.787	10	0.193-0.249	-	-	Non-regulated Item	-
		Xylene	1.073	10	0.028-0.043	-	-	Non-regulated Item	-
	(6) Particulate Matter (PM)	0		20	0	Particulate Matter	121.413	20	0.00706-0.029
	(7) its Compounds	Tin and its Compounds	2.28	0	0-0.0422	Tin and its Compounds	0	0	0
		Nickel and its Compounds	0	1	0	-	-	Non-regulated Item	-
Huai'an Plant	(4) Volatile Organic Compounds (VOCS)	7,052		50	5	4551		50	10
	(5) Hazardous Air Pollutants (HAPs)	Benzene	322	0.5	0.42	Benzene	27	0.5	0.12
		Toluene	406	20	0.54	Toluene	152	20	0.48
		Xylene	22	20	0.67	Xylene	255	20	0.89
	6) Particulate Matter (PM)	5,948		10	3.46	2058		10	5.37
Chongqing Plant	(4) Volatile Organic Compounds (VOCS)	18,696.64		100	1.29~38.2	9,069.33		100	1.8~48.3
	(5) Hazardous Air Pollutants (HAPs)	Toluene	3,768	40	9.11~9.71	Toluene	54.29	40	0.13~0.466
		Xylene	182.3	70	0.0882~0.44	Xylene	982.08	70	0.926~1.72
Vietnam Plant	(5) Hazardous Air Pollutants (HAPs)	Toluene	Non-regulated Item	750	0.202	Toluene	Non-regulated Item	750	0.01~0.08
		Benzene	Non-regulated Item	5	0.202	Benzene	Non-regulated Item	5	0.02~0.07
		Xylene	Non-regulated Item	870	0.16	Xylene	Non-regulated Item	870	0.02~0.06
		Ethyl Acetate	Non-regulated Item	1400	0.11	Ethyl Acetate	Non-regulated Item	1400	0.02~0.03
		n-Propanol	Non-regulated Item	980	0.095	n-Propanol	Non-regulated Item	980	00.02~0.03

Note 1 : All information is sourced from the declared data of the respective year, with units in metric tons.

Note 2 : The Taoyuan headquarters has no air pollutant emissions and is not required to conduct monitoring according to regulations. The Tainan plant has obtained a fixed air pollution source emission permit, which requires renewal every five years, thus no air pollution testing is conducted. Operational sites in China (Suzhou, Huai'an, and Chongqing plants) report emission values based on local regulatory requirements, with actual measured values for Suzhou, Huai'an, and Chongqing plants.

Note 3 : No plant emits POPs (Persistent Organic Pollutants) gases; SOx and NOx emissions are only from the Tainan plant.

Note 4:The Czech and Thailand plants did not provide complete data for 2024 and therefore air pollution performance is not disclosed.

Water Pollution Prevention

Darfon places great importance on the environmental impact of its operations, especially in water resource management. We continuously monitor and manage water usage to prevent potential harm to the environment. To improve water use efficiency and reduce water consumption, various sites have actively implemented water recycling measures. Some locations have established recycling systems and achieved initial results, demonstrating the company's commitment to sustainable use of water resources.

Indicators and Targets

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

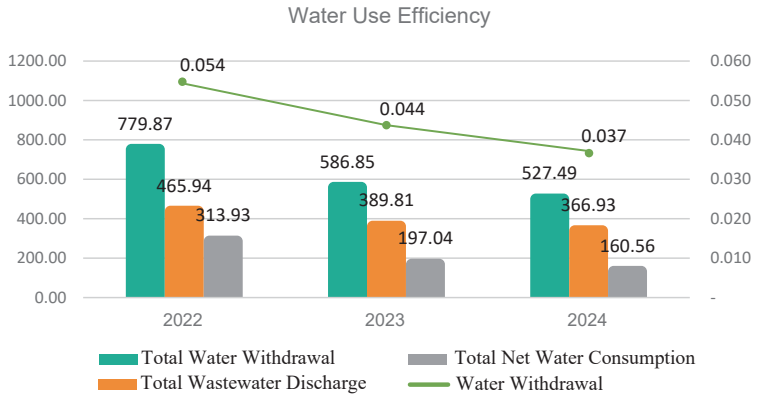
Item	2024 Performance	2025 Target	2030 Target
Water Withdrawal Intensity	0.037 (YoY -14.96%)	YoY-1%	YoY-1%
Wastewater Treatment Compliance Rate	100%	100%	100%

Water Use Efficiency

In 2024, Darfon's total water withdrawal amounted to 527.49 million liters, total wastewater discharge was 366.93 million liters, and net water consumption was 160.56 million liters, representing a further reduction of approximately 18.5% compared to 2023, demonstrating effective water conservation efforts.With improved water use efficiency, the water withdrawal intensity (water consumed per million NT dollars of revenue) decreased from 0.044 in 2023 to 0.037 in 2024, a further reduction of about 15.0%, marking the lowest value in four years.Overall, the data indicate that Darfon continues to effectively reduce water resource consumption through water-saving management and process optimization, strengthening sustainable resource utilization.

Unit：million liters	2021	2022	2023	2024
Total Water Withdrawal	819.19	779.87	586.85	527.49
Total Wastewater Discharge	528.57	465.94	389.81	366.93
Total Net Water Consumption	290.63	313.93	197.04	160.56
Per million in revenue	17,702.00	14,372.00	13,418.00	14,182.44
Water Withdrawal Intensity (Total Net Water Consumption/ Per million in revenue)	0.046	0.054	0.044	0.037

Notes1 : Water withdrawal intensity is calculated based on Darfon's individual annual revenue, as the total revenue includes amounts outside the scope of this report.
Note 2 : Total net water consumption = Total water withdrawal − Total wastewater discharge.
Note 3 : Data for 2024 do not include incomplete annual data from the Czech and Thailand plants.



Water Resource Recovery

Based on water recycling data in 2024, all plants contributed to water reuse efforts. The Taoyuan headquarters primarily recycles condensate and scrubber circulating water, with a total reclaimed water volume of 5.46 million liters. The Tainan plant performed notably in process wastewater recycling, achieving 26.16 million liters, contributing to a total reclaimed water volume of 33.11 million liters. Huai'an plant recorded the highest reclaimed water volume of 70 million liters, mainly from process wastewater and scrubber circulating water recovery. Although smaller in scale, the Vietnam plant also contributed with 0.9 million liters of reclaimed water. Overall, the total reclaimed water volume in 2024 reached 109.47 million liters, with an overall water recycling rate (R1) of 17.19%, reflecting the company's continuous efforts in sustainable water resource management.

Item		2024						
Unit：million liters		Taoyuan Headquarters	Tainan Plant	Suzhou plant	Huai'an plant	Chongqing Plant	Vietnam Plant	Total
Reclaimed Water Volume (1)	Condensate/Rainwater Reclaimed Volume	0.87	0	0	0	0	0.60	1.47
	Process Wastewater Reclaimed Volume	0	26.16	0	50.00	0	0	76.16
Recycled Water Volume (2)	Scrubber Circulating Water Volume	4.59	6.95	0	20.00	0	0.30	31.84
Total Reclaimed Water Volume (1)+(2)		5.46	33.11	0	70.00	0	0.90	109.47
		overall water recycling rate R1						17.19%

Note: Water Recycling Rate (R1) = (Total Circulating Water Volume + Total Recycled Water Volume) / Total Water Consumption;
Total Water Consumption is defined by the Water Resources Agency as the sum of Total Water Withdrawal and Total Reclaimed Water Volume.

