REXON

2025

REXON
SUSTAINABILITY REPORT



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About the Sustainability Report

The Sustainability Report (hereinafter referred to as the Report) of Rexon Industrial Corp., Ltd. (hereinafter referred to as Rexon, Rexon Industrial, or the Company) is compiled in accordance with the principles of openness, transparency, and integrity. Since 2022, the Company has published Sustainability Reports to disclose its non-financial information. This is the Company's fourth report. The Company will continue its efforts to provide stakeholders with more comprehensive and transparent sustainability information.

As stated in this Report, we understand global sustainability trends, laws and regulations issued by competent authorities, expectations and suggestions of stakeholders, and perform materiality surveys and analyses through systematic communication channels in daily operations to adjust the direction and strategy of the sustainability management. With “co-prosperity, common good and sharing” as the highest guidelines for sustainable management, we fully disclose the economic, environmental and social performance in terms of the five dimensions of “Sustainable, talent, governance, care, and innovation” as well as the management methods and countermeasures with respect to the material topics.



Guideline of the Report

The 2025 Sustainability Report of the Company is prepared based on relevant standards, frameworks, regulations, and initiatives (see table below). Through the materiality analysis model, we identify and prioritize material sustainability topics and analyze related strategies, goals, and measures to provide a basis for the disclosure of the information in the Report. Relevant contents and indicator indexes are detailed in the appendix.

Release Department	Global Reporting Initiative (GRI)	Taiwan Stock Exchange (TWSE)	Financial Stability Board (FSB)	International Sustainability Standards Board (ISSB)	United Nations (UN)
Standard/ Framework/ Regulation/ Initiatives	● In accordance with the "GRI Standards 2021"	● Comply with "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies"	● With reference to Task Force on Climate-related Financial Disclosures (TCFD)	● With reference to the sustainability disclosure framework of "SASB Standards" Industry 1: Appliance Manufacturing Sector 2: Toys and Sporting Goods	● With reference to the UN Sustainable Development Goals (SDGs)

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Reporting Boundary and Scope

The information disclosed in the Report primarily pertains to Rexon Industrial Co., Ltd. The scope of financial performance includes the subsidiaries in the consolidated financial statements, namely, Rexon Technology Co., Ltd. (hereinafter referred to as Rexon Technology), Tongxiang Rexon Industrial Co., Ltd. (hereinafter referred to as Tongxiang Rexon), Rexon Industrial (Vietnam) Co., Ltd. (hereinafter referred to as Vietnam Rexon), Gold Tech Group Ltd. (hereinafter referred to as Gold Tech), Power Tool Specialists Inc. (hereinafter referred to as P.T.S) and Gold Item Group Ltd. (hereinafter referred to as Gold Item). However, the impact of each subsidiary on overall revenue is extremely limited.

The scope of the environmental and social aspects covers the Rexon Industrial’ s Renhua Plant and Tucheng Plant in Taiwan, as well as its subsidiary Rexon Technology. In 2025, the U.S. subsidiary PTS was added to the scope. The data disclosed in the Report covers the scope of the three major aspects: economic, environmental, and social. The relevant data is compiled by Rexon Industrial Sustainability Office, which gathers information from various departments and conducts a review process to ensure the integrity and transparency of the disclosed data in accordance with the principles of the Report.

Name of Company	Location	Shareholding Ratio of Parent Company	Economic Aspect	Environmental and Social Aspects
Rexon Industrial	Taiwan - Renhua Plant and Tucheng Plant	Parent Company	✓	✓
Rexon Technology	Dali, Taiwan	82.87%	✓	✓
Tongxiang Rexon Industrial	Tongxiang, Mainland China	100%	✓	
Rexon Vietnam	Vietnam Hung Yen	100%	✓	
Gold Tech, Hong Kong	Hong Kong	100%	✓	
P.T.S	The United States	96%	✓	✓
Gold Item	British Virgin Islands	100%	✓	

Report Management Approach

Internal Controls

The information and data disclosed in this Report are provided by each department of the Company and its subsidiaries, compiled and edited by the Rexon Industrial Sustainability Office, reviewed and revised by each manager of the ESG Committee, and submitted to the President and the Chairman for approval. They are then forwarded to the Sustainability Committee of the Board of Directors and registered as a proposal. After the proposal is adopted, the Report is finalized and published.

External Verification

Sustainability Report

The Sustainability Report of the Company issued in 2026 has been verified by the international verification institution "SGS Taiwan Ltd." according to the Type 1, moderate assurance standard of the AA1000 Assurance Standard, v3, to assure that the Report meets the GRI standards (2021) and the AA1000 Accountability Principles (2018). The Assurance Statement is attached to the appendix of the Report.

Financial Data

The financial data has been audited by KPMG Anhou Jianye Joint Accounting Firm, and is presented in New Taiwan Dollars.

Environmental Data

ISO 14064-1 greenhouse gas inventory (assured by KPMG with an assurance statement obtained), ISO 14001 Environmental Management System (verified by SGS with a verification statement obtained).

Social Data

The occupational safety and health management system based on ISO 45001 has been verified by SGS, and a verification statement has been obtained.

Governance Data

The quality management system based on ISO 9001 and the information security management system based on ISO 27001 have been verified by SGS, and verification statements have been obtained.

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Reporting Period and Issuance

The information disclosed in the Report covers the period from January 1 to December 31, 2025. It includes specific practices and performance data in the areas of economy, environment, social, and governance. To ensure the completeness and comparability of project and activity performance, certain content may cover periods before January 1 and after December 31. Moving forward, Rexon will issue the sustainability report annually within the time frame required by the Financial Supervisory Commission to ensure transparent disclosure of sustainability information to stakeholders and readers who are interested in Rexon's sustainable development.

- First edition of the Sustainability Report: July 2023
- This Sustainability Report: August 2026
- Next Sustainability Report: August 2027 as planned



▲ First edition of the Sustainability Report



▲ This Sustainability Report

Information Explanation

Rexon prepares the Report with a rigorous attitude, continuously refining data collection procedures and scope to enhance data quality and accuracy every year. For historical data in this Report different from previous versions, the reasons for any differences and the adjustments thereof are explained below.

Year			
	2023	2024	2025
Carbon inventory information: Data Corrected after Verification in 2024 Note 1		Rexon Renhua Plant and Tucheng Plant Subsidiaries:Rexon Technology	Rexon Renhua Plant and Tucheng Plant Subsidiaries:Rexon Technology, PTS
Water Resources Management: Correction of Data Disclosed in the 2023 Report	The calculation logic, disclosure formulas, and boundary conditions for the three water resource indicators, namely water consumption volume, water intake volume, and water discharge volume, were not fully understood, resulting in misstatements in the 2023 figures.	The 2023 and 2024 figures for the three water resource indicators, namely water consumption volume, water intake volume, and water discharge volume, were inconsistent.	The 2023 figures for water consumption, water intake, and water discharge were corrected. The figures were adjusted to the correct 2024 figures.

Note 1：GHG inventory information: The 2024 data has been corrected based on the verification results. The scope of the carbon inventory in the 2025 Sustainability Report covers the Renhua Plant, Tucheng Plant, and the subsidiary Rexon Technology. All the production bases in Taiwan have been incorporated in the inventory, and the U.S. subsidiary PTS was also added.

Feedbacks

If you have any suggestions or feedback regarding this report, we welcome you to contact us

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Rexon's Commitment to Sustainable Operations

Although uncertainties such as exchange rate fluctuations and tariff wars impacted the Company's core operations in 2025, the outbreak of the U.S.-Iran war in March 2026 further heightened volatility and uncertainty in the global economic environment. Nevertheless, our commitment to sustainable development has never wavered. Only by embedding ESG principles into the core of corporate governance and business decision-making can we move forward steadily amid a changing environment and create long-term value. As capital markets and competent authorities impose increasingly stringent requirements on sustainability information disclosure, we continue to elevate sustainability thinking from "regulatory compliance" to "strategic leadership." Through institutionalized management and cross-departmental integration, we incorporate ESG into our operating processes and performance management mechanisms, ensuring that sustainability goals are closely aligned with the Company's growth strategies.

Strengthening the Governance Framework and Aligning with Comprehensive Disclosure

To implement top-down sustainability governance, we continued to optimize the operating mechanism of the ESG Management Committee and incorporated sustainability information management into the internal control system, thereby enhancing the completeness and reliability of information disclosure. As the review system for the 2025 Sustainability Report entered the stage of "comprehensive disclosure," the sustainability team conducted a comprehensive review in accordance with the 20 disclosure requirements under GRI 2 "General Disclosures." In collaboration with the responsible units, the team revised 12 internal management procedures to ensure that the disclosed content complies with international standards, while strengthening information transparency and the foundation of stakeholder trust.

Partnering with the Supply Chain to Co-create Value in Low-carbon Transformation

Acting as a central factory, we worked with ten satellite suppliers to promote ESG lean transformation. Through lean management methods, we systematically improved the "seven green wastes" and introduced low-carbon process optimization and smart energy management systems. From building team consensus to sharing results, we have progressively deepened the supply chain's carbon reduction capabilities. Through the renewal of energy-saving equipment, introduction of inverter motors, and integration of energy management systems, overall carbon reduction reached 1,449.7 tCO_2e, with electricity savings of 2.93 million kWh, demonstrating tangible results as the industry chain jointly moves toward net-zero transformation.

Looking Ahead: Moving Steadily Toward a New Milestone in Transformation

The year 2026 marks a new stage in global sustainability transformation, characterized by deeper institutionalization and practical accountability: from vision advocacy to mandatory requirements, and from voluntary disclosure to standardized verification. As a member of the industry, we choose to hold ourselves to higher standards, rather than merely meeting minimum compliance thresholds. We regard sustainability as a key core of our corporate strategy and will continue to deepen its integration into governance structure, capital allocation, multi-site deployment, and product innovation decisions. In doing so, sustainability will serve not only as a risk management tool, but also as an engine driving value growth. Facing global changes and the wave of sustainability transformation, we will continue to exert our influence and work hand in hand with supply chain partners and stakeholders to build a more resilient, lower-carbon, and trustworthy corporate model for the long term, creating deeper and more positive value for the industry.

Expanding Social Impact and Co-creating Shared Value

Adhering to the founder's spirit of "creating a positive impact on society," the Rexon Charity Foundation transforms corporate resources into a force for social progress. We continue to invest in public welfare initiatives such as youth maker empowerment, care for disadvantaged groups, emergency relief, and local community support. Through long-term and institutionalized charitable actions, we work with all sectors of society to promote inclusive development and fulfill our responsibility as a corporate citizen.

Diversified Deployment and Deepening Global Talent Development

2025 marked a critical first year for Rexon's multi-site deployment. We expanded our production bases in Thailand and Vietnam to establish a more resilient global supply system. In response to a cross-cultural and multinational working environment, we actively built a diverse and inclusive workplace, enabling every employee to fully leverage their professional strengths and innovative potential.
We continued to deepen the "Rexon Academy" training system, expanding from four major dimensions, namely dedicated functions, technical skills, general knowledge, and experience inheritance, to a nine-academy framework, so as to systematically cultivate international talent. Talent development is not only a driver of corporate growth, but also the core foundation of sustainable competitiveness.

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TRAINING PLATFORM / 教育訓練平台_

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Rexon Achievement of Sustainability Actions



Governance & Economic Aspects

Taiwan Corporate Sustainability Award (TCSA)

The 2024 Sustainability Report won the Taiwan Corporate Sustainability Award (TCSA) - Traditional Manufacturing - Category 1 Silver Award.

2025 ESG Sustainability Initiative Partner

Recognized by E.SUN Bank as a 2025 ESG Sustainability Initiative Partner.

Remained profitable for three consecutive years.

Net profit after tax was NT$196 million, and earnings per share were NT$0.97. Remained profitable for three consecutive years.

Ranked in the
21 % to 35%
range in the Corporate Governance Evaluation.



Social Aspect

Talent Quality-management System (TTQS)

Received the Gold Medal under the Talent Quality-management System (TTQS) for the third time in 2025, marking the third consecutive Gold Medal recognition.

2025 Top 100 Age-Friendly Enterprises.

Listed among Business Weekly's 2025 Top 100 Age-Friendly Enterprises.

Total training hours of 12,570 hours

519 employee education and training courses conducted in 2025, with total training hours of 12,570 hours and expenses of approximately NT$4.23 million.

Awarded the "Occupational Safety and Health Performance Award"

Awarded the "Occupational Safety and Health Performance Award" by the Workforce Development Agency, Ministry of Labor. Received Gold Medal recognition for two consecutive years.

Percentage increasing from
60 % to 100%
Sustainability aspect scores of new suppliers improved significantly in 2025, exceeding the medium- and long-term sustainability target, with the percentage increasing from 60% to 100%.



Environmental Aspect

2025 Top 100 Carbon Competitiveness Enterprises.

Listed among Business Weekly's 2025 Top 100 Carbon Competitiveness Enterprises.

Saving 13,482 kWh of electricity per year.

lImproved 93 compressed air pipeline leakage points, reducing electricity consumption by air compressors by0.31% and saving 13,482 kWh of electricity per year.

Saving 13,023 kWh of electricity per year

The Support Center completed the early replacement of 684 LED light tubes in 2025, achieving a replacement rate of 100% and saving 13,023 kWh of electricity per year.

Saving 85,518 kWh of electricity per year.

Replaced 100% of air-conditioning units using R22 refrigerant in the plant area and added 10 high-speed roll-up doors for heat insulation, achieving an indoor temperature difference of less than 5° C and saving 85,518 kWh of electricity per year.

lreducing carbon emissions by 1,449.7 tCO_2e and saving 2.93 million kWh of electricity.

Worked with 10 satellite suppliers to promote ESG lean transformation, reducing carbon emissions by 1,449.7 tCO_2e and saving 2.93 million kWh of electricity.

ISO 14064-1

Expanded the scope of the greenhouse gas inventory to include the U.S. subsidiary PTS, and obtained an ISO 14064-1 greenhouse gas verification statement, thereby strengthening the completeness of the organization's carbon inventory and the effectiveness of its management.

Process Equipment Optimization

Saving 39,072 kWh of electricity per year.

Purchased new 400-ton and 500-ton plastic injection molding machines to replace two existing high-energy-consuming injection molding machines, saving 39,072 kWh of electricity per year.

Saving 27,245 kWh of electricity per year

Modified conveyor belts on 15 production line packaging machines to enable automatic stop and standby functions, saving 27,245 kWh of electricity per year.

Saving 22,176 kWh of electricity per year

Improved the energy-saving performance of water dispensers, covering a total of 42 units across the entire plant area and saving 22,176 kWh of electricity per year.

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Material Topics Identification

The process of identifying material topics for 2025 (see table below) is divided into two main stages. The Company first identifies its stakeholders and then conducts an analysis of material topics.

01 Stakeholder Identification

Data Collection	Data Analysis	Stakeholder Confirmation
9 categories of Stakeholders 14 valid questionnaires from the management	Five Principles of AA1000 SES-2015: Dependency, responsibility, influence, diverse perspectives, tension. Scores given by each stakeholder group on the five principles: 0 to 4 points (the higher the score, the greater the degree) Stakeholder groups with an average score of 10 or higher were classified as key stakeholders.	5 categories of key stakeholders were identified, consistent with those in 2024.

02 Analysis of Material Topics

Understanding Organizational Context	Identification of Actual and Potential Impacts	Assessing the Significance of Impacts	Prioritizing Reporting of Most Significant Impacts
Data reference Sustainability Standards and Regulations (GRI, TCFD, SASB) United Nations Sustainable Development Goals (SDGs) ESG Rating Agencies (DJSI, MSCI) Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Ndustrial trends	Guided by the Double Materiality principle, senior executives assess both the positive and negative impacts of sustainability issues on corporate operations, as well as on the external economy, environment, and people, along with the likelihood of impact events. Key stakeholders evaluate the level of concern regarding sustainability issues.		Based on the results of the senior management's assessment of the impact of sustainability issues, we conducted an analysis and developed a matrix of positive and negative material topics. Using a union-based approach, we identified the top five sustainability issues with the most significant positive and negative impacts, respectively, and took into account the level of concern expressed by external stakeholders. These efforts enabled us to determine the material sustainability issues for the year, which were presented to and approved by the Board of Directors on November 3, 2025.

13 sustainability issues	14 valid questionnaires from senior executives for the internal impact assessment	263 valid questionnaires from external stakeholders	10 material topics

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Stakeholder

The Company identifies and prioritizes stakeholder relationships by applying the five principles of AA1000 Stakeholder Engagement Standard (SES): responsibility, influence, tension, diverse perspectives, and dependency. In 2025, fourteen senior executives were responsible for completing the stakeholder identification questionnaire. They assessed the relevance of various stakeholder groups, conducted an inventory of the nine major categories of stakeholders, and identified five categories of core stakeholders: shareholders/investors, employees, customers, suppliers/contractors, and governments. The analysis results were consistent with those in 2024. The Company used diverse communication channels to understand the issues of concern to stakeholders, which served as key references for formulating. Responses to stakeholders were included in this Report.

Relationship	Significance to the Company	Topics of Concern	Communication Channels and Frequency	Actual Communication Results in 2025
 Shareholders / investors	Shareholders and investors' support and evaluation have a significant impact on Rexon's operations and stock price. Therefore, having a comprehensive ESG framework and transparent disclosure can enhance investor confidence and increase the company's sustainable value and profitability foundation.	Product health and safety Financial performance Information security Research and Development (R&D) and innovation Occupational health and safety Ethical corporate management Customer relationship management	Annual shareholders' meeting (annual) Investor Conference (semiannual) Stakeholder questionnaire on official website (instant) Updates on Market Observation Post System (instant) The Company's communication system (real-time) Telephone, email (temp)	· One shareholders' meeting · Two investor conferences were held to communicate market conditions, future trends, growth strategies, and profitability with shareholders/investors
 Employee	Employees are an important asset and driving force for Rexon. We respect and care for our employees, ensuring that they are happy in their work and can unleash their full potential in tandem with the company's sustainable business operations.	Occupational health and safety Human rights Product health and safety Financial performance	All-employee monthly meeting (monthly) Labor-management meeting (quarterly) Welfare Committee meeting (quarterly) Labor union meeting (annually) Employee education and training (as needed) Employee evaluation (monthly) Performance interviews with supervisors (annually) Gender Equality Committee meeting (quarterly)	· A total of 12 all-employee monthly meetings were held. · 4 labor-management meetings were held. · 519 education and training courses were conducted, with total training hours of 12,570 hours and total expenses of NT$4,234,151. · Meal gathering / travel subsidies were provided to 1,613 employees, with total expenses of NT$1,713,006. · Subsidies were provided to 8 employee clubs, with activity subsidies totaling NT$120,000. · 623 employees received free health checkups, with subsidies totaling NT$336,770. · Scholarships were provided to 246 employees' children, totaling NT$256,392. · Organized one corporate hiking activity, one hiking and mountain cleaning activity, and one employee family day event, with total expenses of NT$905,399. · 4 Gender Equality Committee meetings were held.

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Relationship	Significance to the Company	Topics of Concern	Communication Channels and Frequency	Actual Communication Results in 2025
 Customer	Customers are the foundation of the company's sustainable development. Rexon strives to meet high standards of quality, environmental protection, and service, establishing strong and reliable customer relationships, creating high added value, and ensuring long-term customer satisfaction. This enables mutual growth and prosperity between the company and its customers.	Sustainable Supply Chain Management Customer relationship management Product health and safety Information security Human rights	Depending on each customer's needs and project progress (as needed) Email / Telephone contact (real time) Telephone / video conference (monthly) Customer visits (quarterly) Participation in major international industry exhibitions (annually) Customer satisfaction survey (annually)	· To understand new business markets and develop potential customers, continued participation in major international exhibitions was carried out as follows: (1) Ebike: TaiSPO and Eurobike (2) Drones: XPONENTIAL USA, Japan Drone, Shenzhen International UAV Expo, and Commercial UAV-USA. (3) Partnered with 10 brand customers to support their overseas manufacturing footprint expansion, further deepening supply chain partnerships. (4) Collaborated with existing brand customers to co-develop a comprehensive range of commercial, home-use, and strength-training fitness products. · Customer satisfaction: 83 points in the first half of the year and 80 points in the second half of the year.
 Business partners (suppliers/contractors/ outsourcers)	Stable and long-term cooperation with business partners is strong support for the quality and production capacity of Rexon's products. Mutual trust and collaboration with business partners form the foundation for sustainable business operations.	Human rights Product health and safety Occupational health and safety Customer relationship management	R-Team Supplier Lean Project Results Sharing Meeting (twice a year) Supplier Conference and Sustainability Initiative Meeting (twice a year) Supplier evaluation (monthly) On-site visit to suppliers (irregular) Telephone, email (temp)	· In 2025, a total of 317 suppliers were evaluated for delivery and quality performance, with 98% rated Grade A. (312 Grade A suppliers and 5 Grade B suppliers) · 7 new suppliers were evaluated in 2025; the pass rate of the suppliers evaluated based on the environmental and social criteria was 100%. · Two R-Team supplier lean results sharing meetings were held on June 24 and December 17, 2025. · A total of 59 suppliers participated in the 2025 Supplier Conference and Sustainability Initiative Meeting.
 Government / competent authorities	Government competent authorities are the highest-level regulators responsible for formulating laws and regulations across economic, environmental, and social aspects. Strict compliance with laws and regulations is a fundamental principle of Rexon's operations.	Information security Ethical corporate management Sustainable Supply Chain Management Research and Development (R&D) and innovation Climate Change Management Occupational health and safety Human rights	Market Observation Post System (real time) Company website (as needed) Official correspondence and filing documents (as needed) Awareness seminars (as needed) Telephone and email (real time)	· Established a board diversity policy and disclosed the specific management objectives and implementation status. · Ranked in the 21% to 35% range in the 11th Corporate Governance Evaluation. · Established succession plans for Board members and important management personnel, and disclosed their implementation status. · Regularly assessed the independence and suitability of the attesting CPAs by reference to Audit Quality Indicators (AQIs).

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Analysis of Material Topics

Rexon Industrial is guided by international sustainability standards and norms (SASB, TCFD, CDP), international sustainability ratings (MSCI, DJSI), the United Nations Sustainable Development Goals (SDGs), the Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, and industrial trends. Through interaction and communication with its stakeholders, including the evaluation of peers' sustainability practices, Rexon Industrial consolidated 13 sustainability issues. To understand the materiality ranking of sustainability issues, Rexon Industrial followed the definition of materiality under GRI 3 of the GRI Standards (2021). Based on the principle of double materiality, senior executives assessed the aforementioned 13 sustainability issues in terms of their positive and negative operational impacts on corporate operations and on the external economy, environment, and people, including human rights, as well as the significance of the occurrence of impact events, to generate impact scores. A material topic matrix was then prepared based on the “positive and negative operational impacts on the economy, environment, and people” and the “significance of the occurrence of impact events.” With reference to the opinions of various external stakeholders, 10 material topics were identified, in the following order: economic performance, innovation and R&D, customer relationship management, product health and safety, supply chain sustainability management, ethical corporate management, information security, occupational safety and health, climate change management, and human rights. The analysis results of the aforementioned material topics were discussed and resolved by the ESG Committee on October 2, 2025, and subsequently approved by the Board of Directors on November 3, 2025. These topics were the focus of disclosure in this Report, along with proposed strategies and performance outcomes. Compared with 2024, ethical corporate management, information security, and human rights were newly added.

Positive
(Matrix)

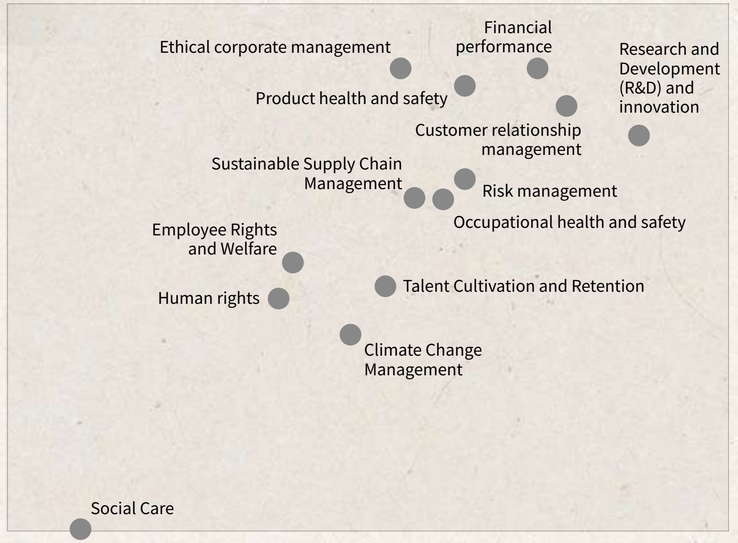


▲ Matrix of Positive Impacts on Operations and Their Significance

Significance of Impact Events

▼ Matrix of Negative Impacts on Operations and Their Significance

Negative
(Matrix)





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Material Topics Comparison Table

As the assessment result shows, after the comprehensive evaluation of the three major aspects (environment, society, economy) based on the current strategies and management policies, the "financial performance" has the highest significance in both the positive and negative impacts, and continuous improvement will increase its comprehensive influence. "Innovation and research and development" ranks second in terms of positive and negative impacts, indicating that only by continuously promoting technological innovation can we create concrete economic value and competitive advantages.

A total of 10 material topics were identified in 2025, namely, in order: economic performance, innovation and R&D, customer relationship management, product health and safety, supply chain sustainability management, ethical corporate management, information security, occupational safety and health, climate change management, and human rights. Compared with 2024, three material topics were newly added: "ethical corporate management," "information security," and "human rights." The 2024 material topic "talent development and retention" saw a significant decrease in the significance of negative impacts in recent years, as the Company continued to strengthen its talent development and cultivation policies. In addition, the organization's operations are highly dependent on information technology. This is not merely a technical issue, but also a strategic issue concerning business continuity. Therefore, "risk management" was adjusted to "information security," making information security the core focus of risk management.

Year	Material Topics	
2024	• Economic performance • Research and Development (R&D) and innovation • Customer relationship management • Product health and safety • Sustainable Supply Chain Management	• Talent cultivation and retention • Risk management • Occupational health and safety • Climate change management
2025	• Economic performance • Research and Development (R&D) and innovation • Customer relationship management • Product health and safety • Sustainable Supply Chain Management	• Ethical corporate management New • Information security New • Occupational health and safety • Climate change management • Human rights New

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Management of Material Topics

Stage at Which the Topic Impacts Operations and Sustainability: ○ Caused ◉ Contributed ● Linked to impacts
Stakeholder Impact: ● Caused (Directly caused) ■ Facilitated (Indirectly caused) ▲ Directly Related (Indirectly caused due to business relationships)

Material Topics	Impact description	Stage at Which the Topic Impacts Operations and Sustainability			Stakeholder Impact					Corresponding SDGs	Corresponding Section
		Procurement stage	Rexon Manufacturing	Customer Use	Shareholders and Investors	Partners	Customer	Employee	Government Agencies		
Financial performance Significance to Rexon With sustainable development as our goal, we uphold the business philosophy of "Integrity, Stability, and Growth" to produce products that customers are happy to buy, maintain our leadership in the industry, and contribute to economic development.	**Description of positive impacts** Actual positive: 1. Seize business opportunities arising from sustainable product trends by establishing a low-carbon materials database and conducting sampling and testing, while regularly promoting such materials to customers to increase sales opportunities and enhance operating performance. 2. In response to geopolitical risks, continue to expand and diversify production bases to reduce operational risks and improve operational performance.		○	●	●	■	●	●	●	8. Decent Work and Economic Growth	2.2 Operational Performance
	Description of negative benefits Actual negative impacts: 1. In the face of carbon tax policies in the U.S. and the E.U., insufficient knowledge of low-carbon materials may lead to higher OEM costs, thereby undermining operational competitiveness. 2. Under uncertainties brought about by geopolitical tension, failing to develop response strategies and adapt to trend changes in a timely manner may result in missed business opportunities and have negative impacts on competitiveness.	**Corresponding GRI** GRI 201 Financial performance 201-1 Direct Economic Value Generated and Distributed by the Organization 201-4 Financial Assistance Received from the Government			**SASB Topic**						
Research and Development (R&D) and Innovation Significance to Rexon R&D and innovation in products, technologies, and business models are not only the source of our competitiveness but also our core value. The development of sustainable products that save energy and reduce carbon emissions is a key future trend.	**Description of positive impacts** Actual positive: The dual focus on technology and sustainability innovation strengthens intellectual assets and brand value.									9. Industry, Innovation, and Infrastructure 12. Responsible Consumption and Production	03 Innovation – Sustainable Products
		Procurement stage	Rexon Manufacturing	Customer Use	Shareholders and Investors	Partners	Customer	Employee	Government Agencies		
		◉	○	●		■	●				
	Description of negative benefits Potential negative: Stagnation in innovation may result in a decline in market share and operating revenue.	**Corresponding GRI** Company-Specific Topic			**SASB Topic** Electrical Appliance Manufacturing: Product Safety CG-AM-250a.1 Number of recalls issued and total units recalled CG-AM-250a.2 Discussion of process to identify and manage safety risks associated with the use of its products CG-AM-250a.3 Total amount of monetary losses as a result of legal proceedings associated with product safety Toys and Sporting Goods: Chemical and Safety Hazards of Products CG-AM-410a.1 Percentage of eligible products by revenue certified to an energy efficiency certification CG-AM-410a.2 Percentage of eligible products by revenue certified to an environmental product lifecycle standard CG-AM-410a.3 Description of efforts to manage products' end-of-life impacts 0						

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		Procurement stage	Rexon Manufacturing	Customer Use	Shareholders and Investors	Partners	Customer	Employee	Government Agencies		
Customer relationship management Significance to Rexon We will continue to pursue technological innovation to deliver top-quality products and services and to become the "best partner for our customers."	**Description of positive impacts** Actual positive: 1. Innovative and sustainable product development helps customers maintain their competitive advantages in the market. 2. A comprehensive customer relationship management (CRM) system helps build closer customer relationships, improve service quality, and enhance customer satisfaction. 3. A sound mechanism for protecting customers' business secrets strengthens customers' trust in the Company and helps deepen long-term partnerships.	⊙	○	●	▲	■	●			12. Responsible Consumption and Production 16. Peace, Justice, and Strong Institutions 17. Partnerships for the Goals	2.4 Customer relationship management
	Description of negative benefits Potential negative: 1. Products that fail to keep pace with trends or enhance added value may easily lose customers' trust. 2. The absence of a comprehensive customer relationship management (CRM) system may lead to errors or the loss of customer information, thereby affecting customer relationship maintenance and service quality, and resulting in missed potential business and cooperation opportunities. 3. Establish a comprehensive mechanism for protecting customers' trade secrets, and properly manage customer contracts, product drawings, and information on dedicated production lines (designated areas), thereby reducing the risk of information leakage, strengthening customers' trust in the Company, and helping deepen long-term cooperative relationships.	**Corresponding GRI** GRI 418 Customer Privacy 418-1 Complaints Substantiated for Invasion of Customer Privacy or Loss of Customer Data			**SASB Topic**					
Product health and safety Significance to Rexon The Company is primarily engaged in OEM and ODM, aiming to meet customer needs and deliver high-quality products through comprehensive vertical integration.	**Description of positive impacts** Actual positive: 1. Promoting product health and safety strengthens stakeholder trust and attracts more customers and investors. 2. Demonstrating the Company's commitment to health and safety helps employees feel valued, improving productivity and reducing turnover. 3. Compliance with health and safety standards reduces the risk of incidents and lowers potential legal liabilities and financial losses.	○	○	●		●	●			9. Industry, Innovation, and Infrastructure 12. Responsible Consumption and Production	3.5 Product Quality and Responsibility
	Description of negative benefits Potential negative: 1. Products containing hazardous substances or defects may pose direct threats to consumer health. 2. Failure to comply with product health and safety regulations may expose the Company to legal and financial risks.	**Corresponding GRI** GRI 416 Customer Health and Safety 416-1 Assessment of the health and safety impacts of product and service categories 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services GRI 417 Marketing and Labeling 417-1 Requirements for product and service information and labeling 417-2 Incidents of non-compliance concerning product and service information and labeling 417-3 Incidents of non-compliance concerning marketing communications			**SASB Topic** Electrical Appliance Manufacturing: Product Safety CG-AM-250a.1 Number of recalls issued and total units recalled CG-AM-250a.2 Discussion of process to identify and manage safety risks associated with the use of its products CG-AM-250a.3 Total amount of monetary losses as a result of legal proceedings associated with product safety Toys and Sporting Goods: Chemical and Safety Hazards of Products CG-AM-410a.1 Percentage of eligible products by revenue certified to an energy efficiency certification CG-AM-410a.2 Percentage of eligible products by revenue certified to an environmental product lifecycle standard CG-AM-410a.3 Description of efforts to manage products' end-of-life impacts					