6.Wastewater Discharge Management

Management Mechanism and Practices

Darfon Electronics follows the ISO 14001 Environmental Management System to implement daily waste management operations effectively. The company has established a comprehensive waste management process, aiming to improve resource efficiency and reduce overall waste generation. Active promotion of waste recycling and reuse strategies, along with enhanced source separation and reduction measures, supports the continuous improvement of the overall waste recycling rate and reduces the environmental impact of operations.

For hazardous or toxic waste, Darfon adopts stricter control mechanisms. Each site regularly assigns designated personnel to conduct internal audits and strengthens supervision over external waste disposal vendors. For example, staff are assigned to accompany transport vehicles to verify whether the final waste treatment methods comply with legal and environmental standards. These efforts ensure that all waste is properly and safely disposed of, effectively preventing potential environmental risks.

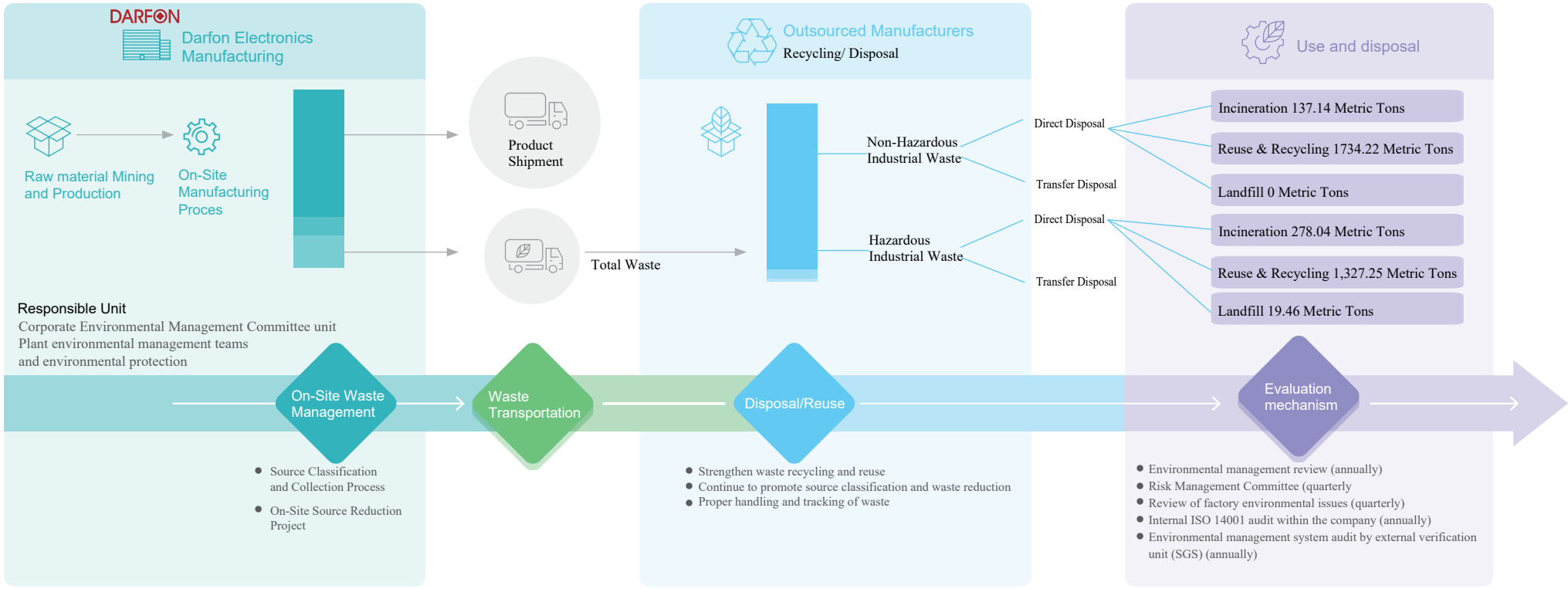
Indicators and Targets

Darfon monitors its waste management performance using two key indicators: the waste recycling rate and the hazardous waste treatment rate.

Item	2024 Targets	2024 Performance	2025 Targets	2030 Targets
Waste Recycling Rate (%)	84	87.6	85	88
Hazardous Waste Proper Treatment Rate (%)	100	100	100	100

Note 1: Waste Recycling Rate (%) :(Total Recycled and Reused Industrial Waste / Total Generated Industrial Waste) × 100%

Darfon 2024 Waste Management Status by Factory



Waste Intensity

Data from 2021 to 2024 show that Darfon has continuously made efforts in waste management. The total amount of waste generated gradually decreased from 4,401.52 metric tons in 2021 to 3,496.12 metric tons in 2024, indicating improved resource use efficiency.

Regarding waste intensity—defined as the amount of waste generated per million dollars of revenue—the overall level remained relatively stable. It was 0.249 in 2021 and decreased to 0.218 in 2022, reflecting better waste control performance that year. Although the figure rose to 0.247 in 2024, it is still below the 2021 level, demonstrating the company's ongoing efforts to control waste generation through management optimization and recycling strategies during its operations.

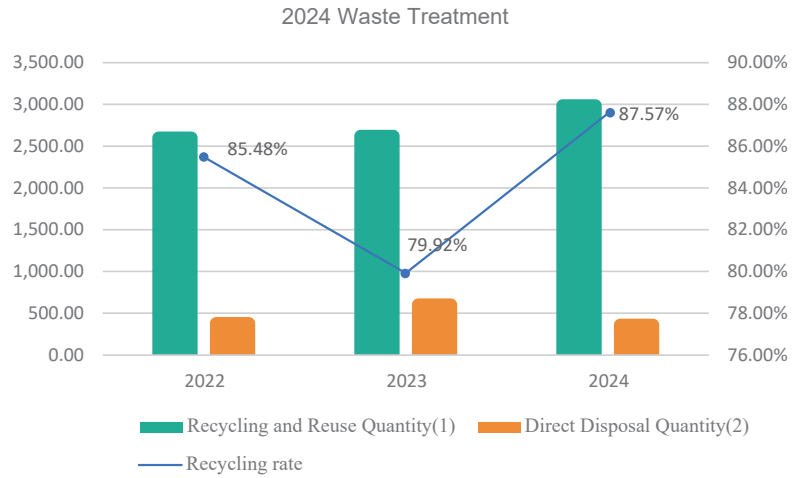
Unit：tonne	2021	2022	2023	2024
Total Waste Generated	4,401.52	3,128.21	3,373.57	3,496.12
Annual Revenue (Million TWD)	17,702.00	14,372.00	13,418.00	14,182.00
Waste Intensity (Total Waste Generated / Annual Revenue)	0.249	0.218	0.251	0.247

Note 1: Waste intensity is calculated using Darfon's individual entity revenue (i.e., annual revenue), as the total revenue includes amounts outside the scope of this report.
Note 2: In 2023, the relocation of the Suzhou plant caused the waste intensity to increase by 15.51%.