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		Procurement stage	Rexon Manufacturing	Customer Use	Shareholders and Investors	Partners	Customer	Employee	Government Agencies		
Sustainable Supply Chain Management Significance to Rexon Deepen the sustainability awareness among supply chain partners, actively promote sustainability initiatives, accelerate supply chain transformation, and work together toward a net-zero future.	**Description of positive impacts** Actual positive: Promotes shared growth across the supply chain, reduces waste, optimizes resource use, lowers operating costs, and improves efficiency. Helps strengthen cost competitiveness and overall operational performance, thereby enhancing corporate resilience, risk management, and response capabilities while reducing operational risks and improving the Company's ability to respond to external shocks. **Description of negative benefits** Potential negative: If the supply chain lacks sustainable management, it may lead to poor management, environmental violations, labor disputes, or regulatory non-compliance. These issues can damage corporate reputation and compromise delivery stability, leading to loss of orders and risk of business disruption.	○	○	●		●	▲			7. Affordable and Clean Energy 8. Decent Work and Economic Growth 12. Responsible Consumption and Production 13. Climate Action	3.4 Supply Chain Collaboration
	Corresponding GRI GRI 204: Procurement Practices 204-1 Proportion of spending on local suppliers GRI 308: Supplier Environmental Assessment 308-1 New suppliers that were screened using environmental criteria 308-2 Negative environmental impacts in the supply chain and actions taken GRI 414: Supplier Social Assessment 414-1 New suppliers that were screened using social criteria 414-2 Negative social impacts in the supply chain and actions taken	**SASB Topic** Toys and Sports Equipment: Labor Conditions in the Supply Chain CG-TS-430a.1 Number of facilities audited to a social responsibility code of conduct CG-TS-430a.2 Direct suppliers' social responsibility audit								
Ethical Corporate Management Significance to Rexon The Company upholds the business philosophy of integrity, openness, transparency, and responsibility. It has formulated ethical corporate management policies and implements its ethical conduct and ethical corporate management systems based on the principles of "fairness, honesty, trustworthiness, and transparency," actively preventing any unethical conduct.	**Description of positive impacts** Actual positive: 1. Integrity is the core value of the Company's operations. The Company has established comprehensive ethical corporate management best practice principles and an internal audit system to ensure that all business activities comply with the laws, regulations, and ethical standards. 2. During the reporting period, the Company maintained sound corporate governance performance, with no material corruption, misconduct, or legal proceedings, fines, or sanctions arising from violations of ethical principles, demonstrating the Company's determination to continuously implement ethical corporate management and transparent management. 3. Through institutionalized risk control mechanisms and employee education and training, the Company not only strengthens internal controls, but also continues to enhance the trust and reputation of external stakeholders in the enterprise, laying a solid foundation for sustainable operations. **Description of negative benefits** Potential negative: 1. Once an integrity-related incident occurs, regardless of its severity, it may seriously damage the Company's image and customer trust. 2. Any corruption or fraudulent conduct would result in misallocation of resources and improper transfer of benefits, weaken the fairness of decision-making and operational efficiency, and in turn affect the Company's competitiveness and innovation momentum.	○	○	○	●	●	●	●	●	16. Peace, Justice, and Strong Institutions	2.7 Integrity and Ethics
	Corresponding GRI 2-25 Processes to Remediate Negative Impacts 2-26 Mechanisms for Seeking Advice and Raising Concerns 2-27 Compliance with Laws and Regulations 205 Anti-Corruption 205-1 Operations Assessed for Risks Related to Corruption 205-2 Communication and Training about Anti-Corruption Policies and Procedures 205-3 Confirmed Incidents of Corruption and Actions Taken 206 Anti-Competitive Behavior 206-1 Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices	**SASB Topic**									

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		Procurement stage	Rexon Manufacturing	Customer Use	Shareholders and Investors	Partners	Customer	Employee	Government Agencies		
Information Security Significance to Rexon Using the ISO/IEC 27001 international standard as the core framework for technology and management, the Company ensures systematic management of information security risks, maintains the confidentiality, integrity, and availability of information assets, reduces operational risks, and builds customer trust.	**Description of positive impacts** Actual positive: 1. Passing the ISO 27001 audit each year strengthens information security protection, ensures operational continuity, protects customer data and trade secrets, and enhances the Company's reputation and market competitiveness. 2. Compliance with regulatory requirements (such as the Personal Data Protection Act and the Cyber Security Management Act) reduces the risk of legal or regulatory penalties and attracts customers and investors who value information security governance. **Description of negative benefits** Potential negative: Insufficient information security awareness among personnel or gaps in technical capabilities may increase potential risks related to the Company’ s operating costs and management.	●	○	●		▲	▲	●		9. Industry, Innovation, and Infrastructure 16. Peace, Justice, and Strong Institutions	2.6 Information Security
Occupational health and safety Significance to Rexon A safe working environment is the foundation of sustainable development. By enhancing employees' safety competencies, safety awareness, and professional skills, the Company creates a quality workplace and protects employees' health and safety.	**Description of positive impacts** Actual positive: 1. The Company continues to promote occupational health and safety education and training, internal audits, inspections, and improvement programs while implementing risk identification and control measures to effectively reduce the risks of operational incidents and occupational incidents. 2. The Company promotes employee health and a sense of safety, improves job satisfaction and production efficiency, and further strengthens organizational resilience and stability. 3. Through contractor management, safety reviews, and change management processes, the Company enhances the safety awareness of internal and external partners and ensures that all construction and operating activities comply with the same safety standards. 4. A comprehensive occupational health and safety management system helps strengthen risk identification and control capabilities and protects the safety and health of all workers. **Description of negative benefits** Actual negative The persistently high disabling injury frequency rate (FR) in high-risk operating units has affected the Company’ s overall occupational health and safety performance and increased operational risks. Potential negative: 1. If contractors fail to properly implement hazard communication, construction discipline, and on-site safety measures, occupational safety incidents may occur, potentially causing injuries or affecting operations. 2. If procurement or change management processes do not incorporate safety reviews, the introduction of new equipment, construction methods, or operating processes may create potential hazards and increase operational risks.	⊙	○			■	■	●		3. Good Health and Well-Being 16. Peace, Justice, and Strong Institutions	5.5 Workplace Health and Safety

Corresponding GRI	SASB Topic
Company-Specific Topic	
GRI 403 Occupational Health and Safety 403-1 Occupational health and safety management system 403-2 Hazard identification, risk assessment, and incident investigation 403-3 Occupational health services 403-4 Worker participation, consultation, and communication on occupational health and safety 403-5 Worker training on occupational health and safety 403-6 Promotion of worker health 403-8 Workers covered by an occupational health and safety management system 403-9 Work-related injuries 403-10 Work-related ill health	

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		Procurement stage	Rexon Manufacturing	Customer Use	Shareholders and Investors	Partners	Customer	Employee	Government Agencies		
Climate Change Management Significance to Rexon Assess risks and opportunities brought by climate changes and develop response strategies. Lower energy consumption and usage costs, enhance energy management intensity, continuously promote energy conservation and carbon reduction, and pursue business opportunities for sustainable products.	**Description of positive impacts** Actual positive: 1. We increase the proportion of green energy usage, reduce carbon footprint, promote energy self-sufficiency, improve corporate energy efficiency, reduce electricity consumption, and reduce carbon emissions. These initiatives support our commitment to ESG (environmental, social, and governance) sustainability and contribute to global environmental protection and sustainable use of resources. 2. When actively implementing carbon reduction measures, the Company can directly reduce the carbon footprint of products, but needs to make capital investment accordingly. **Description of negative benefits** Actual negative impacts: In 2025, the total greenhouse gas emissions of Rexon amounted to 48,107.089 tCO_2e/year, contributing to climate change and impacting the local community's environment. Potential negative: Rexon cannot effectively reduce electricity consumption, carbon emissions, and environmental impacts, without increasing the use of green energy in the factory area and adopting smart power consumption solutions.	●	○	●		▲	▲	●		7. Affordable and Clean Energy 13. Climate Action	4.1 Climate Action (TCFD) 4.2 GHG Management 4.3 Energy Management
	Corresponding GRI GRI 302 Energy 302-1 Energy consumption within the organization 302-3 Energy intensity 302-4 Reduction of energy consumption GRI 305 Emissions 305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions 305-4 GHG emissions intensity 305-5 Reduction of GHG emissions				**SASB Topic**					
Human rights Significance to Rexon To fulfill its commitment to sustainable corporate operations and protect the fundamental human rights of stakeholders, Rexon follows the human rights principles set out in the Universal Declaration of Human Rights and continues to promote gender equality and friendly workplace measures.	**Description of positive impacts** Actual positive: 1. The Company follows international standards such as the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the International Labour Conventions. It implements the principles of respect and equality and ensures that all employees are treated fairly at every stage, including recruitment, appointment, training, performance evaluation, and promotion. 2. Through the promotion of diversity and inclusion, gender equality, anti-discrimination education and training, workplace harassment prevention, and employee care programs, the Company is committed to creating a safe and friendly workplace, strengthening employees' sense of belonging, organizational cohesion, and overall workplace resilience. **Description of negative benefits** Actual negative: The Company currently entrusts the recruitment of foreign migrant workers to recruitment agencies, and certain fees are still borne by migrant workers themselves. As a result, the current practice has not yet fully met the highest standard of “zero recruitment fees for migrant workers” required by certain international customers or social responsibility audits, such as RBA. Potential negative: The Company has not yet obtained external verification related to international human rights standards, which may limit its ability to effectively integrate human rights-related risks and opportunities.	⊙	○	●	▲		●	●	▲	1. No Poverty 2. Zero Hunger 3. Good Health and Well-Being 4. Quality Education 5. Gender Equality 10. Reduced Inequalities 16. Peace, Justice, and Strong Institutions	5.1 Human Rights Management 5.2 Employment and Retention 5.3 Competency Development
	Corresponding GRI 404 Training and Education 2016 404-1 Average hours of training per year per employee 404-2 Programs for upgrading employee skills and transition assistance programs 404-3 Percentage of employees receiving regular performance and career development reviews 405 Employee Diversity and Equal Opportunity 2016 405-1 Diversity of governance bodies and employees 406 Non-discrimination 406-1 Incidents of discrimination and corrective actions taken 407 Freedom of Association and Collective Bargaining 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk 408 Child Labor 408-1 Operations and suppliers at significant risk for incidents of child labor 409 Forced or Compulsory Labor 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor 410 Security Practices 410-1 Security personnel trained in human rights policies or procedures 411 Rights of Indigenous Peoples 411-1 Incidents of violations involving rights of indigenous peoples							**SASB Topic**			

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1.1 Company Profile

Rexon Industrial Corp., Ltd. upholds “integrity, stability, and growth” as its core business philosophy, emphasizing integrity in dealing with people, dedication in carrying out work, the pursuit of steady development, and the establishment of long-term and stable partnerships. At the same time, the Company continues to pursue self-improvement to achieve its goals of long-term corporate growth and sustainable operations. The Company's predecessor was Guoxing Machinery Factory, founded in 1972 in Taichung, Taiwan by Mr. Chen Jui-Jung, Mr. Casey Wang, and Mr. Lin Shu-Lin, and completed company registration in the following year. In 1976, it was officially renamed Rexon Industrial Corp., Ltd. and was jointly operated by Mr. Chen Jui-Jung and Mr. Casey Wang, laying a solid foundation for steady development. Since 2021, Mr. Wang Kuan-Hsiang has served as Chairman, continuing to lead the Company toward its next stage of growth.

In terms of corporate governance and sustainable development, Rexon Industrial Corp., Ltd. actively promotes corporate social responsibility (ESG) and continues to deepen its practices in environmental protection, social contribution, and corporate governance, ensuring that the Company generates positive impacts on society and the environment while maintaining steady business growth. To fulfill these commitments, Rexon has obtained multiple international certifications, including ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 27001 Information Security Management System, demonstrating the Company’s strong emphasis on quality excellence, information security, and sustainable development.



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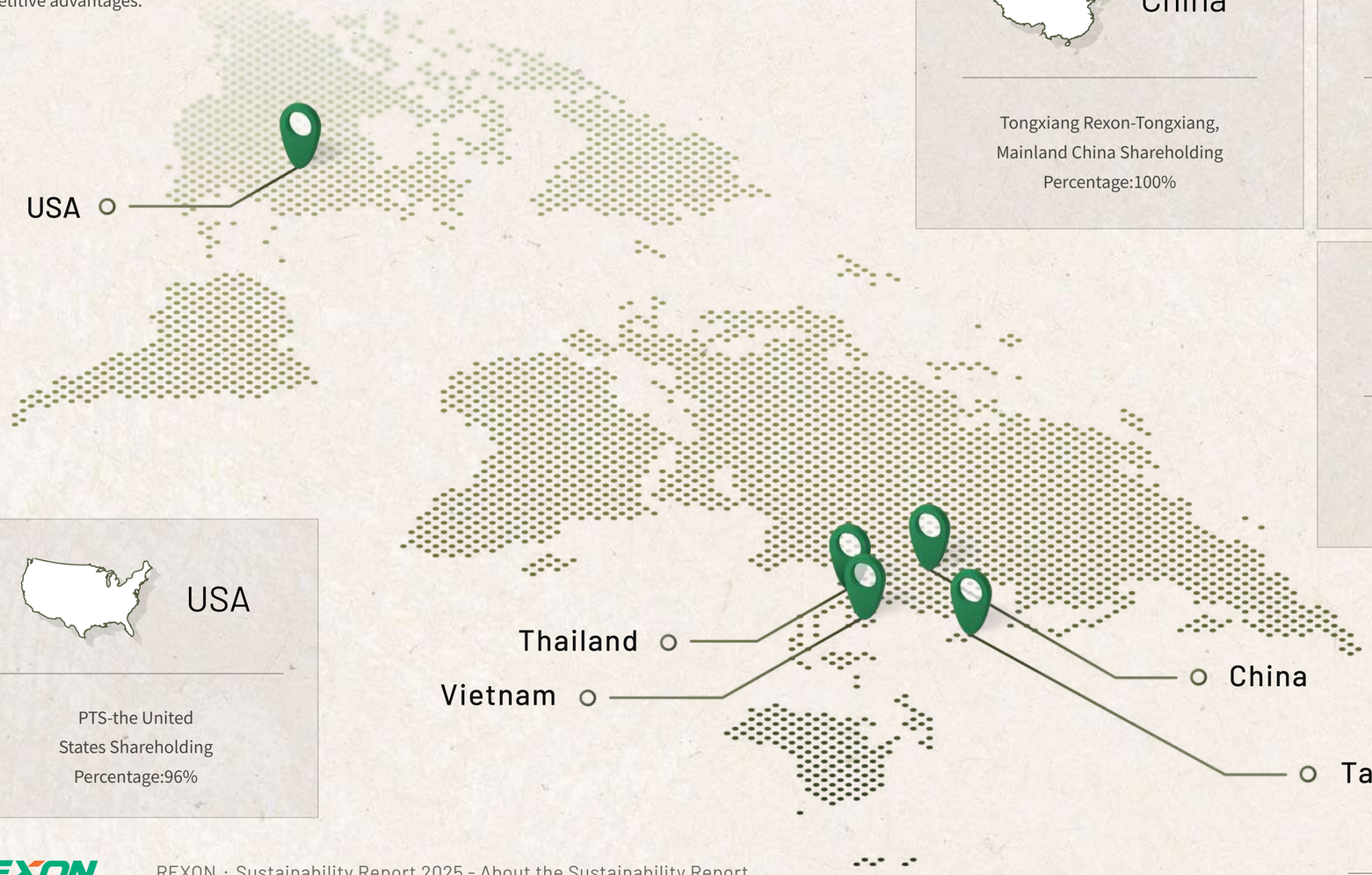
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In response to changes in international markets and to reduce supply chain risks, Rexon Industrial Corp., Ltd. continues to strengthen its global manufacturing footprint. In addition to establishing a new production base in Thailand through a joint venture, the Company also resolved in 2025 to establish a subsidiary in Vietnam, thereby enhancing regional operational flexibility and overall competitiveness. On this foundation, Rexon has long focused on the R&D and production of woodworking machinery and fitness equipment, with products marketed to countries around the world, while continuing to consolidate the advantages of its core businesses. At the same time, the Company is actively expanding into new business areas by investing in the development of products such as e-bike motors and garden tools, while further deploying technologies related to drone power systems. These initiatives inject innovative momentum into the Company’s future growth and support sustainable development and long-term competitive advantages.





Taiwan

- Rexon Industrial-Taiwan - Renhua Plant and Tucheng Plant Shareholding Percentage:Parent company
- Rexon Technology-Dali, Taiwan Shareholding Percentage:82.87%



China

Tongxiang Rexon-Tongxiang, Mainland China Shareholding Percentage:100%



Thailand

Rexon Thailand-Thailand Shareholding Percentage:21.76%



Vietnam

Rexon Vietnam-Vietnam Shareholding Percentage:100%

USA

PTS-the United States Shareholding Percentage:96%

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Rexon's Operational Value Chain

The Company's production processes are fully vertically integrated and equipped with in-house manufacturing capabilities for key components, forming a solid competitive advantage in the industry. Its comprehensive vertical integration covers end-to-end manufacturing capabilities, from processing raw materials into components to complete machine assembly and shipment. The Company also controls key component manufacturing processes, including casting, stamping, tube bending, CNC machining, plastic injection molding, motor production, control panel production, and product assembly. By independently controlling key production technologies, the Company ensures product quality and production efficiency, while further strengthening supply chain resilience. This enables the Company to provide highly stable products and services to global OEM/ODM customers and consumers of its proprietary brands in Taiwan.



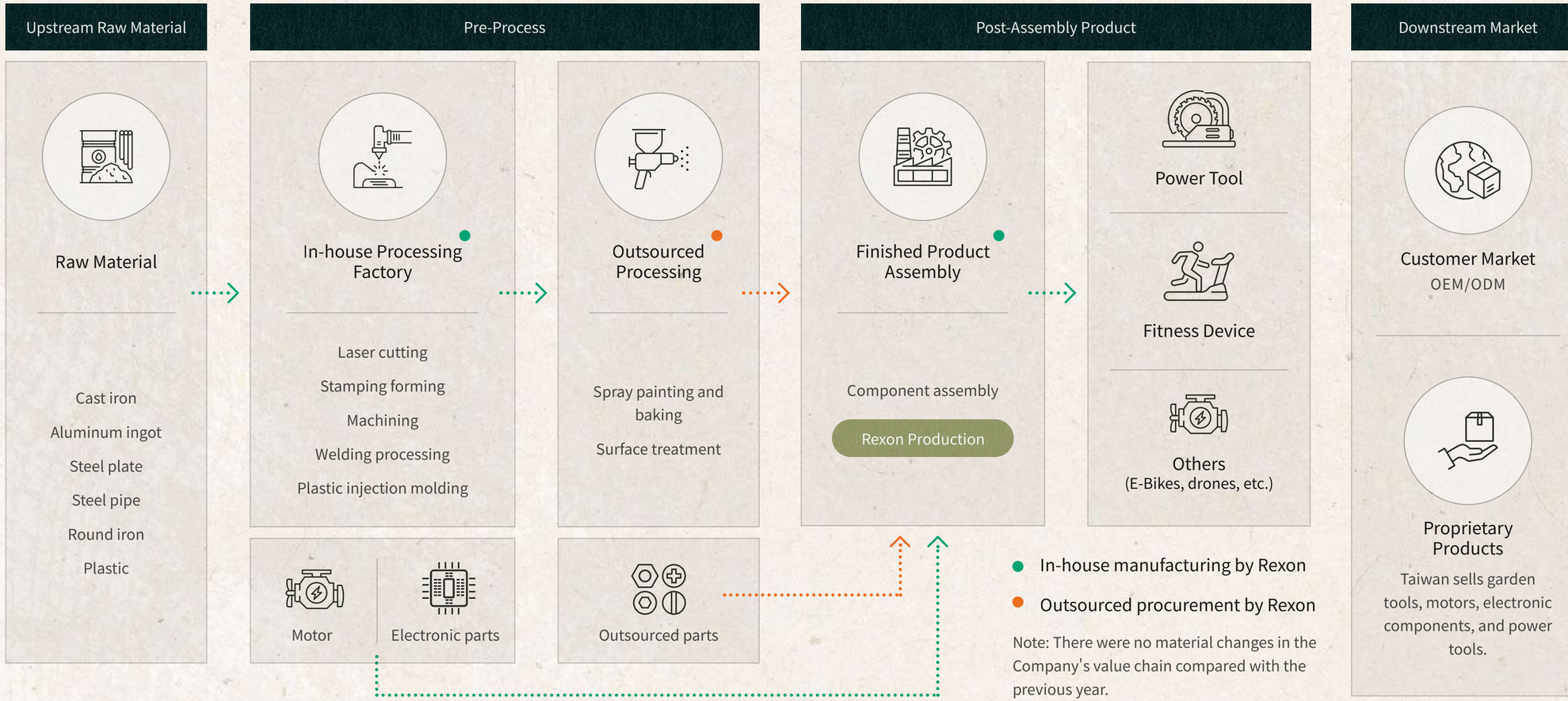
▲ Stamping



▲ Pipe Bend



▲ Motor Production



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1.2 Sustainable Governance Structure

Rexon Industrial places strong emphasis on the rights and interests of its stakeholders. While pursuing business growth and profits, the Company also remains mindful of the long-term impact of environmental protection, social responsibility, and corporate governance on the company, and is committed to improving both economic efficiency and sustainability. To strengthen corporate sustainable operation, Rexon's Board of Directors resolved in November 2023 to formally establish the "Sustainable Development Committee" and adopt its charter. The Committee is responsible for assisting the Board of Directors in supervising and promoting ethical management, sustainable operation, sustainable environment, talent management, employee care, friendly workplace, community care, value chain management, as well as the formulation and implementation of sustainable development policies. With a systematic governance structure, Rexon continues to strengthen its sustainable management strategy to ensure that social and environmental responsibilities are taken into account during its development and to realize its core value of sustainable development.



Sustainability Committee Structure

Rexon Industrial's sustainability governance structure can be divided into three tiers to ensure the effective promotion and implementation of its sustainable development strategy:

1 Supervisory and Decision-Making Tier

The “Sustainability Committee" serves as the Company's highest-level governance body dedicated to sustainability. It is responsible for supervision and decision-making. The Committee consists of 6 members, including the Chairman, 2 directors, and 3 independent directors. The Chief Sustainability Officer serves as its convener. The Committee aims to ensure professionalism and independence in sustainability-related governance decision-making.



2 Coordination and Planning Tier

The "Sustainability Office,” led by the Chief Sustainability Officer, is responsible for assisting in the planning and execution of sustainable development strategies. Its responsibilities are as follows:

- Identify the sustainability issues that need attention and formulate corresponding action plans.
- Design the framework and prepare the annual Sustainability Report.
- Assist in facilitating communication, coordination, and operation integration of relevant matters among all promotion centers.
- Develop a continuous improvement plan by managing and tracking the performance of sustainability issues from all aspects.
- Responsible for meeting-related affairs of the Sustainability Committee and reporting implementation results and work plans to the Committee.

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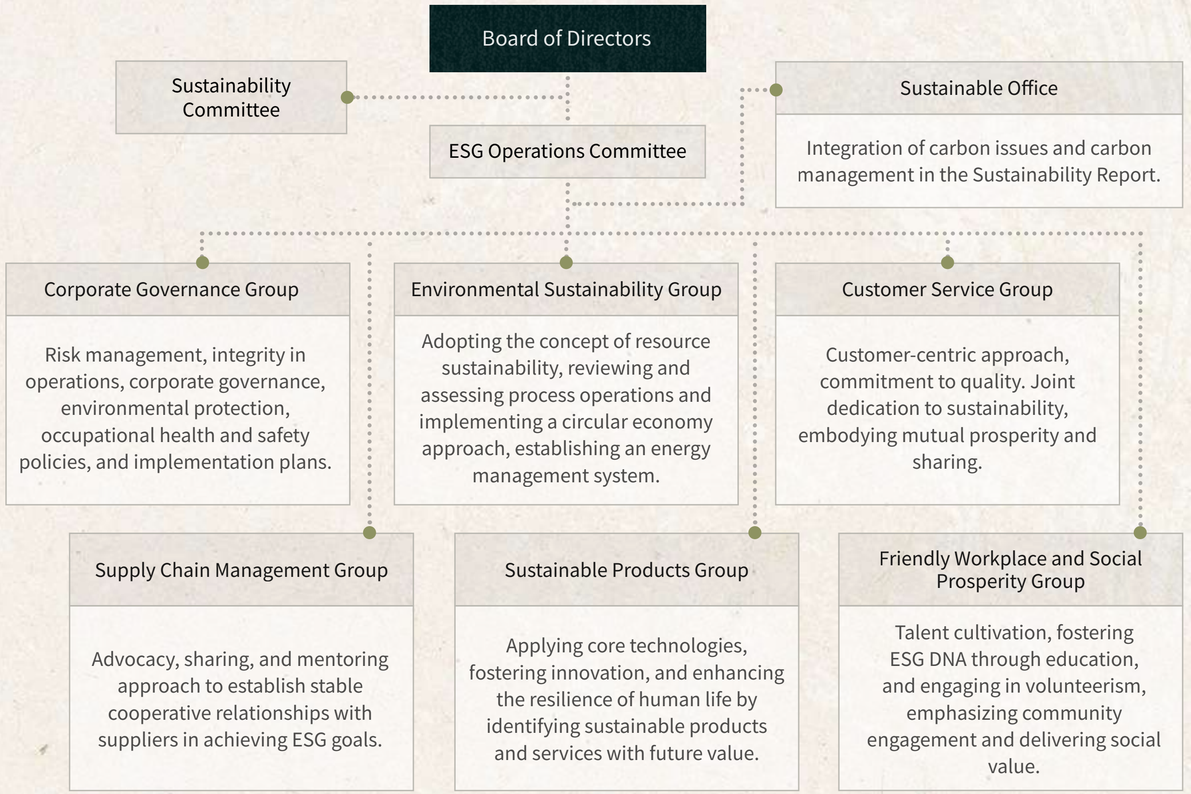
3 Execution and Promotion Tier

(I) Rexon's Sustainability Operations Committee (ESG Operations Committee)

The Company's Chief Sustainability Officer serves as the convener, with twelve senior managerial officers as committee members. A dedicated staff unit, the "Sustainability Office," is responsible for promoting CSR-related initiatives and management. In 2025, a total of 12 regular meetings were held to review sustainability management goals and the implementation status of related policies. The meetings were attended by the Chairman, President, and Vice Presidents from various units. Reports presented during these meetings covered climate change management strategies, sustainability action plans, and goal achievement status. The Sustainability Office reports to the Sustainability Committee twice a year to ensure the effective implementation of policies.

(II) Six Promotion Task Forces

Six Promotion Task Forces were established under the "ESG Operations Committee," each led by a Vice President from relevant unit. These task forces cover professional areas such as accounting, sales, procurement, manufacturing, R&D, corporate governance, and human resources. Unit supervisors participate in the ESG project and provide cross-departmental resources. They stay informed about global sustainability trends, conduct in-depth analysis of governance, environmental, and social issues, and integrate them with core operations, product innovation, and services. The office sets strategic directions and formulates project promotion plans for sustainable development.



Sustainability Committee Operations

There were no material incidents with respect to the communication between Rexon and its stakeholders during the reporting period of 2025. (The Company defines a "material incident" as an incident specified in the Financial Supervisory Commission Release Principles of Material Information" which meets can be can be considered a "significant violation for which a fine of more than NT$1 million is imposed.")

Communication Plan	Communication Mechanism	Communication Frequency
FSC's Sustainable Development Roadmap Planning	The Sustainability Office reports to the Board of Directors on an annual basis: ● Planning and verification schedules for Sustainability Reports prepared by Rexon and its subsidiaries. ● Planning and verification schedules for GHG inventory conducted by Rexon and its subsidiaries.	Once a year
Materiality Analysis Results	An annual materiality analysis is conducted to identify material topics that serve as the guidelines for compiling the Sustainability Report	Once a year
The results of the current year's implementation plan are reported during the development of the following year's plan	The Sustainability Committee meets every six months to receive reports from the Sustainability Office on the implementation results of the year's sustainability performance and the implementation plan for the following year. The Committee also reports to the Board of Directors.	Twice a year

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Environment



Business Weekly's “Top 100 Carbon Competitiveness Enterprises”

Corporate Governance



Received awards for three consecutive years, including the Gold Award in Category 2, Traditional Manufacturing Industry, in 2023; the Gold Award in Category 1, Traditional Manufacturing Industry, in 2024; and the Silver Award in Category 1, Traditional Manufacturing Industry, in 2025

Taiwan Corporate Sustainability Awards (TCSA) – Sustainability Report Awards – Traditional Manufacturing Industry – Category 1 “Silver Award”

Society



Recognized for two consecutive years in 2024 and 2025

“Outstanding Enterprise” in the Occupational Health and Safety Performance Disclosure Evaluation



Received for three consecutive award cycles in 2021, 2023, and 2025 (award validity period: two years)

Gold Medal under the Talent Quality-management System (TTQS), Workforce Development Agency, Ministry of Labor



Top 100 Age-Friendly Enterprises

CH.02

GOVERNANCE

Integrity and Transparency

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2.1 Governance Structure

Governance Framework

The Company's Board of Directors is the highest governance body and is responsible for overseeing the Company's overall business strategies, risk management, and sustainable development direction. In accordance with applicable laws and regulations and the principles of ethical corporate management, the Company has established a sound corporate governance system to ensure transparent decision-making, clear allocation of authority and responsibilities, and due consideration of stakeholders' rights and interests. The Board of Directors has established three functional committees to assist the Board in fulfilling its oversight and review responsibilities. Management implements relevant policies in accordance with resolutions of the Board of Directors.



Board of Directors

72 Hours	18 Hours
The total training hours completed by all directors were 72 hours, including 27 hours of sustainability-related courses.	The corporate governance officer completed a total of 18 training hours, including 12 hours of sustainability-related courses.
For 11%	**Attendance Rate of 97%**
The Board consists of 9 directors, of whom female directors account for 11%	With an average director attendance rate of 97%

The Company's Board of Directors places strong emphasis on transparency, diversity, and professionalism to strengthen corporate governance effectiveness and improve decision-making quality. In performing its duties, the Board of Directors takes into account various aspects, including operational judgment, accounting and financial analysis, business management, crisis management, industry expertise, international market perspective, leadership, and decision-making capabilities, to ensure the Company's sound operations and sustainable development.

The current Board is the 18th Board of Directors, with a term from May 30, 2023 to May 29, 2026. The Board consists of 9 directors, of whom female directors account for 11%. The Board includes 3 independent directors, none of whom has served for more than three consecutive terms. By introducing independent directors with industry and professional backgrounds, the Board incorporates the perspectives of external stakeholders and enhances its oversight and guidance responsibilities.

In principle, the Board of Directors convenes at least one meeting each quarter to receive financial and business reports from the management team. In 2025, the Board convened a total of 5 meetings, with an average director attendance rate of 97%. The Board operates in accordance with the "Rexon Board of Directors Meeting Code of Conduct." Board members uphold a high level of self-discipline and avoid any form of conflict of interest. To continuously strengthen directors' professional capabilities and awareness of legal compliance, Rexon Industrial plans courses each year related to business, legal affairs, finance, accounting, sustainable development, and the Company's business operations, and arranges training content after voting by the directors. In 2025, the total training hours completed by all directors were 72 hours, including 27 hours of sustainability-related courses. The corporate governance officer completed a total of 18 training hours, including 12 hours of sustainability-related courses. Information on directors' education and experience, professional backgrounds, independence, continuing education, and shareholding status has been fully disclosed in the Company's 2024 annual report.

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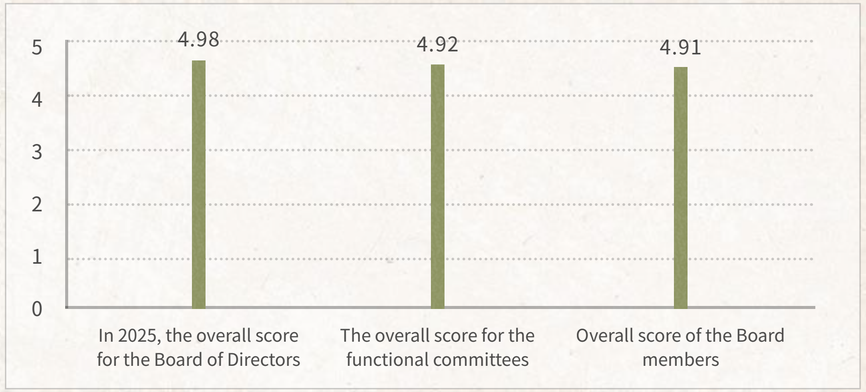
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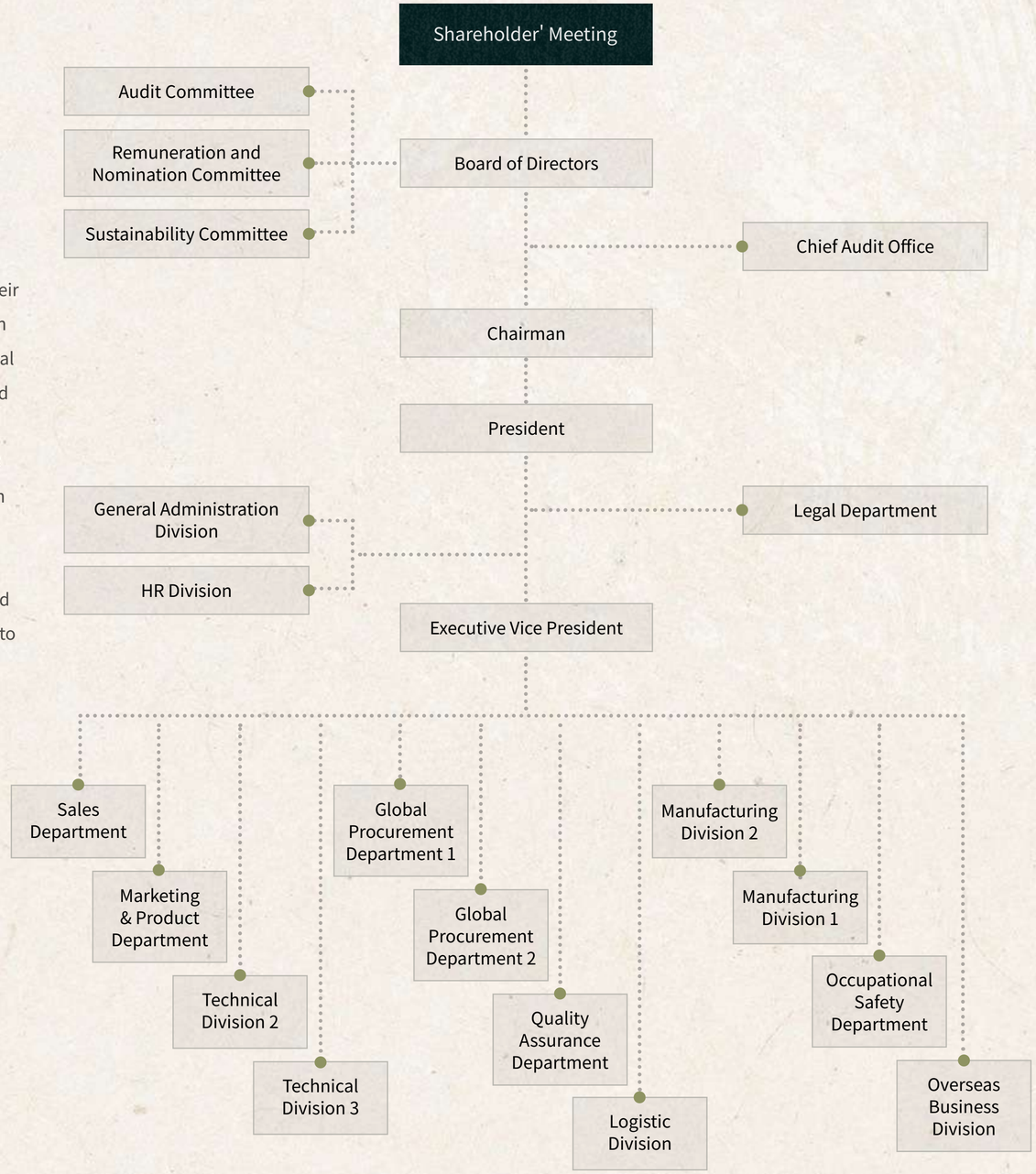
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Mechanism for director recusal due to conflict of interest