Historical Waste Recycling Rate of Darfon

From 2021 to 2024, Darfon has demonstrated stable and continuous improvements in waste recycling and reuse. In 2024, the total waste generated amounted to 3,496.12 metric tons, with a recycled and reused volume reaching 3,061.47 metric tons. The recycling rate increased to 87.57%, the highest in the past four years, indicating the company's ongoing efforts to strengthen resource circulation and reuse mechanisms, achieving significant results.

Compared to the slight decline in the recycling rate to 79.92% in 2023, the recycling volume in 2024 increased notably, while the volume of direct disposal significantly decreased to 434.64 metric tons, further reducing environmental impact. Overall, Darfon continues to promote waste recycling and reuse, effectively reducing direct disposal and increasing overall recycling rates, demonstrating the company's commitment and practical efforts toward resource circulation and environmental sustainability.



Unit：tonne	2022	2023	2024
Recycling and Reuse Quantity(1)	2,674.06	2,696.14	3,061.47
Direct Disposal Quantity (2)	454.15	677.43	434.64
Total waste generated Quantity (1)+(2)	3,128.21	3,373.57	3,496.12
Recycling rate (Recycling and Reuse Quantity / Total waste generated Quantity)	85.48%	79.92%	87.57%

Note: Hazardous waste recycling rate during production: 81.69%.

Chapter.6

A Happy Workplace – Empowering Talent as Value Creators

1.Human Rights Protection
2.Recruitment and Retention
3.Talent Development and Retention
4.Occupational Health and Safety

Performance Highlights

- **HR Asia Best Companies to Work for in Asia** 2024
- **(AREA) Health Promotion Award,** Asia Responsible Enterprise Awards 2024
- **Top 100 Sustainable Exemplary Enterprises Award,** 2024
- **17th Taiwan Corporate Sustainability Awards (TCSA), Corporate Sustainability Report Gold Award,** 2024
- **Employee turnover rate** has continued to decline each year since 2021.
- **Zero Cases Of Occupational Diseases in 2024.**
- **No Major Occupational Safety Incidents in 2024.**

1.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 supports employee well-being and growth. A comprehensive training system and engaging activities further strengthen cohesion and contribute to creating shared value for the company, employees, and society.

Darfon supports and complies with internationally recognized human rights principles, including the Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We also comply with local laws and regulations in all locations where we operate, and implement our human rights policy through the principles of protection, respect, and remedy.

Darfon's Human Rights Policy applies to Darfon and its subsidiaries and covers employees, customers, suppliers, business partners, and joint ventures. We also require our suppliers, partners, and joint ventures to uphold equivalent human rights standards aligned with this policy.

Adherence to RBA Code of Conduct Darfon follows the Responsible Business Alliance (RBA) Code of Conduct, upholding the principles of environmental protection, human rights, safety, and health through corresponding management systems and practices.

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

Darfon regards human rights as an integral part of corporate responsibility. Through systematic management and workplace planning, the company actively safeguards the fundamental rights of employees. By providing education, training, and open communication channels, we help employees better understand their rights and recognize the basic protections afforded to the stakeholders they interact with. In 2024, Darfon completed a total of 4,417 participants in human rights-related training sessions. These ongoing educational initiatives, coupled with policy implementation, contribute to building a safe, inclusive, and low-risk workplace while reinforcing the company's long-term commitment to human rights protection.

Promoting a Safe Workplace Through Digital Learning

In 2024, Darfon launched a digital learning course titled "Friendly Workplace", covering topics such as prevention of sexual harassment and unlawful conduct. The course achieved a 100% pass rate on post-training assessments. Darfon will continue to integrate education and systems to foster a safe and inclusive work environment, mitigate potential risks, and uphold its enduring commitment to human rights.

In 2024, Darfon completed a total of 4,417 instances of human rights–related training.

2. Recruitment and Retention

Employees are a key asset to the long-term development of Darfon and serve as a driving force for organizational innovation and continuous improvement. To enhance workforce stability and overall operational efficiency, Darfon has established a comprehensive training system and retention strategy to support employees' growth at every stage of their careers. In accordance with local laws and management conditions across our operating sites, we regularly review and update employment policies to ensure proper labor conditions and a supportive working environment. These efforts help to promote employee alignment with organizational goals and strengthen the coordination and stability of our operations.

Talent Recruitment

Advancing Global Footprint & International Talent Strategy

To meet the demands of rapidly changing global markets and rising competition, Darfon continues to expand its global industrial presence and deepen its diversity-focused talent strategy. By recruiting international talent from around the world, the company strengthens cross-cultural communication and enhances innovation within its teams.

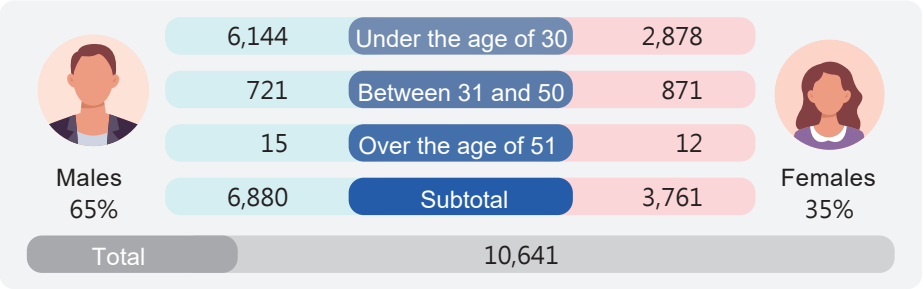
As of 2024, a total of 7 international professionals were recruited.

Darfon also values collaboration with academic institutions, particularly through programs such as the New Southbound Industry-Academia International Class and the Industry-Academia Overseas Chinese Student Collaboration Program. Through internships and joint projects, the company fosters a new generation of tech talent equipped with both practical experience and future-ready perspectives, fueling ongoing innovation within the company.

New Hires and Turnover (GRI 401-1)

New Employees

In 2024, Darfon recruited a total of 10,641 new employees, including:6,880 males (65%) · 3,761 females (35%) · The overall new hire rate reached 162%.From an age perspective:9,022 employees (85%) were under the age of 30 · 1,592 (15%) were between 31 and 50 · 27 employees were over the age of 51 · These figures reflect Darfon's strategic focus on cultivating young talent to inject innovation and secure long-term growth potential for the organization.

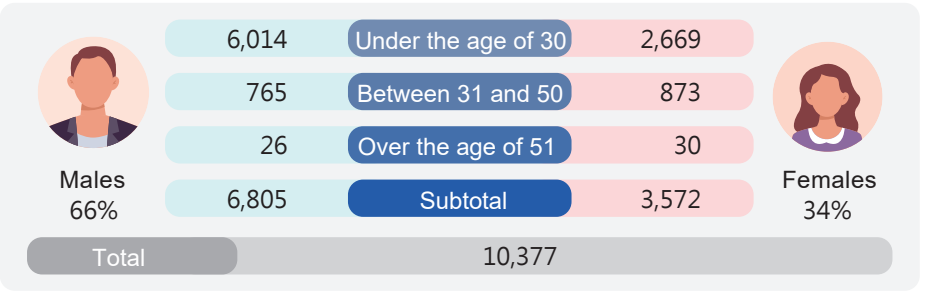


Employee Turnover Rate

With continuous improvements in human resource management, Darfon's voluntary and involuntary turnover rates have shown a declining trend year by year. This reflects the company's ongoing efforts in organizational management, career development, and employee care, effectively demonstrating success in talent retention. This trend helps strengthen operational stability, further supporting the company in deepening its core competitiveness and driving long-term growth.

Item	2021	2022	2023	2024
Total Turnover Rate	219.4%	193.3%	162.3%	154%
Voluntary Turnover Rate	124.4%	108.2%	91.5%	88%
Involuntary Turnover Rate	95.0%	85.1%	70.9%	65%

Note: The number of resignations does not exclude employees who left within three months of employment.



Diversity and Inclusion

Employee Composition (GRI 2-7)

As of the end of 2024, the total number of employees across operating locations was 6,575, including 3,148 males and 3,427 females.

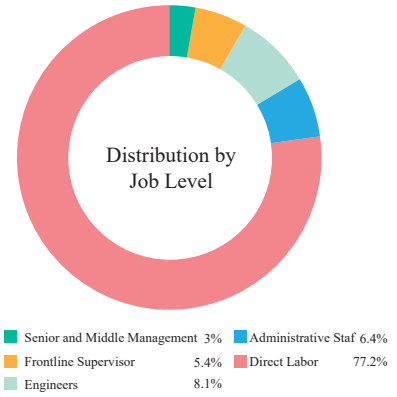
Gender Ratio at Each Operating Site Over the Years

Operating Locations		Taiwan		China		Vietnam		Others		Total	
		Quantity	%	Quantity	%	Quantity	%	Quantity	%	Quantity	%
2022	Males Employees	554	55.3%	2,551	49.9%	-	-	15	65%	3,153	51.4%
	Females Employees	447	44.7%	2,555	50.1%	-	-	8	39.2%	2,977	48.6%
	Total Employees	1,001	100%	5,106	100%	-	-	23	100%	6,130	100%
2023	Males Employees	581	56.6%	2,580	51.1%	-	-	124	37.1%	3,285	51.22%
	Females Employees	445	43.4%	2,473	48.9%	-	-	210	62.9%	3,128	48.78%
	Total Employees	1,026	100%	5,053	100%	-	-	334	100%	6,413	100%
2024	Males Employees	513	55.2%	2,446	49.4%	101	30.9%	88	24.2%	3,148	47.9%
	Females Employees	417	44.8%	2,508	50.6%	226	69.1%	276	75.8%	3,427	52.1%
	Total Employees	930	100%	4,954	100%	327	100%	364	100%	6,575	100%

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

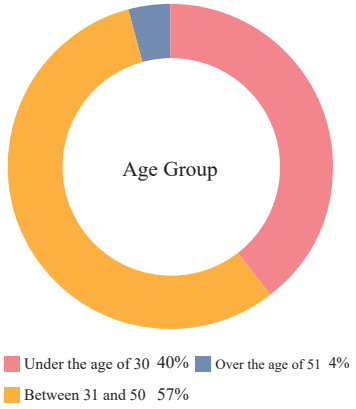
Darfon has production bases in Suzhou and Chongqing in Mainland China, the Czech Republic in Europe, Thailand and Vietnam in Southeast Asia, and branch offices in the United States and Japan. Currently, the company has over six thousand employees worldwide, with approximately six hundred located at the corporate headquarters in Taoyuan. The global proportion of female employees at Darfon is 52%, with female managers accounting for 27%. Due to industry characteristics and employment market factors, the male proportion among management and R&D personnel is relatively higher in Darfon Taiwan. Gender ratios in other factories vary according to work nature and local employment market conditions. Darfon's workforce structure is becoming increasingly youthful, with more than 96% of employees under the age of 50.

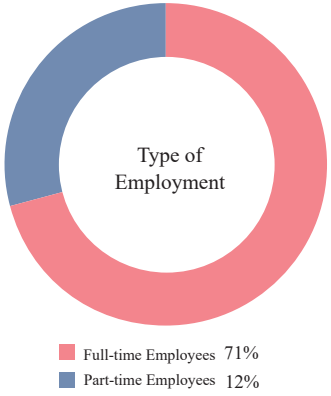
2024	Taoyuan		Tainan		Suzhou		Huai'an		Chongqing		Vietnam		Others		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Number	399	224	114	193	259	299	1365	1299	822	910	101	226	88	276	3,148	3,427
Distribution by Job Level																
Senior and Middle Management	100	20	11	1	16	5	18	-	9	1	5	-	9	2	168	29
Frontline Supervisor	91	25	8	5	27	40	58	30	32	13	9	-	9	6	234	119
Engineers	148	46	28	7	46	28	54	63	43	24	14	20	10	1	343	189
Administrative Staf	33	74	-	9	27	56	15	44	21	53	17	27	11	32	124	295
Direct Labor	27	59	67	171	143	170	1,220	1,162	717	819	56	179	49	235	2,279	2,795
Total	399	224	114	193	259	299	1,365	1,299	822	910	101	226	88	276	3,148	3,427

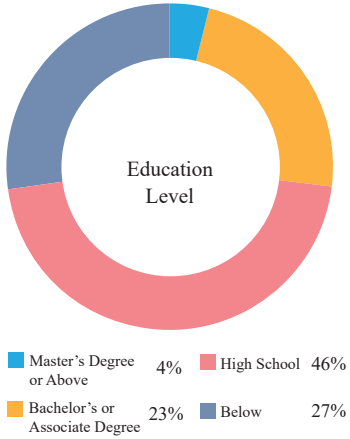


2024	Taoyuan		Tainan		Suzhou		Huai'an		Chongqing		Vietnam		Others		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Age Group																
Under the age of 30	17	38	7	19	110	101	789	437	353	244	48	127	42	188	1,366	1,154
Between 31 and 50	279	140	90	153	137	188	552	843	456	656	47	99	39	81	1,600	2,160
Over the age of 51	103	46	17	21	12	10	24	19	13	10	6		7	7	182	113
Total	399	224	114	193	259	299	1,365	1,299	822	910	101	226	88	276	3,148	3,427
Employment Contract																
Permanent Staff	390	200	89	114	235	270	807	936	595	749	0	0	46	233	2162	2502
Temporary Staff	9	24	25	79	24	29	558	363	227	161	101	226	42	43	986	925
Total	399	224	114	193	259	299	1365	1299	822	910	101	226	88	276	3148	3427
Type of Employment																
Full-time Employees	390	200	89	114	235	270	807	936	595	749	0	0	46	233	2162	2502
Part-time Employees	9	24	25	79	24	29	558	363	227	161	101	226	42	43	986	925
Total	399	224	114	193	259	299	1365	1299	822	910	101	226	88	276	3148	3427
Education Level																
Master's Degree or Above	195	40	13	4	4	1	3	0	1	0	2	0	14	11	232	56
Bachelor's or Associate Degree	200	162	67	85	88	106	208	156	106	83	46	63	26	83	741	738
High School	4	19	34	102	166	184	1135	1119	29	9	39	99	18	96	1,425	1,628
Below	-	3	0	2	1	8	19	24	686	818	14	64	30	86	750	1,005
Total	399	224	114	193	259	299	1,365	1,299	822	910	101	226	88	276	3,148	3,427
Non-employee Workers																
Contractor Staff	2	11	1	2	10	17	16	33	5	28	3	23	45	35	82	149
Security Staff	4	-	3	0	11	-	23	2	14	14	15	0	8	2	78	18
Total	6	11	4	2	21	17	39	35	19	42	18	23	53	37	160	167