To ensure the fairness and independence of Board decision-making and safeguard the rights and interests of the Company and all shareholders, members of the Company's Board of Directors shall comply with the Company's "Corporate Governance Best Practice Principles" and "Ethical Corporate Management Best Practice Principles" when performing their duties. These principles serve as important guidelines for directors and senior management in performing their duties and making decisions. Board members uphold a high level of self-discipline. During the operation of the Board of Directors and functional committees, they proactively disclose matters that may involve their personal interests or the interests of related parties. When a director or managerial officer engages in any act related to the Company's business scope or that may affect the Company's interests, approval from the shareholders' meeting must be obtained in advance in accordance with applicable laws and regulations, so as to avoid conflicts of interest and ensure the legitimacy of decision-making.
In 2025, the overall score for the Board of Directors was 5 points, and the assessment result was 4.98 points. The overall score for the functional committees, namely the Audit Committee, Compensation Committee, and Sustainable Development Committee, was 5 points, and the assessment result was 4.92 points. Overall score of the Board members: 5 points; evaluation result: 4.91 points. The assessment results showed that the Board of Directors duly fulfilled its responsibilities in guiding and supervising the Company's strategies, major business matters, and risk management, and was able to establish an appropriate internal control system. Overall operations were sound. The directors gave positive assessments of the efficiency and effectiveness of the operation of each indicator, and the functional committees operated soundly overall, effectively enhancing the functions of the Board.



▲ In 2025, the overall score for the Board of Directors



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Title	Name	Gender	Ability to Make Judgments About Operations	Accounting and Financial Analysis Ability	Business Management Ability	Crisis Management Ability	Knowledge of the Industry	International Market Perspective	Leadership Ability	Decision-Making Ability
Chairman	Wang Kuan-Hsiang	Male	✓	✓	✓	✓	✓	✓	✓	✓
Director	Wang Kuan-Chuan	Female	✓	✓	✓	✓	✓	✓	✓	✓
Director	Huang Ching-Hsiang	Male	✓	✓	✓	✓	✓	✓	✓	✓
Director	Chen Chun-Wei	Male	✓	✓	✓	✓	✓	✓	✓	✓
Director	Kuo Pu-Chao	Male	✓	✓	✓	✓	✓	✓	✓	✓
Director	Yang Ching-Chi	Male	✓	✓	✓	✓		✓	✓	✓
Independent director	Lee Cherng	Male	✓	✓	✓	✓		✓	✓	✓
Independent director	Wu Chwan-Chyuan	Male	✓	✓	✓	✓		✓	✓	✓
Independent director	Chen Li-Tsung	Male	✓	✓	✓	✓		✓	✓	✓

Functional Committees

Operations and Functions of Functional Committees：

To strengthen the supervisory functions of the Board of Directors, Rexon Industrial has established the Audit Committee and the Remuneration and Nomination Committee under the Board of Directors. Each committee operates in accordance with its organizational charter and regularly reports its affairs and resolutions to the Board of Directors, so as to enhance management effectiveness and protect shareholders' rights and interests.

Annual Operations

In 2025, the Audit Committee convened a total of 5 meetings, with an actual attendance rate of 93%.

Core Responsibilities

Reviewing annual financial reports and statements, reviewing major asset transactions and the effectiveness of the internal control system, and assisting the Board of Directors in performing supervisory duties under the Company Act, the Securities and Exchange Act, and other applicable laws and regulations.

1 Audit Committee: Rigorous Oversight and Ethical Governance

Rexon Industrial's Audit Committee is composed entirely of independent directors and is designed to implement professional division of responsibilities and strengthen supervisory functions. Upholding the principles of integrity and independence, the committee is responsible for overseeing the fair presentation of the Company’s financial statements, the selection and independence of the attesting CPAs, the effective implementation of the Company’s internal controls, and compliance with applicable laws and regulations.



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2 Remuneration and Nomination Committee: System Reform and Professional Leadership

To align with corporate governance practices and enhance organizational effectiveness, the Company carried out an important organizational adjustment in 2025: Renaming and Transformation: In line with regulatory requirements and practical needs, the Board of Directors resolved on July 2, 2025 to officially rename the former "Compensation Committee" as the ** "Remuneration and Nomination Committee." ** The Board of Directors further resolved on November 3, 2025 to approve adjustments to the relevant duties and authority, thereby further expanding the scope of the committee's functions.

Committee Composition

The committee currently consists of 4 members, including 3 independent directors and 1 director, providing a structure with a high degree of independence and industry representation.

Annual Operations

In 2025, the committee convened a total of 2 meetings, with an actual attendance rate of 88%.

Core Responsibilities

- Remuneration Management: Establishing and regularly evaluating remuneration policies and systems for directors and managerial officers to ensure that the remuneration structure is competitive and consistent with business ethics, while avoiding excessive risk-taking.
- Nomination and Development: Responsible for establishing the organizational structure of the Board of Directors and each committee, and proposing the list of director candidates.
- Performance Evaluation: Regularly conducting performance evaluations of the Board of Directors, functional committees, and individual directors, and reviewing the independence of independent directors to ensure the stability and outstanding leadership of the management team.

3 Remuneration Policy

The Company fully recognizes that a sound remuneration system is critical to promoting excellent governance. The remuneration policy is fully supervised by the "Remuneration and Nomination Committee," and its core logic is built on three pillars: "performance orientation, risk control, and alignment of interests." In 2025, we further deepened the linkage between remuneration and sustainability performance in accordance with the "Regulations for Linking Senior Executives' Remuneration to ESG Performance." Remuneration for directors and managerial officers takes into account not only financial indicators such as revenue and net income after tax, but also non-financial evaluation items such as the achievement rate of internal controls and the implementation of corporate social responsibility (such as the acquisition of ISO certifications and information security maintenance). Through annual performance evaluations of the Board of Directors and individual directors, the committee ensures that the remuneration structure appropriately reflects the management team's contribution to enhancing the Company's long-term value, while effectively preventing short-term expansion behaviors that exceed the bounds of business ethics, thereby ensuring the optimal balance between profitability and stability.

Committee	Responsibility	Wang Kuan-Hsiang (Male)	Wang Kuan-Chuan (Female) Representative of Kun Forever Co., Ltd.	Yang Ching-Chi (Male)	Lee Cherng (Male) Independent director	Wu Chwan-Chyuan (Male) Independent director	Chen Li-Tsung (Male) Independent director	Number of Meetings	Attendance Rate (%)	Setup Guidelines
Audit Committee	1. Financial statement audit and accounting policies and procedures 2. Internal control system and related policies and procedures 3. Transaction involving material asset or derivatives. 4. Compliance with laws and regulations				✓	Convener	✓	5	93%	Audit Committee Organization Regulations
Remuneration and Nomination Committee	1. Establish and regularly review the policies, systems, standards, and structure for performance evaluation and remuneration of directors, supervisors, and managerial officers. 2. Regularly assess and determine the remuneration of directors, supervisors, and managerial officers. 3. Nominate the recommended list of director candidates. 4. Establish and develop the organizational structure of the Board of Directors and each committee, conduct performance evaluations of the Board of Directors, each committee, and each director, and assess the independence of independent directors. 5. Establish and regularly review the continuing education plan for directors and the succession plans for directors and senior managerial officers.			✓	Convener	✓	✓	2	88%	Remuneration and Nomination Committee Organization Regulations
Sustainability Committee	1. Formulation of the Company's sustainable development policies. 2. Review, tracking, and amendment of the implementation status and effectiveness of the Company's sustainable development, and regular reporting to the Board of Directors.	✓	Convener	✓	✓	✓	✓	2	92%	Sustainable Development Committee Organization Regulations

For the Company's directors concurrently serving as directors and independent directors of other companies, refer to the 2024 Annual Report.

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2.2 Operational Performance

Rexon's operating strategy is centered on the twin pillars of "sustainable growth" and "technological innovation." We are committed to creating long-term value for stakeholders by optimizing electromechanical integration technologies, deepening partnerships with global brand customers, and demonstrating strong supply chain resilience in the face of climate change and economic volatility. We continue to provide high-quality products and services to brand customers in order to solidify our market position and respond to market challenges.

Material Topics

Financial Performance

Description of Positive Benefits

Actual positive:

1. Seize business opportunities arising from sustainable product trends by establishing a low-carbon materials database and conducting sampling and testing, while regularly promoting such materials to customers to increase sales opportunities and enhance operating performance.
2. In response to geopolitical risks, continue to expand and diversify production bases to reduce operational risks and improve operational performance.

Description of Negative Benefits

Actual negative impacts:

1. In the face of carbon tax policies in the U.S. and the E.U., insufficient knowledge of low-carbon materials may lead to higher OEM costs, thereby undermining operational competitiveness.
2. Under uncertainties brought about by geopolitical tension, failing to develop response strategies and adapt to trend changes in a timely manner may result in missed business opportunities and have negative impacts on competitiveness.

Management Mechanisms/ Measures

1. Proactively explore business opportunities in emerging trends and sustainable/ innovative product proposals, and actively discuss cooperation projects with customers.
2. Exercise greater caution in planning and managing supply chains at production sites in Southeast Asia to address potential sourcing and cost-related issues.

Complaint/ Communication Channels

The official website or the contact information of the sales representative is available for inquiries. We will keep all communications confidential.
Service Email: sales@rexon.com.tw
Contact: Customer Service Department

2025 Action Plan Implementation Results

Action Plan

1. In response to the market trends of "transitioning from fossil fuels to electricity" and the E.U. carbon tax in recent years, Rexon has actively developed innovative products and expanded its new business group. Examples are: e-bikes, drones, and battery-powered gardening tools. In 2025, the team continued to actively participate in major international events, including XPONENTIAL USA, Japan Drone, and the Taipei Aerospace & Defense Technology Exhibition for the drone industry, to showcase its strengths in electromechanical control integration.
2. Rexon actively proposes sustainable product designs to customers. For example, in a battery-powered desktop circular saw, co-developed with Europe's largest power tool brand, we eliminated low-biodegradable styrofoam from the original packaging design to achieve the goal of creating sustainable products together.
3. In response to geopolitical risks, Rexon has established diversified production bases. We began by investing in Southeast Asia to provide existing customers with more flexible choices in production and supply chain options, thereby mitigating the systematic risks associated with geopolitical uncertainty.

Implementation Results

1. The new business group (e-bikes and drones) has completed the global sample deliveries to regions including North America, Europe, North Asia, and Southeast Asia. Its new products have also successfully entered mass production.
2. The battery-powered desktop circular saw co-developed with European customers officially entered mass production in Q4 2025.
3. The Southeast Asia construction project was officially launched, with production commencing in Q1 2026 and formal mass production expected to begin in Q2 2026, respectively.

Achievement status of 2025 Goals

Goals

1. The new business group (e-bikes and drones) successfully completed the delivery of at least 10 product samples.
2. Actively propose sustainable design solutions to existing customers and apply them to practical product development, with at least one successfully implemented.

Achievement Status

Goals achieved

1. The new business group successfully completed the delivery of **12** product samples. (E-Bikes: **7** ; drones: **5**)
2. The Company has completed the co-development of a battery-powered desktop circular saw with existing European customers, marking it as a successful sustainable design product for the year.

Short/Medium/ Long-term Goals

Short-Term Goals (2026-2027 years)

1. In the drone sector, the Company completed sales of power systems and set a target to double the number of customers, aiming for continuous improvement.
2. To reduce geopolitical risks, Rexon has deployed diversified production locations to enhance supply chain resilience. Rexon's power tools plant in Thailand officially commenced production in H1 2026, while its fitness equipment plant in Vietnam is expected to commence production in H2 2026.

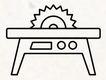
Medium-Term and Long-Term Goals (2028-2032years)

The long-term goal in the drone sector is to expand from the power system to flight control, ultimately enabling the design and assembly of the complete drone according to customer requirements. The target by 2027 is to complete the delivery of 3 flight control units and complete machine samples.

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Direct Economic Value Generated and Distributed by the Organization

The Company's current revenue is mainly derived from two major business segments: power tools and fitness equipment:



Power tools

In 2025, the Company faced the challenge of additional "reciprocal tariffs" imposed by the United States on Taiwan, which increased export costs for hand tools and mechanical parts and compressed profit margins. Rexon actively applied for the government's "R&D transformation subsidies" and "financial support measures," and upgraded its products from traditional DIY tools to professional and high-performance models, offsetting tariff impacts through technological differentiation.



Fitness Equipment

In response to fitness equipment being included in the list of products subject to additional U.S. tariffs, Rexon shifted its strategic focus toward increasing the level of production automation and obtaining international certifications (such as ISO and ESG certifications). Despite tariff pressure, the Company continued to enhance product gross margin and brand customer stickiness through operational efficiency and product value-added, thereby maintaining its core position in the supply chains of brand customers.

Operating revenue in 2025 was NT$5,419,291 thousand, representing a decrease of NT$679,995 thousand compared with NT$6,099,286 thousand in 2024. Consolidated net income after tax in 2025 was NT$173,956 thousand, and earnings per share after tax were approximately NT$0.97.

Type	Item	2024	2025
Generated Direct Economic Value	Operating Revenue	6,099,286	5,419,291
	Non-Operating Revenue Note1	79,803	47,624
Distributed Economic Value	Operating Costs Note2	4,351,753	4,092,802
	Employee Salaries and Benefits	734,885	775,228
	Payments to Capital Providers	181,474	108,884
	Political Contributions	–	–
	Payments to Government (including business tax, income tax, property tax, etc.)	–	–
	Payments to Government (fines)	–	71
	Community Investments	10,684	2,004
Retained Economic Value	Retain Economic Value	900,293	487,925

Note 1：Non-operating revenue includes interest income, dividend income, and rental income ; Note 2：Operating costs include material costs, rental expenses, commission expenses, labor costs, and education and training expenses.

External Advocacy and Engagement

Upholding its core values of "co-prosperity, common good and sharing," Rexon Industrial actively participates in external associations and professional organizations. Through the exchange of knowledge, information sharing, and the transfer of practical experience, the Company contributes to upgrading the industrial value chain and fostering the positive development of the industry. The Company also actively responds to international trends and external initiatives. By exerting a positive influence through practical actions in the areas of environment, society, and economy, it remains committed to achieving the goal of sustainable development. We believe that through collaboration with external stakeholders, we can jointly create a sustainable future, strengthen our corporate social responsibility, and generate long-term value for the global industry and society.