Note 1: This data includes all Delta Electronics global locations: Darui Innovation, Dayu Power, Europe, Americas, Asia, etc.
Note 2: Employment contract definitions according to GRI standards:
Permanent employees are full-time employees with an open-ended (indefinite) contract.
Temporary employees are employees with fixed-term contracts, such as short-term student workers at retail outlets or interns under agreements with Darfon. Migrant workers are also included in this category, as their employment contracts are limited to a maximum period of three years.
Note 3: Employment types according to GRI definitions:
Full-time employees work hours per week, month, or year as defined by national laws and practices regarding working hours.
Part-time employees work fewer hours than full-time employees within the same period.
Employees without guaranteed hours include temporary workers, zero-hour contract workers, and on-call workers.
Note 4: Non-employee workers refer to contractors, primarily engaged in security, catering, and cleaning services. Darfon regular cooperation contracts with service providers, who then dispatch personnel to work at Darfon facilities.







Parental Leave and Childcare Leave (GRI 401-3)

Darfon continues to promote a family-friendly workplace environment by providing legally compliant maternity leave, paternity leave, and parental leave policies. The company implements the parental leave and reinstatement mechanisms as stipulated in the Gender Equality in Employment Act and the Regulations on Parental Leave and Job Protection. In 2024, a total of 3 male and 4 female employees applied for parental leave. Among them, 3 female employees have returned to work after their leave period, while 1 female employee did not return due to family reasons.

	2021		2022		2023		2024	
	Males	Females	Males	Females	Males	Females	Males	Females
Number of Employees Eligible for Parental Leave (A)	40	19	45	16	45	19	40	15
Number of Employees Applying for Parental Leave (B)	2	2	1	3	2	5	3	4
Number of Employees Scheduled to Return from Leave (C)	4	3	2	5	3	3	0	4
Number of Employees Actually Returning from Leave (D)	1	1	1	4	2	3	0	3
Number of Employees Still Employed 12 Months After Returning (E)	1	1	1	3	1	3	0	2
Parental Leave Application Rate (B)/(A)	5%	11%	2%	19%	4%	26%	7.50%	26.67%
Return-to-Work Rate After Leave (D)/(C)	25%	33%	50%	80%	67%	100%	0	75.00%
Retention Rate 12 Months After Return (E)/ Previous year (D)	100%	100%	100%	75%	50%	100%	0	66.67%

Note 1:The number of employees eligible for parental leave is calculated based on the total number of employees who have applied for maternity or paternity leave over the past three years.

Employee Satisfaction Survey

To gain deeper insights into employee needs and expectations, Darfon regularly conducts employee satisfaction surveys. By analyzing both quantitative data and qualitative feedback, the company uses the findings as a key reference for human resource management and organizational improvement. In 2024, ESG (Environmental, Social, and Governance)–related topics were included in the questionnaire for the first time, reflecting Darfon's emphasis on employee perspectives and their awareness of sustainable development. The overall survey score averaged 4.64 out of 5, indicating that most employees have a positive evaluation of Darfon's overall performance. The scores for each key indicator are as follows:

Taiwan Plant Assessment Criteria	2023	2024
Recruitment and Hiring	4.64	4.62
Talent Management and Development	4.6	4.57
Compensation, Attendance, and Insurance	4.7	4.67
Employee Relations	4.7	4.67
ESG Sustainability Promotion	-	4.51
General Administration and Plant Affairs	4.74	4.71
Overall Average Score	4.69	4.64

Employee Assistance Program (GRI 404-2)

Darfon implements an Employee Assistance Program (EAP) that offers diverse support services to employees and their families, including psychological counseling, legal advice, family relationship assistance, and workplace communication support, aiming to enhance employees' mental and physical well-being as well as work performance. In 2024, Darfon collaborated with external professional organizations to provide 31 sessions of psychological counseling services, helping employees relieve stress and emotional difficulties. Additionally, new employees receive an EAP information card on their first day of work, and monthly EAP wellness communications are promoted to raise employees' awareness and attention to mental health issues, fostering a positive workplace environment.

2024	Workplace Stress	Workplace Relationships	Emotions and Relationships	Partner and Family	Parent-Child Relationships	Loss and Trauma	Other Counseling Topics	Total
Subtotal	10	2	12	2	2	2	1	31

Retirement Plan

Sites	Retirement Plan
Taiwan Operation Sites	Contributions to the Labor Pension Fund (in accordance with the Labor Standards Act)
China Operation Sites	At each operational site in China, in accordance with local regulations, social insurance is provided for employees covering pension, medical care, unemployment, work-related injury, and maternity benefits. Additionally, in response to welfare policies, a housing provident fund of up to 8% is contributed to ensure employees have solid support for their living and retirement security.
Vietnam Operation Sites	At each operational site in Vietnam, in accordance with local laws, workers who have reached the statutory retirement age and meet the required number of years of social insurance contributions are eligible to receive a pension. Under normal working conditions, the retirement age for workers is gradually adjusted, reaching 62 years for male workers by 2028 and 60 years for female workers by 2035. Since 2021, under normal working conditions, the retirement age is 60 years and 3 months for male workers, and 55 years and 4 months for female workers; thereafter, the retirement age for male and female workers will increase by 3 months and 4 months each year, respectively.

Notification Period for Significant Operational Changes (GRI 402-1)

When terminating labor contracts, Darfon's Taiwan operations comply with government laws and regulations by disclosing relevant notification and implementation dates. For employees with more than 3 months but less than 1 year of service, a 10-day advance notice is given; for those with 1 year or more but less than 3 years of service, a 20-day advance notice is provided; and for those with 3 years or more of service, a 30-day advance notice is required. In China, the operational sites provide a 30-day advance notice. In Vietnam, according to local labor laws, if significant operational changes require termination or adjustment of labor contracts, advance notice must be given depending on the type of contract: a 30-day notice for fixed-term contracts and a 45-day notice for indefinite-term contracts.

3. Talent Development and Retention

Talent Retention

Compensation Policy (GRI 202-1)

Darfon upholds the principles of respecting labor rights and practicing equal treatment. All global operational sites strictly comply with local labor laws to ensure that employee wages are not below the statutory minimum wage. The company prohibits any wage disparities based on gender, religion, ethnicity, nationality, or political stance.

To attract and retain outstanding talent, Darfon has established a compensation system that is both competitive in the market and internally fair. Salaries are reasonably adjusted based on employees' education, professional skills, and performance to ensure alignment with industry trends and individual contributions. Annual market salary surveys and overall operational results are referenced regularly to review goal achievements and plan bonus distributions.

For senior employees, the Compensation Committee comprehensively considers the amount and form of remuneration, company future risks, and performance indicator achievements to formulate annual compensation plans, thereby ensuring transparency and governance responsibility in the compensation system.

Salaries of Full-Time Non-Managerial Employees

According to the Taiwan Stock Exchange's "Guidelines for Reporting Salaries of Full-Time Non-Managerial Employees," the average salary of full-time non-managerial employees at Darfon's Taiwan operational sites is calculated. After review and audit by accountants, the weighted average number of full-time non-managerial employees in 2024 was 820, with an average salary of 1,149,000 TWD and a median salary of 956,000 TWD.

	2022	2023	2024
Average Number of Employees	836	855	820
Average Salary (thousands of TWD per person)	1,210	1,246	1,149
Median Salary (thousands of TWD per person)	1,005	1,035	956

Salary and Compensation Ratios by Gender (GRI 405-2)

Darfon upholds the principles of equal pay for equal work and rewarding outstanding performance for both supervisors and employees. Salary adjustments and payments are made without gender discrimination. Moving forward, Darfon will continue to implement relevant management practices and mechanisms to gradually reduce existing salary disparities.

Site	Taiwan Operation Sites				China Operation Sites			
Compensation Category	Base Salary		Base Salary + Bonus		Base Salary		Base Salary + Bonus	
Gender	Males	Females	Males	Females	Males	Females	Males	Females
Senior and Middle Management	1	0.91	1	0.93	1	0-1.09	1	0-1.09
Frontline Supervisor	1	0.83	1	0.83	1	0.86-0.96	1	0.91-0.97
Engineers	1	0.92	1	0.91	1	0.86-0.92	1	0.87-0.92
Administrative Staf	1	0.99	1	1.04	1	0.87-1.03	1	0.67-0.99
Direct Labor	1	0.98	1	0.96	1	0.91-0.98	1	0.77-0.92

Note 1: The average salary is calculated by dividing the total salary amount by the number of employees in each job level/group in 2024. The base salary is calculated based on the full monthly salary (regular compensation) of employees in service as of the end of 2024. Considering that employees who have joined or left the company within less than one year might cause deviations in ratio calculations due to bonus payments, those employees with less than one year of service are excluded when calculating the "base salary + bonus" figures.

Note 2: Due to varying salary levels across different operational sites in China, salary ratios are presented as ranges.

Talent Development and Training

2024 Performance (GRI 404-1)

In 2024, Darfon's total training hours reached 59,033 hours, with an average of 9 training hours per employee, an increase of 1.1 hours compared to 2023. Training expenses for the same period also increased by NT$490,000 compared to the previous year, mainly reflecting the continued implementation of online learning resources and the simultaneous expansion of in-person training programs. The overall course satisfaction score averaged 4.61 out of 5, indicating a high level of employee approval for the training content and quality of delivery.

	2023	2024
Total Training Hours	50,708	59,033
Average Training Hours per Employee	7.9	9.0
Training Expenses (NTD 10,000)	342	391

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

Training Hours by Position and Gender

In 2024, the average training hours for male managers at Darfon was 32.1 hours, while female managers received an average of 20.8 hours. For non-managerial employees, male employees received an average of 8.7 hours, and female employees received 5.9 hours on average.

The detailed breakdown of the number of participants and training hours by job level is shown in the table below.

Distribution by Job Level	Males	Females	Total Employees	Males (Hours)	Females (Hours)	Total Training Hours
Senior and Middle Management	168	29	197	6,146	807	6,953
Frontline Supervisor	234	119	353	6,755	2,269	9,024
Engineers	343	189	532	8,700	4,269	12,969
Administrative Staf	124	295	419	1,594	3,350	4,944
Direct Labor	2,279	2,795	5,074	13,497	11,646	25,143
Total	3,148	3,427	6,575	36,692	22,341	59,033

Hours	Total Training Hours			Average Training Hours		
Employee Category	Males	Females	Subtotal	Males	Females	Subtotal
Manager	12,901	3,076	15,977	32.1	20.8	29.0
Non-Manager	23,791	19,265	43,056	8.7	5.9	7.1
Total	36,692	22,341	59,033	12	7.1	9.0

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

4.Occupational Health and Safety

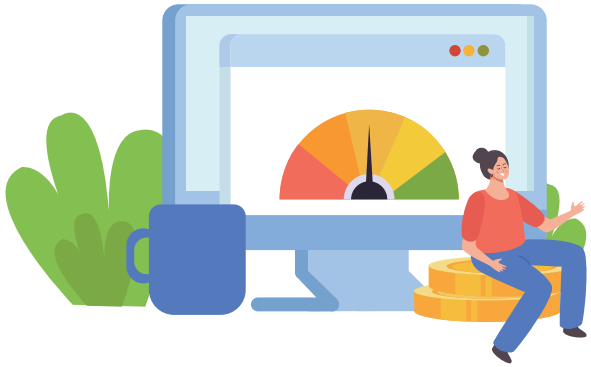
Number of Employees Covered by ISO 45001 System (GRI 403-1, 403-8)

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 all seven of its manufacturing sites—Taoyuan, Tainan, Suzhou, Huai'an, Chongqing, Vietnam, and Thailand. All sites have successfully passed third-party audits by SGS, ensuring the system's effectiveness and consistency. Each site tailors its practices in accordance with local regulations, while fully complying with legal requirements.

For example, in Taiwan, Darfon has appointed dedicated occupational safety and health officers and staffed a sufficient number of safety and health professionals based on employee headcount to ensure proper implementation and onsite risk control. The management system covers not only formal employees (97% of total personnel) but also non-employees (3%), ensuring that all individuals involved in operational activities are included in the company's risk prevention and safety assurance mechanisms.

	ISO 45001 Certified Sites						
	Taoyuan Headquarters	Tainan Plant	Suzhou Plant	Huai'an Plant	Chongqing Plant	Vietnam Plant	Thailand Plant
Employees	457	301	556	2,671	1,733	499	105
Non-employee Workers	18	5	30	52	65	20	4

Note 1: The personnel count is based on employees who were still employed as of December 2024.
Note 2: Non-employee workers refer to dispatched personnel, primarily engaged in security, catering, and cleaning services.



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

All Delta facilities have dedicated occupational safety and health (OSH) management organizations in compliance with local regulations, including the Occupational Safety and Health Management Committee in Taiwan, the Work Safety Committee in China, and the Labor Protection Committee in Vietnam.Quarterly meetings are held at each site, chaired by the General Manager and attended by senior management, department heads, and employee representatives. These meetings review and discuss OSH-related policies, program implementation results, and improvement measures, aiming to enhance coordination between management and on-site operations for better effectiveness.

Hazard Identification and Risk Assessment (GRI 403-2)

Occupational health and safety remain a cornerstone of Delta's operations. Following the ISO 45001 Occupational Health and Safety Management System, annual hazard identification and risk assessments are conducted at all sites, including evaluations of ergonomic and other potential risks.Each facility's Environment, Health, and Safety (EHS) Committee—comprised of department representatives—conducts these assessments, which are then categorized and ranked by dedicated EHS professionals. All personnel involved in assessments receive training in hazard identification and risk evaluation to ensure accuracy and effectiveness.For risks identified as "unacceptable," OSH goals and management programs are initiated. In 2024, a total of 16 improvement proposals were completed, achieving a 100% implementation rate. Furthermore, Delta upholds the "Right to Refuse Unsafe Work"—employees are entitled to leave their workstations if they perceive a danger, without fear of penalty or reprisal, thereby safeguarding their rights and safety.

Training and Awareness (GRI 403-5)

Establishing a strong safety culture requires continuous education and communication. To enhance employees' OSH awareness and minimize workplace injuries and operational risks, Delta develops annual EHS training plans based on site-specific needs and work characteristics.