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Name of Institution	Position
Taiwan Institute of Director	Member
Chinese International Economic Cooperation Association	Member
National Chung Hsing University Alumni Association	Permanent member
The Institute of Internal Auditors, Taiwan	Member
Wufeng Precinct Office, Greater Taichung Police Friends Association	Advisor
Taiwan Bicycle Association	Member
Taiwan Smart Electric Bicycle Association	Member
Wufeng District Reserve Servicemen Service Center	Counseling Team Leader
Taiwan Electrical and Electronic Manufacturers' Association	Member
Taiwan Defense Industry Development Association	Member
Taiwan Electrical and Electronic Manufacturers' Association	Member

Financial Assistance Received from the Government

Item	Subsidy Recipient	Subsidy Amount
1.Subsidy for the Occupational Accident Worker Assistance Implementation Program	Occupational Safety and Health Administration, Ministry of Labor	144,740
2.Subsidy for the Development and Field Verification Program for Domestically Produced Electric-Assist Mountain Bicycles	Department of Industrial Technology, Ministry of Economic Affairs	4,740,000
3.Subsidy for the Sustainable Supply Chain Upgrade and Transformation Program for the Fitness Equipment System (Rexon)	Industrial Development Administration, Ministry of Economic Affairs	10,498,833
4. Subsidy for the Enterprise Human Resources Enhancement Program	Workforce Development Agency, Ministry of Labor	199,350
5.Subsidy for the Sustainable Supply Chain Upgrade and Transformation Program for the Fitness Equipment System (Rexon Technology)	Industrial Development Administration, Ministry of Economic Affairs	2,445,491
Total		18,028,414

Note: 1. Subsidy for the Occupational Accident Worker Assistance Implementation Program: Dedicated to promoting care and assistance measures for workers affected by occupational accidents, including occupational accident prevention awareness, worker health care, and related occupational safety and health management operations, thereby strengthening workplace safety awareness and protecting workers' physical and mental health.
2. Subsidy for the Development and Field Verification Program for Domestically Produced Electric-Assist Mountain Bicycles: Jointly develop a Taiwan-made three-electric system with partners, promote the localization of key components, and conduct carbon emissions calculation, small-volume trial production, and actual vehicle verification, demonstrating the Company's commitment to sustainable product development and local supply chain cooperation.
3. Subsidy for the Sustainable Supply Chain Upgrade and Transformation Program for the Fitness Equipment System: With Rexon Industrial serving as the central factory, the Company works with suppliers to jointly promote the sustainable supply chain upgrade of the fitness equipment industry. The program covers the establishment of green value streams, introduction of energy-saving process equipment, and development of a digital energy management system for plant sites, thereby reducing carbon emissions, improving product quality, and achieving low-carbon transformation results.
4. Subsidy for the Enterprise Human Resources Enhancement Program: This program represents a subsidy applied for from the Workforce Development Agency, Ministry of Labor, with Rexon Technology as the applicant enterprise. It supports in-service employee training, expands training benefits, and enhances employee human resources development and education and training capacity.
5. Subsidy for the Sustainable Supply Chain Upgrade and Transformation Program for the Fitness Equipment System: In coordination with Rexon Industrial, the Company worked with various suppliers to promote the Sustainable Supply Chain Upgrade and Transformation Program for the Fitness Equipment System. The program introduced equipment for energy conservation and production efficiency improvement, together with improvement plans for existing equipment, to achieve the goals of "low carbon and energy conservation."

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2.3 Tax Policy

Tax Policy and Principles

To address the tax challenges arising from geopolitical changes and international reciprocal tariffs in 2025, Rexon has established cross-level supervision and communication mechanisms:

Management Oversight

The Vice President of the General Administration Division serves as the highest-ranking officer responsible for tax risks, reviews the Group's tax policies from time to time, and ensures that management mechanisms are dynamically adjusted in response to changes in the international landscape.

Regular Assessment System

The Financial Management Department conducts an income tax filing health check every December, and performs tax risk assessments for major investments, supply chain adjustments, and cross-border transactions.

Response to International Tax Laws

Through internal control mechanisms and cooperation with external professional tax advisory firms, Rexon ensures sound operations in a complex international tax environment.

Communication with Competent Authorities

Rexon actively assists subsidiaries in various locations in maintaining good and timely two-way communication with tax collection authorities in each country, ensuring consistent interpretation of tax laws and regulations by both parties and reducing potential tax disputes.

Principle of Legal Compliance	We adhere to tax laws and legislative principles, accurately declare and pay taxes, and maintain proper documentation.
Principle of Comprehensive Decision-Making	We monitor local and international tax law changes, assess their impacts comprehensively, and develop appropriate strategies in response.
Principle of Information Transparency	We regularly disclose tax information through public channels such as financial reports and annual reports to ensure transparency.
Principle of Proactive Communication	We maintain open and honest communication with tax authorities, assisting in improving the tax environment and system.
Principle of Reasonable Tax Planning	We utilize legal and transparent tax incentives and refrain from engaging in tax planning methods that violate the spirit of the law.
Principle of Reasonable Structures	Our corporate structures and transaction arrangements align with economic substance and do not exploit special arrangements for tax avoidance purposes.
Principle of Risk Management	When formulating and implementing tax decisions, we assess relevant risks and adopt appropriate strategies.
Principle of Business Substance	Transactions with related parties reflect economic substance, with decision-makers assuming risks and receiving reasonable returns.
Principle of Arm's Length Transactions	Prices and conditions of transactions with related parties should be comparable to those of similar transactions with unrelated parties.

2025 Operating Activities Allocation Summary by Tax Jurisdiction: Unit: NTD thousand

Tax Jurisdiction (Country)	Non-Related Party Income	Net Earnings	Profit or Loss Before Income Tax	Income Tax Paid	Current Income Tax	Number of Employees
Taiwan	5,414,771	84,674	201,535	0	39,334	738
China	416,520	-99,077	-87,020	0	0	200
The United States	5,371	-1,607	-1,607	0	0	6

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2.4 Customer relationship management

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Customer Relationship Management

Description of Positive Benefits

Actual positive:

1. Increase the added value of products through innovation and sustainable product development, and help customers maintain their competitive advantages in the market.
2. Implement and utilize a customer relationship management (CRM) system to build stronger customer relationships, ensure effective understanding and fulfillment of customer needs, improve service quality, and enhance customer satisfaction.
3. Established a comprehensive mechanism for protecting customer business confidentiality, properly managing customer contracts, product drawings, and information related to exclusive production lines (or dedicated areas), reduced the risk of information leakage, strengthened customer trust in the company, and helped deepen long-term cooperative relationships.

Description of Negative Benefits

Potential negative:

1. Failure to keep up with the trend or to increase the added value of products may cause the Company to be easily eliminated by the market, resulting in a decline in orders.
2. If the customer relationship management (CRM) system is not implemented and utilized, it could lead to errors or loss of customer information. This would not only hinder relationship maintenance and service quality but also make it difficult to effectively track interaction records, potentially resulting in lost business and cooperation opportunities.
3. Establish a comprehensive mechanism for protecting customers' trade secrets, and properly manage customer contracts, product drawings, and information on dedicated production lines (designated areas), thereby reducing the risk of information leakage, strengthening customers' trust in the Company, and helping deepen long-term cooperative relationships.

Management Mechanisms/ Measures

1. Introduce the VAVE (Value Analysis/Value Engineering) strategy to actively propose product optimization solutions to customers to enhance market competitiveness.
2. In response to global inflation, the Board of Directors resolved to invest in Southeast Asia and built a new plant in Thailand and Vietnam to increase production flexibility and meet diverse market needs.
3. Strengthen the application of the CRM system and provide employee training to systematically manage customer data, ensuring information integrity while improving business efficiency and cooperation opportunities.
4. Establish a system for protecting customers' trade secrets, and implement tiered access controls, document access records, and internal confidentiality rules for customer contracts, product drawings, and dedicated production lines (designated areas). Regular employee education and training is also conducted to ensure that customer information is used only by authorized personnel.

Complaint/ Communication Channels

For any questions regarding products, customers may contact the Company through its official website or through the contact information of each customer's sales representative. All communication content and related documents are properly kept confidential in accordance with the Company's internal rules to protect customers' trade secrets and rights and interests.
Service Email: sales@rexon.com.tw
Contact: Customer Service Department

2025 Action Plan Implementation Results

Action Plan

1. Introduce the customer relationship management (CRM) system to centrally manage customer information, systematically track historical records, ensure consistency of external communication, and enhance internal team efficiency as well as customer satisfaction.
2. Deployment in Southeast Asia enables flexible production base options based on customers' product categories and market positioning, thereby enhancing the resilience and competitiveness of the supply chain.

Implementation Results

1. Average customer satisfaction is above **82 points** , reflecting stable service quality and efficient supply chain management.
2. On-time product delivery and the stable quality have increased customer satisfaction, which in turn attracts new customers and encourages existing customers to expand their cooperation. The price inquiry ratio increased by **4%** in Q4 2024 (covering both new and old customers), indicating market's strong confidence in Rexon's product and a growth in demand.

Achievement status of 2025 Goals

Goals

Average customer satisfaction scored above 82 points

Achievement Status

Goals achieved

1. Average customer satisfaction was scored **82.65** points:
2. Power tool: **82.3** points;
3. Fitness device: **83** points.

Short/Medium/ Long-term Goals

Short-Term Goals (2026-2027 years)

2026: Improvement in average customer satisfaction rate by 1%
2027: Improvement in average customer satisfaction rate by 1.5%

Medium-Term and Long-Term Goals (2028-2032years)

Average customer satisfaction rate improved by 2% or more

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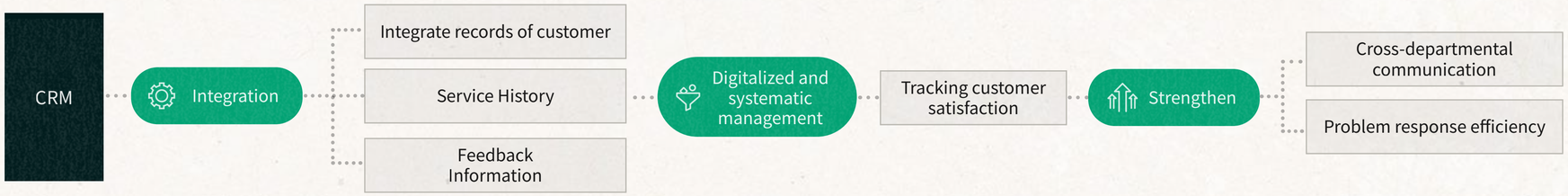
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CRM

In 2024, the Company officially introduced a customer relationship management system (CRM) to integrate records of customer interactions, service history, and feedback information. Through digitalized and systematic management, the Company is able to track customer satisfaction trends in real time and strengthen cross-departmental communication and the efficiency of issue response. Through the CRM platform, the sales and service teams are able to understand customers' key needs and provide a consistent and precise service experience. For customer feedback and grievance cases, Rexon has established standardized handling procedures that clearly define response timelines and the allocation of responsibilities, ensuring that issues are responded to promptly and that the effectiveness of improvements is continuously tracked. Relevant improvement measures are also regularly communicated back to customers to enhance their trust and cooperation stickiness. Going forward, Rexon will continue to refine its customer satisfaction management mechanism by integrating digital tools and internal education and training, deepen a customer-centric corporate culture, and respond to the expectations of the market and stakeholders with high-quality products and services, with a commitment to becoming customers' most trusted long-term partner.

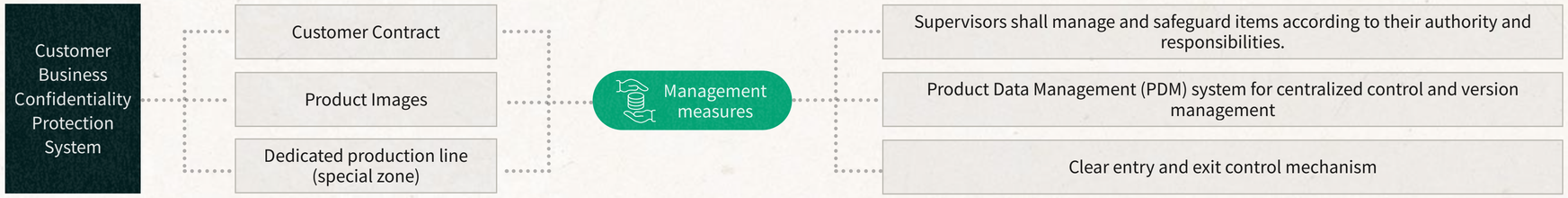


Customer Satisfaction

Rexon Industrial regards customer satisfaction as one of the key indicators for measuring operating performance and sustainable operations. Through institutionalized management and continuous improvement mechanisms, Rexon ensures that the quality of its products and services meets customer expectations and establishes long-term and stable cooperative relationships. To effectively understand customer needs and feedback, Rexon collects customer evaluations of product quality, delivery performance, after-sales service, and overall cooperation experience through regular customer communication, project feedback mechanisms, and customer complaint management procedures. Relevant feedback is compiled and analyzed by the dedicated unit and serves as an important basis for optimizing internal processes and improving service quality.

Customer Privacy

To ensure the proper protection of customer information privacy and trade secrets, Rexon Industrial has established a comprehensive customer trade secret protection system. For key information such as customer contracts, product drawings, and dedicated production lines (designated areas), tiered access controls, document access record management, and internal confidentiality rules are implemented based on the sensitivity of the information. In terms of specific management measures, written customer contracts are kept and managed by managers at or above the managerial level based on their respective authority and responsibilities. Product drawings are centrally controlled and managed by version through the product data management system (PDM), ensuring that access to and changes in drawings are traceable. In addition, for customer-dedicated production lines (designated areas), the Company has established clear access control mechanisms to prevent unauthorized personnel from accessing relevant processes and information. The above measures are supplemented by regular employee education and training to strengthen all employees' awareness of information security and confidentiality responsibilities, ensure that customer information is used only by authorized personnel, and reduce the risk of unauthorized access. At the same time, in accordance with the annual audit implementation plan developed by the internal audit unit, the Company conducts regular risk assessments of potential information security and customer privacy risks, and formulates and implements relevant internal control systems accordingly, so as to continuously strengthen the effectiveness of information security management. Based on the effective operation of the above management mechanisms, as of 2025, there had been no complaints involving breaches of customer privacy or loss of customer data, fully demonstrating Rexon Industrial’ s strong emphasis on, and long-term commitment to, customer information security and privacy protection.



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Handling of Customer Complaints

Receipt of Customer Complaints

Customer complaints or abnormality notifications are received by the customer contact window.
Complete information is collected, including:

- Product model / batch number of the abnormal product
- Time and location of occurrence
- Description of the defect or abnormality
- Images / videos / test data

A case number is created in the customer complaint management system.

Problem Confirmation

The quality department (QA/QC) conducts preliminary problem confirmation.
Confirmation includes:

- Whether the issue is a product quality problem
- Whether the issue is related to use / installation
- Whether the issue is related to transportation or the customer side

Determination of whether a customer complaint case is established.

Problem Established / Responsible Unit Assigned

The customer complaint handling process is initiated. The responsible unit is assigned, including:

- Manufacturing
- R&D
- Quality
- Procurement / Suppliers

If the issue is a major quality problem:
→ The 8D process is initiated.

Formulation of Improvement Measures (8D)

Formulate and implement:

- Short-term countermeasures (to prevent the problem from continuing to occur)
- Root cause analysis
- Long-term improvement measures

Cross-Departmental Customer Complaint Meeting

A cross-departmental meeting is convened, involving:

- Quality
- Manufacturing
- R&D
- Sales

Meeting content includes:

- Problem analysis (5 Why / Fishbone)
- Risk assessment
- Short-term countermeasures (containment action)
- Initial improvement measures are simultaneously communicated to the customer.

Improvement Implementation and Effectiveness Confirmation

The effectiveness of improvements is confirmed through the following methods:

- Recurrence testing
- Production monitoring
- Customer-side verification

An 8D report / improvement report is provided to the customer for confirmation.

Customer Confirmation and Case Closure

The customer confirms that the issue has been resolved. The case is formally closed.
Relevant documents are archived, including:

- Customer complaint report
- 8D report
- Improvement measures

The case is incorporated into:

- Quality improvement database
- Internal education and training

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2.5 Risk management

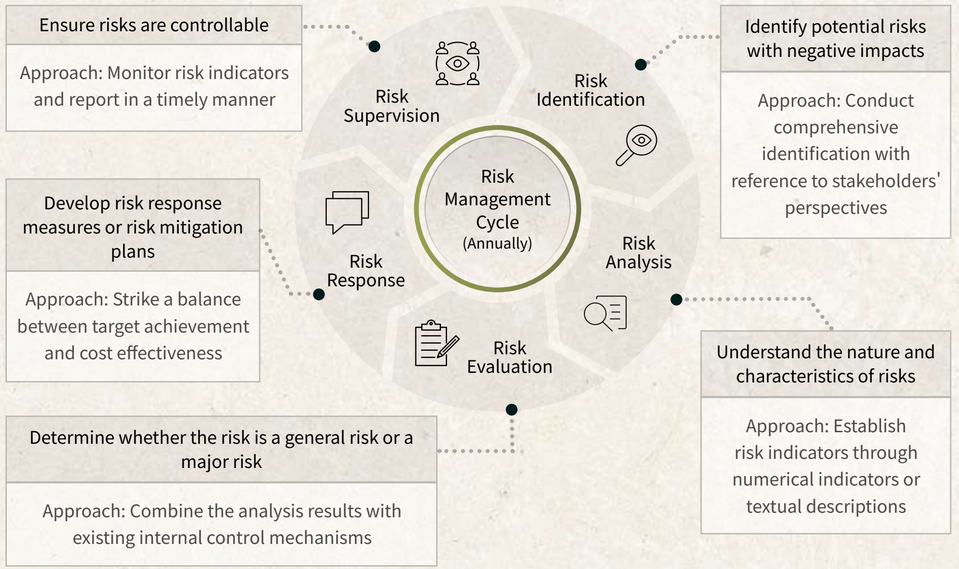
Management System

To ensure that decision-making is based not only on experience, but also on foreseeable and controllable foundations, in 2024 the Company formulated its "Risk Management Best Practice Principles" with reference to the Regulations Governing Establishment of Internal Control Systems by Public Companies and the Risk Management Best Practice Principles for TWSE/TPEx Listed Companies, with the aim of pursuing innovation while maintaining prudence and preserving long-term value amid changes. The principles were officially implemented in 2025. The Board of Directors is the Company's highest risk management body. The unit responsible for risk management is the Risk Management Team, which is convened by the President, with the highest-ranking officers of each functional organization serving as team members. The highest-ranking officers of each functional organization serve as risk management implementation personnel and are responsible for general risk management, including monitoring risk indicators in daily management.

REXON Risk Management Structure

Board of Directors	· Adopt risk management policies · Supervise the implementation of risk management
Risk Management Team	· Draft risk management policies · Establish response plans for material risks
Top-Level Management of Functional Units	· Monitor risk indicators · General Risk Management

The Company conducts a complete risk management process once each year, consisting of five stages: risk identification, risk analysis, risk assessment, risk response, and risk monitoring and review, as detailed in the figure below.



Implementation Results

The risk management process for the year was launched in August. Opinions were collected from the highest-ranking officers of each functional organization through questionnaires. The results were compiled in September, and the top 12 risks were selected. Following further discussion, these risks were consolidated into five major risks, which were finalized by resolution at the Vice Presidents' meeting on December 19 and subsequently submitted to the Chairman for confirmation and approval of the implementation results for the year, as detailed in the table below.

Risk Event	Description	Potential Operational Impact (Example)	Countermeasures
Geopolitical Risk	The sales volume or costs of major product markets may be affected by political intervention.	U.S. reciprocal tariffs and the U.S.-China trade war.	All units work together, with management conducted through weekly Vice Presidents' meetings and monthly business review meetings. Response measures are developed for abnormal fluctuations.
Exchange Rate Fluctuations	Exchange gains or losses may arise due to differences between the currencies of receipts and payments.	Significant appreciation of the NTD against the U.S. dollar in May 2025.	Led by the General Administration Division. When abnormal fluctuations occur, response measures are proposed and submitted to the Chairman and President.
Product Risk	● Products fail to meet customers' quality standards. ● Production yield is too low.	● Customer complaints may damage business reputation. ● Costs may increase or shipments may be delayed.	Led by the Technology Division. Reviews are conducted at weekly quality meetings, and reports are submitted at monthly Vice Presidents' meetings.
Market risk	● Sales are highly concentrated in a single customer. ● The customer's management team undergoes significant changes. ● Substitute products emerge or consumer trends change.	The Company's sales performance may fluctuate significantly.	Led by the Sales Division. Management is conducted through weekly Vice Presents' meetings and monthly business review meetings, and response measures are developed for abnormal fluctuations.
R&D and Technology Risk	● Lack of new technologies or materials makes it difficult to improve the precision of existing processes or reduce costs. ● Slow product innovation reduces customers' willingness to cooperate. ● Development time exceeds expectations.	The Company may be unable to gain a leading position in market competition, and customers may choose other partners.	Led by the Technology Division. Management and proposals are conducted through weekly Vice Presidents' meetings and monthly Green Innovation Committee meetings.

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2.6 Information Security

The legal and regulatory basis of the information security policy is primarily derived from the ISO/IEC 27001 international standard, which serves as the core framework for technology and management, ensuring the systematic management of information security risks and maintaining the confidentiality, integrity, and availability of information assets. The scope of ISO/IEC 27001 certification covers only information security management activities of Rexon Industrial, including core systems, information server rooms, and network service operations and maintenance management. Rexon Technology is not included in the certification scope.



Material Topics

Information Security

Description of Positive Benefits (Actual and Potential)

- Actual benefits: Passing the ISO 27001 audit each year strengthens information security protection, ensures operational continuity, protects customer data and trade secrets, and enhances the Company's reputation and market competitiveness.
- Potential benefits: Compliance with regulatory requirements (such as the Personal Data Protection Act and the Cyber Security Management Act) reduces the risk of legal or regulatory penalties and attracts customers and investors who value information security governance.

Description of Negative Benefits (Actual and Potential)

Potential impacts: As the Company implements ISO 27001 management procedures and has established sound systems and hardware architecture, no actual negative impacts occurred in 2025. However, insufficient information security awareness among personnel or technological gaps may increase potential risks to corporate operating costs and management.

Management Mechanisms/ Measures

- Information Security Management System (ISMS): Establish, implement, maintain, and continuously improve the ISMS in accordance with ISO 27001 standards.
- Policies and regulations: Establish and announce the "Information Security Policy" and related management rules to ensure confidentiality, integrity, and availability.
- Risk management: Regularly conduct information security risk assessments, information security health checks, and vulnerability scans, and introduce multi-layered technical protection measures (such as WAF, NDR, and EDR).
- Incident response: Establish and regularly conduct drills for information security incident response plans (BCP/DRP) to ensure rapid and effective response when incidents occur.
- Education and training: Regularly conduct information security and personal data protection education and training for all employees to enhance information security awareness.

Complaint/ Communication Channels

The Company provides anonymous, confidential, and traceable grievance and feedback channels to ensure that suggestions or incidents related to information security concerns can be responded to and handled in a timely manner.
Internal complaint: https://www.tovery.net/guestbook.asp?user=rexon_hr&page=1 (Rexon Whisper Message Zone)
External complaint: invest@rexon.com.tw

2025 Action Plan Implementation Results

Action Plan

Continue to conduct **ISO 27001 surveillance review operations** and make improvements based on audit results.

Implementation Results

Successfully passed the **ISO 27001** surveillance review.

Achievement status of 2025 Goals

Goals

0 information security incidents (no information security incidents with material operational impact).

Achievement Status

Goals achieved
Achieved. No material information security incidents occurred during the year.

Short/Medium/ Long-term Goals

Short-Term Goals (2026-2027 years)

2026: Pass the ISO 27001 surveillance review.
2027: Extend the certification scope from the information department to the development department to strengthen information protection in R&D processes.

Medium-Term and Long-Term Goals (2028-2032years)

2028 to 2029: Continue to promote ISO 27001 information security governance and deepen information security resilience.
2030 to 2032: Promote the enhancement of information security governance levels, bring information security investment to international benchmark levels, and meet the expectations of customers and suppliers.

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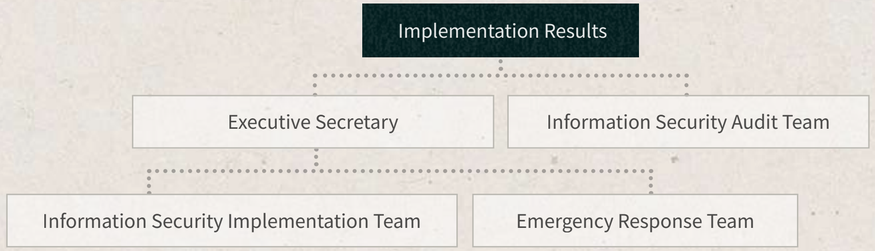
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I. Organizational Structure

The Information Security Committee is convened by the highest-ranking information officer, with department heads serving as members. The committee is responsible for reviewing matters related to information security management and convening cross-departmental resource coordination meetings as needed. It is also responsible for coordinating the allocation of resources required for the implementation of the information security management system.



II. Implementation Measures

Education and Training
Conduct information security education and training to promote employees' awareness of information security and strengthen their understanding of related responsibilities.

Information Protection
Protect information relating to the Company's business activities from unauthorized access and modification to ensure its accuracy and completeness, and ensure that the Company's key core systems maintain a certain level of system availability.

Regular Audits
Conduct audits each year and improve identified deficiencies to ensure information security.

III. Results and Cases

1 Education and Training

Course Title	Number of Participants	Number of Qualified Participants	Completion Rate
Information Security Awareness on Phishing and Online Fraud Prevention	93	89	95%
Trojan Attacks	98	98	100%
Account Theft, Personal Data Leakage, and Disinformation Attacks! What Should You Do in the Face of Information Warfare?	94	90	95%
Do Your Part Be Cyber Smart	78	76	97%
The Temptation of Apps	53	52	98%
Why Software Updates Are Important	80	78	97%
Use AI Tools with Caution Information Security Risks of AI Tools	106	105	99%
Information Security Crisis in the AI Era What Are the Risks of Generative AI?	47	43	91%



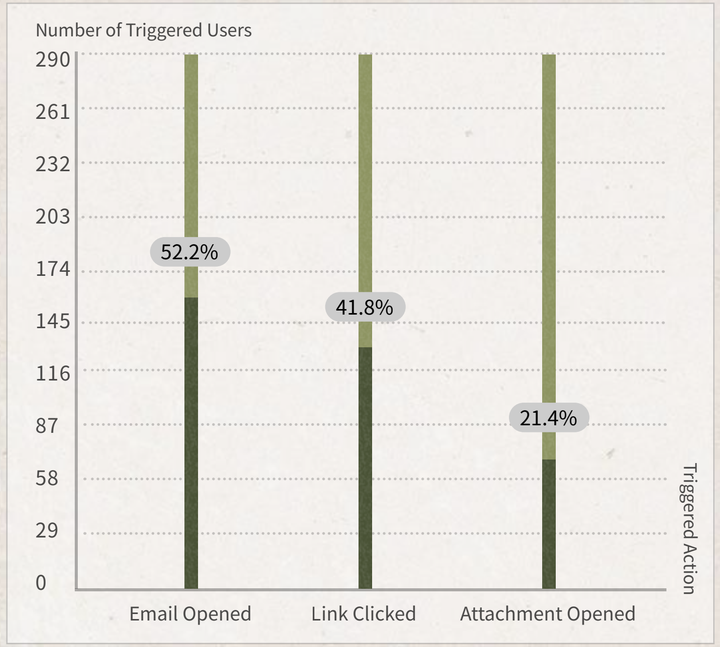
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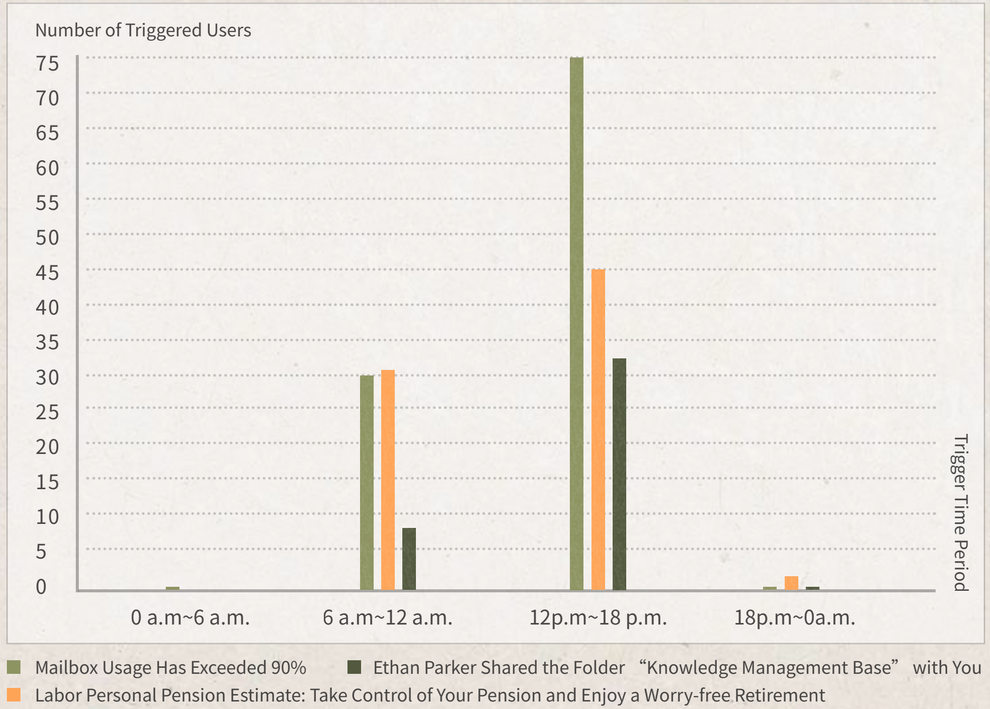
III. Results and Cases

2 Information Protection

- According to the "Network and System Security Management Manual," both internal and external personnel are required to complete relevant applications before they may access the Company's systems. In 2025, maintenance contracts were signed for all key core systems to ensure system availability.
- In July 2025, backup and restoration drills were conducted for two key core systems.
- In August 2025, a social engineering drill was conducted to test employees' sensitivity to phishing emails, identify which types of emails were more likely to be triggered, and require employees who triggered the test to receive education and training. (How to connect with the figure below)

Email Opened	Link Clicked	Attachment Opened	Peak Activity During
52.2%	41.8%	21.4%	12pm.–18pm.





3 Regular Audits

This year, one restoration drill for the ERP and PLM systems was completed to ensure business continuity.

According to the "Information Security Target Effectiveness Measurement Form," there were zero incidents of unexpected interruption exceeding 8 hours in a single occurrence.

Each year, deficiencies are improved based on corrective action forms, and the effectiveness of improvements is tracked regularly to reduce the Company's information security risks.

No material information security incidents occurred this year.

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2.7 Integrity and Ethics

To implement ethical conduct and ethical corporate management and facilitate sustainable development, Rexon Industrial has established and maintained a sound corporate governance system. The Company has adopted regulations relating to employee ethical conduct, including the "Corporate Governance Best Practice Principles," "Sustainable Development Best Practice Principles," "Code of Ethical Conduct," "Rexon Group Employee Code of Conduct," and "Ethical Corporate Management Best Practice Principles," which serve as relevant standards and behavioral norms for the Company in fulfilling its corporate social responsibility. The corporate governance unit is responsible for formulation, supervision and implementation of ethical management policies and prevention plans. It provides periodical education and training for employees and stakeholders, signs self-discipline documents, provides complaint channels, and enhances the importance of the anti-corruption policy to help employees and stakeholders understand the ethical management policy of the Company and the consequence and risk of violation.

Material Topics

Ethical Corporate Management

Description of Positive Benefits (Actual and Potential)

The Company upholds "integrity" as a core value of corporate management and has established comprehensive Ethical Corporate Management Best Practice Principles and an internal audit system to ensure that all business activities comply with laws, regulations, and ethical standards. During the reporting period, the Company maintained sound corporate governance performance, with no material corruption, misconduct, or legal proceedings, fines, or sanctions arising from violations of ethical principles, demonstrating the Company's determination to continuously implement ethical corporate management and transparent management. Through institutionalized risk control mechanisms and employee education and training, the Company not only strengthens internal controls, but also continues to enhance the trust and reputation of external stakeholders in the enterprise, laying a solid foundation for sustainable operations.

Description of Negative Benefits (Actual and Potential)

Once an integrity-related incident occurs, regardless of its severity, it may seriously damage the Company's corporate image as an international professional manufacturer and undermine customer trust. Any corruption or fraudulent conduct would result in misallocation of resources and improper transfer of benefits, weaken the fairness of decision-making and operational efficiency, and in turn affect the Company's competitiveness and innovation momentum. Therefore, the Company continues to strengthen internal control audits, education and training, and the development of an integrity culture to prevent any potential misconduct and ensure that corporate governance continues to advance toward transparency, integrity, and accountability.

Management Mechanisms/ Measures

The Company upholds the business philosophy of integrity, openness, transparency, and responsibility. It has formulated ethical corporate management policies and implements its ethical conduct and ethical corporate management systems based on the principles of "fairness, honesty, trustworthiness, and transparency," actively preventing any unethical conduct. The Company's "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," and "Reporting and Grievance Procedures" have all been reviewed and approved by the Board of Directors, and are regularly reviewed and amended to ensure that the policy direction keeps pace with current developments, demonstrating the commitment of the highest governance level to ethical corporate management.

Complaint/ Communication Channels

The Company has established diversified internal and external communication and grievance mechanisms to protect the anonymity and immunity rights and interests of whistleblowers. Cases are accepted and follow-up handling results are tracked by an independent unit to ensure that all cases are handled based on the principles of fairness, impartiality, and confidentiality.

- **Professional Ethics and Integrity**
  Grievance channel email: audit@rexon.com.tw
  Written correspondence: No. 261, Renhua Rd., Dali Dist., Taichung City Responsible Department: Chief Audit Office
- **Corruption and Bribery**
  Phone: 04-24914141#6211
  Email: GSCM@rexon.com.tw
  Responsible Department: Procurement Department
- **Reporting and Grievances**
  Grievance channel email: audit@rexon.com.tw
  Written correspondence: No. 261, Renhua Rd., Dali Dist., Taichung City Responsible Department: Chief Audit Office

2025 Action Plan Implementation Results

Action Plan

1. All new employees are required to receive pre-employment training on integrity and ethics on the day of onboarding.
2. At least one integrity and anti-corruption awareness course is held each year (including online learning).
3. The implementation results and promotion status of ethical corporate management for the year are reported to the Board of Directors on a regular basis each year.

Implementation Results

1. In 2025, all new employees completed pre-employment integrity and ethics training on the day of onboarding, **totaling 91 participants.**
2. Ethical corporate management education and training was held, with a **total of 496 participants.**
3. The implementation results of ethical corporate management were reported to the Board of Directors on November 3, 2025.