Post-training assessments and satisfaction surveys are conducted to evaluate learning outcomes and ensure the courses are practical and relevant.In 2024, training programs included:General OSH education (for new and existing employees)、Hazardous chemical awareness (for new and existing employees)、ISO 45001:2018 Internal Auditor Training、ISO 14001:2015 Internal Auditor Training、ISO 14064-1:2018 Internal Verifier for GHG Emissions、Regulatory certification training、Information security training、Fire drills and chemical spill response exercises、Workplace civility and anti-harassment training、CPR + AED training、Health seminars.

Site	Type	Pre-employment Training	Regulatory and Certification Training		On-the-Job Training	Total Training Summary
	Target	New Hires and Transferred Employees	Initial Certification Training	Recertification Training	Specific or General Personnel	
Taoyuan Headquarters	Subtotal Participants	167	0	2	51	220
	Subtotal Hours	283	0	12	174	469
Tainan Plant	Subtotal Participants	40	5	79	2,206	2,330
	Subtotal Hours	120	116	315	3,284	3,835
Suzhou Plant	Subtotal Participants	1,016	1	13	96	1,126
	Subtotal Hours	24,348	32	104	172	24,656
Huai'an Plant	Subtotal Participants	7,752	17	58	318	8,145
	Subtotal Hours	3,876	72	464	13,795	18,207
Chongqing Plant	Subtotal Participants	1,280	2	12	619	1,913
	Subtotal Hours	643	96	192	694	1,625
Vietnam Plant	Subtotal Participants	406	62	159	0	627
	Subtotal Hours	406	1,008	2,544	0	3,958
Total Participants		10,661	87	323	3,290	14,361
Total Hours		29,676	1,324	3,631	18,119	52,750

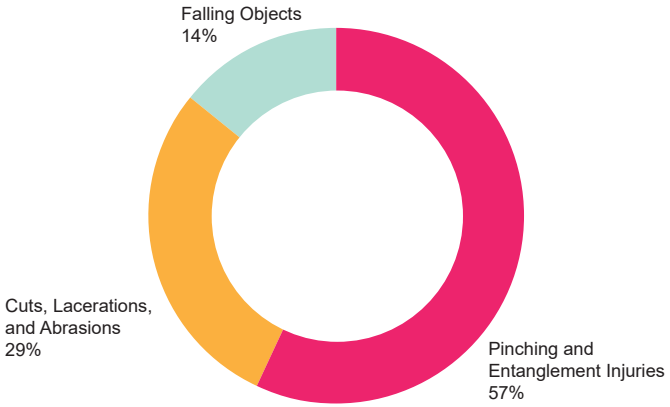
Accident Investigation Process and Occupational Injuries (GRI 403-2)

To strengthen workplace risk management and safety culture, each factory has established a comprehensive reporting and handling mechanism for occupational injury incidents, ensuring abnormal situations are reported promptly and addressed swiftly. When a workplace injury or near-miss occurs, employees can immediately report to the production line supervisor or department manager, triggering an investigation and response process to identify the cause and prevent recurrence. During operations, if employees encounter situations that threaten personal safety, they may stop work or evacuate as needed without affecting their rights. Wages, benefits, and employment conditions remain protected.

According to the 2024 risk assessment results and occupational injury records from each factory, the main types of incidents were pinch and entanglement injuries (57%) and cuts, lacerations, and abrasions (29%). The primary causes were insufficient safety protection measures and failure to comply with operational discipline. Darfon has implemented corrective actions to ensure employee safety.

In 2024, the recordable injury rate was 0.49, with a total of 7 occupational injury cases. Compared to 2023, the frequency rate (FR) of disabling injuries decreased by 7.0%, while the severity rate (SR) of disabling injuries increased by 65%. This increase was mainly due to one injury case each at the Tainan and Huaian plants, where longer disability days elevated the overall severity. The company has reviewed high-risk operations, conducted engineering improvements, and continues to promote risk elimination and substitution programs for occupational injury reduction, aiming to meet safety goals and effectively reduce incident impacts and lost days.

	Taoyuan Headquarters	Tainan Plant	Suzhou Plant	Huai'an Plant	Chongqing Plant	Vietnam Plant
Pinching and Entanglement Injuries	0	1	0	1	2	0
Cuts, Lacerations, and Abrasions	0	0	0	2	0	0
Falling Objects	0	1	0	0	0	0



Item	Employees		Non-employee Workers	
	2023	2024	2023	2024
Occupational Injury Fatality Rate	0	0	0	0
Total Recordable Injury Cases	12	7	0	0
Total Recordable Incident Rate (TRIR)	0.70	0.49	0	0
Number of Occupational Diseases	0	0	0	0
Occupational Disease Rate (ODR)	0	0	0	0
Serious Occupational Injury Rate	0	0	0	0
Recordable Occupational Injury Rate	0.70	0.49	0	0
Lost Day Rate (LDR)	15.17	25.00	0	0
Process Safety Incident Count (PSIC)	4	3	0	0
Process Safety Total Incident Rate (PSTIR)	0.23	0.21	0	0
Process Safety Incident Severity Rate (PSISR)	0	0	0	0
Number of Transportation Incidents	0	0	0	0
Disabling Injury Frequency Rate (FR)	0.46	0.49	0	0
Disabling Injury Severity Rate (SR)	15.17	25.00	0	0
Frequency-Severity Index (FSI)	0.08	0.11	0	0

Note 1:Total Annual Working Hours: Calculated based on the actual total working hours (including overtime) at each manufacturing site from January to December.
Note 2:Traffic-related incidents are excluded from the calculation of all indicators.
Note 3:Occupational Injury Fatality Rate = (Number of occupational injury fatalities × 10^6) ÷ Total annual working hours.
Note 4:Serious Occupational Injury Rate = (Number of serious occupational injuries × 10^6) ÷ Total annual working hours.
Note 5:Total Recordable Injury Rate (TRIR) = (Number of recordable occupational injuries × 10^6) ÷ Total annual working hours. The TRIR is rounded down to two decimal places.
Note 6:Lost Day Rate (LDR) = (Number of lost days × 10^6) ÷ Total annual working hours.
Note 7:Lost Days: Refers to the number of calendar days during which the injured employee is temporarily (or permanently) unable to work, excluding the day of the incident and the day of return, but including weekends, holidays, plant shutdowns, or any subsequent days off due to the same injury.The LDR is reported as an integer, with decimals rounded down.
Note 8:Number of Recordable Occupational Injuries: The total number of cases included in the above injury statistics.
Note 9:Number of Serious Occupational Injuries: Refers to cases where the injured employee suffers irreversible damage (e.g., amputation) or is unable to return to pre-injury work status within six months.
Note 10:Non-employee occupational safety data (such as contractors or outsourced personnel) is included and disclosed, to enhance the coverage and transparency of occupational safety management.

Chapter.7

Caring and Contribution – Empowering Communities Through Engagement

1. Key Achievements in 2024
2. Three Major Social Engagement Actions

Realizing the Goodness and Beauty of Technological Life ——

Solving Social Issues Through Green and Smart Technology,
Cultivating Shared Prosperity in Communities

1. Key Achievements in 2024

Upholding Darfon Electronics' corporate vision of "Realizing the Goodness and Beauty of Technological Life," we believe that technology is not only a driver of innovation, but also a bridge for spreading goodwill and beauty. In 2024, leveraging our core strengths in green energy and smart technologies, we focused on three major pillars: support for underprivileged groups, sustainable education, and community co-creation. Through diverse initiatives, we actively responded to pressing societal challenges.

From caring for vulnerable populations to promoting lifelong learning and building resilient communities, Darfon has played the role of not only a supporter, but also a problem solver—infusing "technology + humanity" into real-world action. These efforts aim to reimagine value, address root causes, and foster sustainable, people-centric communities. Our initiatives are not only a fulfillment of corporate responsibility but also a direct response to the United Nations Sustainable Development Goals (SDGs), demonstrating the company's commitment to being a catalyst for positive change and shared growth.

Three Pillars of Social Engagement	Participation Program	Core Business Value	SDGs	Beneficiaries
Caring for the Underprivileged	● Blood Donation & First Aid Training ● Charity Sales & Benefit Performances ● Dream Fulfillment & Mentorship Program ● Corporate Volunteer Engagement Program	● Rooted in green energy and smart technology, the company promotes smart mobility solutions to support age-friendly communities. By integrating product innovation, it contributes to healthcare and long-term care development in rural areas, fulfilling the vision of a better life through technology. ● Recognizing the diversity of regional needs, the company responds to its long-term vision of fulfilling corporate social responsibility and promoting local social inclusion. ● Committed to fostering employee engagement and serving diverse communities, the company also helps bridge regional resource gaps, achieving the dual goals of business growth and sustainable local co-prosperity.		Hsinchu Blood Donation Center、Rising Sun Nursing Home、Jen-Ai Home、Yu-De Children's Home、Sacred Heart Charity Workshop、Qizhang Fude Temple, Daxi
Sustainable Education	● Sponsorship of Rural School Choirs ● Cultivating Young Sports Talent ● Mobile Learning x Sustainability Experience			Taoshan Elementary School, Wufeng Township、National Taiwan University of Sport, Linkou Campus
Community Co-Creation	● Tree Planting & Adoption ● Zero-Waste Market x Resource Reuse Platform ● Supporting Local Arts & Culture Development ● Smart Mobility x Community Support			Xihu Township Leisure Development Association、Step30 International Ministries、Green Miracle Public Welfare Service Network Association、Eden Social Welfare Foundation、Taiwan Art Foundation

2.Three Major Social Engagement Actions

Through concrete actions, we have deepened local connections, established long-term partnerships, and enhanced the company's influence within the community. At the same time, we cultivate employees' awareness of social responsibility and shape a positive corporate culture. By integrating corporate resources with social needs, we create shared value. Dafang Electronics will continue to deepen social participation and expand social impact. We are committed to systematic project management and performance evaluation to ensure effective resource utilization and create greater value for society. Let us work together toward a more inclusive and sustainable future.

Caring for the Vulnerable: Taking Action to Mend Social Gaps

Responding to SDGs	SDG 3 (Good Health and Well-being), SDG 10 (Reduced Inequalities)
Resources Invested	NT$142,570
Volunteer Hours	662 hours
Beneficiaries	Hsinchu Blood Donation Center, Xudeng Nursing Home, Ren'ai Home, Yude Children's Home, Sacred Heart Charity Workshop, Daxi Qizhang Fude Temple

Facing the growing challenges of wealth disparity and an aging population, Dafang Electronics continues to fulfill its corporate social responsibility, acting as a vital link between resources and needs. In 2024, we actively fulfilled our commitment of "people-centered and responsible" through the following charitable actions:

Highlight Case

Charity Sale and Performance | Gathering Kindness to Promote Redistribution

Since late 2019, Darfon has continuously cared for society and supported vulnerable groups. On May 4, 2024, we held a charity event combining sales, performances, and companionship at Xudeng Nursing Home. Employee volunteers visited the long-term care facility to bring warmth and companionship to the elderly residents through live performances, interactive exchanges, and charity sales of donated goods. This event also fostered a shared power between the community and the company for mutual benefit.

Sustainable Education: Sparking Value Transformation through Innovation

Responding to SDGs	SDG 4 (Quality Education), SDG 13 (Climate Action)
Resources Invested	NT$1,406,672
Volunteer Hours	842 hours
Beneficiaries	Taoshan Elementary School in Wufeng Township, Linkou National Sports University, Guhe Agriculture

Education is a key force for changing lives, especially in resource-scarce rural areas that require long-term external support and attention. Darfon upholds its corporate social responsibility by actively promoting balanced educational development in rural regions. Through diverse approaches such as art, sports, technology, and community learning, we open up multiple learning possibilities for children and embed sustainability literacy deeply into everyday life from an early age.

Highlight Case

Mobile Learning × Sustainable Experience | Innovatively Transforming Learning Spaces

Amidst ongoing climate change and social transformation, sustainability education should not be confined to classrooms but should extend into communities and daily life. On October 24, 2024, Darfon held a meaningful “ESG Hope Seed Project” sustainability board game event. The event brought together 50 community members and youth, using interactive games to make sustainability knowledge accessible, tangible, and understandable—transforming it from an abstract concept into practical everyday wisdom.

Community Co-creation: Connecting Local Visions with Technology

Responding to SDGs	SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption), SDG 13 (Climate Action)
Resources Invested	NT$1,246,200
Volunteer Hours	180 hours
Beneficiaries	Xihu Township Leisure Development Association, International Christian Concern Old Shoes Save Lives Association, Green Miracle Public Service Network Association, Eden Social Welfare Foundation, Taiwan Art Foundation

Greenery is the foundation of life and a vital symbol of sustainable communities. Darfon promotes the "Tree Adoption Campaign" to enhance community public spaces with greenery beautification and ecological restoration, encouraging residents to participate in environmental creation and deepening their awareness and action on ecological issues. We also center on "Cultural Co-creation" by organizing multiple music performances and stage plays, bringing art into everyday life, creating warm and humanistic living environments, enhancing local cultural participation, and fostering intergenerational exchange and community cohesion.

Furthermore, Darfon leverages technology to realize the vision of community well-being by implementing the "Smart Mobility × Community Support" concept. Since the end of 2023, we have donated smart electric mobility vehicles to the Xihu Township Leisure Development Association in Miaoli County to improve mobility for the elderly and those with limited mobility. In 2024, we continue to support the operation of this organization. Through these concrete actions, we implement smart living applications and promote the development of an age-friendly community, demonstrating the company's commitment to using technology to meet local needs.

Highlight Case

Waste-Free Market × Resource Recycling Platform | Giving Love New Life

In a consumer-driven society, resource waste and excessive discarding of items have become increasingly serious issues. On July 31, 2024, Darfon launched a one-week "Waste-Free Market × Resource Recycling Platform," attracting participation from 180 households. Through "exchange instead of discard," over 400 household items were collected, including 150 pieces of clothing donated to the Old Shoes Save Lives International Christian Concern Association.

Beyond exchanging and redistributing resources, employees were encouraged to sort out idle items from workplaces and homes, including electronics and used batteries, which were collected for recycling and reuse with the assistance of Green Miracle and Eden Foundation. This initiative was not only an environmentally friendly choice but also a re-recognition of life values—how actions can embody "responsible consumption" and "shared living."