Achievement status of 2025 Goals

Goals

1. All new employees complete pre-employment training on integrity and ethics on the day of onboarding.
2. At least one integrity and anti-corruption awareness course is held (including online learning).
3. The implementation results and promotion status of ethical corporate management are reported to the Board of Directors on a regular basis each year.

Achievement Status

Goals achieved

1. Completed. All **91 participants** completed the training.
2. Completed. **A total of 496 participants attended.**
3. Completed. The report was submitted to the Board of Directors on November 3, 2025.

Short/Medium/ Long-term Goals

Short-Term Goals (2026-2027 years)

1. Achieve a 100% completion rate for ethical corporate management courses for new employees.
2. Achieve 70% coverage of employee integrity education and training.
3. Maintain zero violations of ethical corporate management.

Medium-Term and Long-Term Goals (2028-2032years)

1. Achieve 100% coverage of employee integrity education and training.
2. Continue to maintain zero violations of ethical corporate management.
3. Strengthen the internalization of integrity culture and establish it as a core value of corporate governance.

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Compliance with Laws and Regulations

During the reporting period, Rexon Industrial complied with relevant laws and regulations in all operating activities, and no material violations occurred (please refer to the notes below for the definition of material violations). However, certain violations occurred in 2025 (summarized in the table below). After the occurrence of each incident, the Company promptly conducted cause analysis and internal review in accordance with its existing legal compliance and risk management mechanisms, and implemented source management from the system and process perspectives. Based on these efforts, the Company formulated and implemented specific improvement plans and preventive measures to strengthen the effectiveness of legal compliance management and reduce the risk of similar incidents in the future. During the reporting period, total fines amounted to NT$71,132.

Factory Area	Competent Authority Imposing the Penalty	Description of Violation	Violated Laws and Regulations	Countermeasures	Amount of Fines (NT$)
Taiwan - Renhua Plant	Energy Administration, Ministry of Economic Affairs	Late submission of corrected documents for the 2023 energy audit system declaration form.	Article 24, Subparagraph 1 and Article 21, Subparagraph 3 of the Energy Administration Act	1. Strengthen education and training for internal personnel on declaration procedures to improve timeliness and accuracy. 2. Establish a review and reporting mechanism to ensure the complete implementation of the process.	50,000
Taiwan - Renhua Plant	Land Administration Bureau, Taichung City Government	Public petition concerning illegal land use.	Article 15 of the Regional Plan Act	1. Implement source management mechanisms and conduct a comprehensive land use inventory at the same time to confirm compliance with current laws and regulations and reduce potential violation risks. 2. For land parcels involving violations, initiate legal procedures for land use change in accordance with relevant laws and regulations to ensure that land use complies with regulatory requirements.	21,132

Note: Material violations refer to incidents involving violations of the Criminal Code or administrative laws and regulations, fines of NT$1 million or more, unlawful conduct by senior management, or material adverse impacts such as suspension of business or loss of operating qualifications.

Whistleblowing System and Whistleblower Protection Mechanism

The Company's "Ethical Corporate Management Best Practice Principles" expressly set forth the relevant mechanisms for reviewing and amending ethical corporate management policies and measures, as well as for providing recommendations on organizational integrity: "The Company shall at all times monitor the development of domestic and international regulations relating to ethical corporate management, and encourage directors, managerial officers, and employees to provide recommendations, based on which the Company shall review and improve its ethical corporate management policies and measures, so as to enhance the effectiveness of implementation of ethical corporate management." The principles also expressly set forth the reporting mechanism under the "reporting system" for violations of employee ethical conduct, and the Company is committed to ensuring that whistleblowers will not be subject to any unfair treatment as a result of filing a report:

Whistleblowing System

Establish and announce
Establish and announce an internal independent reporting mailbox (audit@rexon.com.tw) and mailing address: No. 261, Renhua Road, Dali District, Taichung City 412 (Audit Office), for use by both internal and external personnel of the Company.

Establish the categories and standard operating procedures
Designate dedicated personnel or a dedicated unit responsible for receiving reports. Where a reported matter involves a director or senior executive, it shall be reported to the independent directors. The Company shall also establish the categories of reportable matters and the standard operating procedures for investigation corresponding to each category.

Maintain records and preserve
Maintain records and preserve documents relating to the acceptance of reports, the investigation process, investigation results, and preparation of relevant documents.

Contents confidential
Keep the identity of whistleblowers and the content of reports confidential.

Protecting whistleblowers
Adopt measures to protect whistleblowers from any unfair treatment as a result of filing a report.

Reward measures
Establish whistleblower reward measures.

According to statistics, in 2025, Rexon Industrial did not receive any reported cases involving violations of ethical corporate management through the above reporting system.

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Assessment of Operating Sites

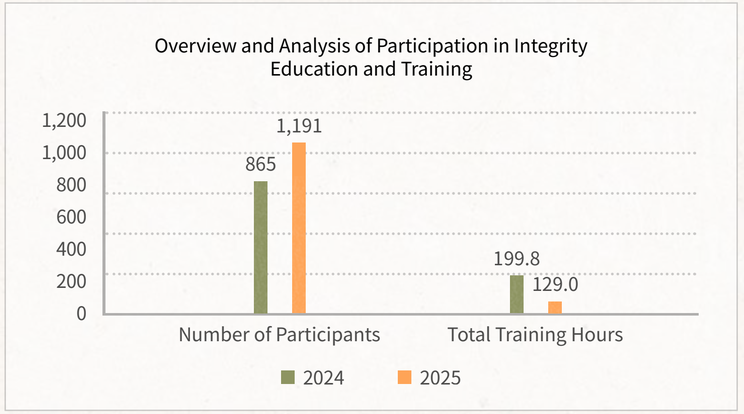
The 2025 assessment covered operating sites including Rexon Industrial (main plant), Rexon Technology, and Tongxiang Rexon. Rexon Vietnam was still under construction in 2025 and was therefore not included in the assessment scope. Assessment is expected to be conducted after production commences. The 2025 assessment focused on anti-corruption, misconduct prevention, and strict discipline. Corruption incidents were supervised and audited through the internal control and internal audit systems, and internal control risk assessments were conducted to identify business activities with significant corruption risks. Based on the results, internal audit formulated the annual internal control audit plan. Internal control self-assessments and legal compliance self-assessments are also conducted each year to ensure that the design and implementation of the internal control system remain effective and to prevent unethical conduct.



Communication and Training

For senior managerial officers and middle- and entry-level supervisors, Rexon Industrial conducted approximately 84 hours of awareness activities related to corporate governance and ethical corporate management. Through videos and digital materials on the internal Rexon Academy education and training platform, the Company ensured that participants fully understood its commitment to ethical corporate management, related policies, prevention programs, and the consequences of unethical conduct. For general employees, awareness is promoted through bulletin boards to ensure that all employees jointly comply with the philosophy of ethical corporate management. The coverage rate of related regulatory awareness and training was 100%, covering a total of 656 employees.

Region	Number of Employees Familiar with the Company's Anti-Corruption Policy and Procedures	Number of Employees	Percentage	Method
Senior Executives	18	18	100%	Through the internal education and training platform of Rexon Academy
Middle Managers	30	30	100%	
Front-line Supervisors	59	59	100%	
General Employees	94	549	100%	
	455			Notice Board Announcements and Promotion



Specific Results

1. Corruption-related Risk Assessment :
   In 2025, corruption-related risk assessment was conducted only for the parent company, Rexon Industrial, with a completion rate of 33%. In 2025, no employees of Rexon Group were dismissed or subject to disciplinary action due to corruption, and no contracts with business partners were terminated or not renewed due to corruption-related violations. No incidents involving violations of ethical corporate management or ethical conduct occurred.
2. Internal Control Audit :
   The Company has fully computerized its operations and uses information systems to connect six major management functions, namely human resources, finance, sales, production, materials, and R&D. The Audit Office develops relevant audit plans based on the result of the risk assessment, including the target, scope, items, and frequency of the audit, and checks the compliance of the prevention plan accordingly. In 2025, audit items covered 56 items, including sales and collection, procurement and payment, production, payroll, financing, fixed assets, computer information, investments, and other management cycles, to assess operating effectiveness and efficiency, reliability of financial reporting, and legal compliance. The actual audit results identified 18 deficiencies, all of which were clerical omissions or incomplete information, with no material deficiencies. The deficiencies with respect to the internal control system and abnormalities identified during the audit have been documented and subjected to follow-up actions. All the deficiencies have been rectified with a completion rate of 100%.

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Reporting and Grievance Filing through the Company's Reporting Channels

Related Perspectives	Complaint Channels	Investigation Process
Professional Ethics and Integrity	Email: audit@rexon.com.tw Address: No. 261, Renhua Rd., Dali Dist., Taichung City Responsible Department: Audit Office	1. Complaint Receipt and Filing. 2. Fact Investigation. 3. Investigation Results and Disposition Recommendations. 4. Finalization and Response to the Complainant.
Corruption and Bribery	Phone: 04-24914141#6211 Email: GSCM@rexon.com.tw Responsible Department: Procurement Department	1. Each complaint case is handled by a designated person/project team. 2. Cases are assigned to the relevant departments or discussed by the Appraisal Committee based on the nature of the case, and a response is required to be provided to the complainant within the specified time limit. 3. If the situation is deemed significant, it will be submitted to the Chairman for review; if it involves senior executives, it will be reported to the Board of Directors for handling.
Product and Services	Phone: 04-24914141 Email: sales@rexon.com.tw Responsible Department: Customer Service Department	1. Customer feedback is recorded in the Customer Feedback Handling System. Dedicated contacts in the Customer Service Department or Customer Business 2. Representatives will contact customers within 24 hours and provide handling solutions.
Human Rights-Related Issues	Phone: 04-24914141#6181 Anonymous QR Code Whisper Zone Responsible Department: Human Resources Department	1. Complaint cases are handled by a designated person/project team. 2. Cases are assigned to the relevant departments based on the nature of the case, and a response is required to be provided to the complainant within the specified time limit. 3. If the situation is deemed significant, it will be submitted to the President and Chairman for review.

CH.03

INNOVATION

Sustainable Products

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03 Innovation - Sustainable Products

Material Topics

Research and Development (R&D) and Innovation

Description of Positive Benefits (Actual and Potential)

Actual positive:
The dual focus on technology and sustainability innovation strengthens intellectual assets and brand value.

Description of Negative Benefits (Actual and Potential)

Potential negative:
Stagnation in innovation may result in a decline in market share and operating revenue.

Management Mechanisms/ Measures

When actual negative impact on innovation and research and development occurs, Rexon follows the risk and opportunity management regulations and the responsible manager launches the routine abnormality management for the ordinary risks that exceed the monitoring level. When a **significant risk**[Note] occurs, the risk management team holds a meeting to develop solutions.

Note: Material risks include serious occupational accidents, incidents that impact the Company's operations, events that cause significant damage to the Company's image, and abnormal situations that cannot be handled by the top executives of the respective functional organization.

Complaint/ Communication Channels

1. Internal improvement proposal system: Employees can submit questions or suggestions related to innovative R&D through the Company's internal improvement proposal system. This system not only provides a convenient channel for issue reporting but also facilitates timely problem-solving and fosters a deeper culture of innovation.
2. Innovation Collaboration Circle (ICC): Innovation Collaboration Circle (ICC) activities are held every year to invite employees to participate in discussion and implementation of innovative proposals. Through this platform, employees can directly participate in the development and implementation of innovation ideas, thereby strengthening horizontal collaboration, boosting innovation capability, and fostering a fully participatory R&D culture.

2025 Action Plan Implementation Results

Action Plan

1. Establish a low-carbon database: 24 planned items.
2. Number of approved green innovation proposals: 24 cases per year.

Use recycled and reused materials: Introduce injection molding recycled pelletizing equipment to increase the reuse ratio of process waste materials.

Implementation Results

1. Establishment of the low-carbon database: 24 items
2. Number of approved green innovation proposals: 24 cases per year
3. Annual purchase of plastic raw materials: 116,625 kg
   Amount of recycled materials used: 11,675 kg
   Recycled material ratio: Approximately 10.0%
   Maximum recycled content per item: 15% to 20%

Achievement status of 2025 Goals

Goals

Implementation results based on the 2025 action plans
1. Establishment of the low-carbon database: 24 items
2. Number of approved green innovation proposals: 24 cases per year

Increase the use ratio of recycled materials: Introduce 15% to 20% recycled materials based on product characteristics.

Achievement Status

Goals achieved

1. 24 items were established in the low-carbon database, of which 10 items were identified as usable low-carbon items.
2. Number of approved green innovation proposals: 24 cases per year
3. Recycled material application achieved:
   Annual usage reached 11,675 kg.
   Overall usage ratio was approximately 10%.
   Application capability of up to 15% to 20% has been established (depending on component conditions).

Short/Medium/ Long-term Goals

Short-Term Goals (2026-2027 years)

1. Propose innovative products based on different customer needs: 12 cases per year.
2. Identify 1 new industry product with development potential each quarter and convert it into a development project.

Medium-Term and Long-Term Goals (2028-2032years)

1. Introduce low-carbon materials into mass-production models and achieve the revenue target for sustainable products.
2. Continuously promote green energy products, develop cross-industry collaborations. Implement thorough supply chain management to ensure zero defects in quality.

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3.1 Product Field

With its Taiwan headquarters serving as the R&D center, Rexon Industrial integrates manufacturing resources in China and market-oriented feedback from its U.S. subsidiary (P.T.S), and is committed to developing high-quality products that meet the needs of global customers and consumers. The Company also continues to invest in value analysis and value engineering (VA/VE) for product development and design optimization. In line with the international deployment launched in 2025, the Company is gradually strengthening supply chain resilience through new production bases in Thailand and Vietnam, thereby enhancing its competitiveness in the global market.



Benchtop Tools


Table Saw


Circular Saw


Miter Saw

Handheld Tools


Outdoor Power Equipment

Accessories


Stands

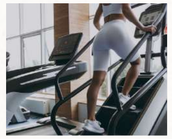


Cardio


Treadmills


Spin bikes


Ellipticals


Stair Climbers


Upright Bikes


Recumbent Bikes

Strength Training


Weight Stack Training Equipment


Free Weight Equipment



- Customized Motors and Controllers
- Drone Power Systems



- Two-Way Radios

By product structure, Rexon Industrial currently covers four major areas: power tools, fitness equipment, new businesses, and radios, forming a comprehensive product portfolio extending from traditional manufacturing to electromechanical integration and smart applications.

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Power Tools Business

The power tools business is mainly structured around benchtop tools, handheld tools, and accessories. Its product foundation covers woodworking cutting and jobsite applications, and further extends to outdoor use scenarios such as garden tools. As a major manufacturer of benchtop power tools in Asia, Rexon continues to develop toward high-added-value, high-quality, and diversified applications. In terms of production locations and market deployment, the Company has provided customers with more diversified supply chain options through the commencement of production at new production bases since 2025, thereby diversifying geopolitical risks. In terms of product technologies, the Company has gradually introduced high-efficiency brushless motors and modular designs to enhance performance, reduce noise, and take into account low carbon emissions and ease of use.

Benchtop Tools	Handheld Tools



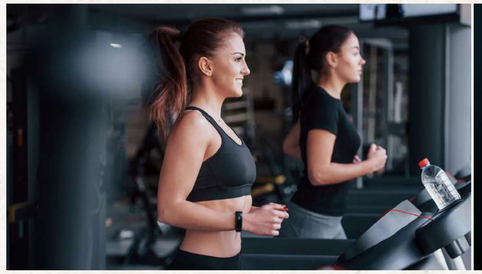







Fitness Equipment Business

The fitness equipment business is divided into two major categories based on usage type: cardio and strength training. Cardio products include treadmills, spin bikes, ellipticals, and various types of exercise bikes, while strength training products include weight stack training equipment and free weight equipment. The overall product line meets the needs of home, commercial, and professional training markets. Rexon is an important supply partner of major global fitness brands. With demand from gyms, sports centers, and corporate wellness recovering, the Company continued to strengthen its deployment in the commercial equipment market in 2025. In response to customers' needs for a non-China supply chain and flexible manufacturing, the Company is also establishing a more resilient supply system through new production bases in Thailand and Vietnam. In addition, Rexon continues to introduce VA/VE to simplify structures, optimize materials, and integrate functions for existing models. Digitalized strength training equipment is also regarded as a core development direction with future growth potential.




New Businesses





The new businesses currently focus on two major directions: customized motors and controllers, and drone power systems, representing Rexon's further expansion from traditional end products into key modules and power cores. These products integrate mechanical, electronic control, and drive technologies, helping enhance the Company's competitiveness in markets with high technical barriers and high added value while also providing a foundation for technological integration and cross-disciplinary extension of existing product lines.

Radio Business




The radio business currently focuses on two-way radios. Product development centers on highly reliable communications, low environmental impact, and long-term maintainability, with a commitment to creating professional communications equipment that meets high safety standards. As communications equipment must operate over the long term in high-noise, high-electromagnetic-interference, and harsh environments, product stability and service life are essential. Therefore, the Company introduces life-cycle design thinking at the early stage of development, with comprehensive planning covering material selection, power efficiency, structural modularization, and back-end maintenance and upgrade mechanisms to balance product value with sustainable development needs.

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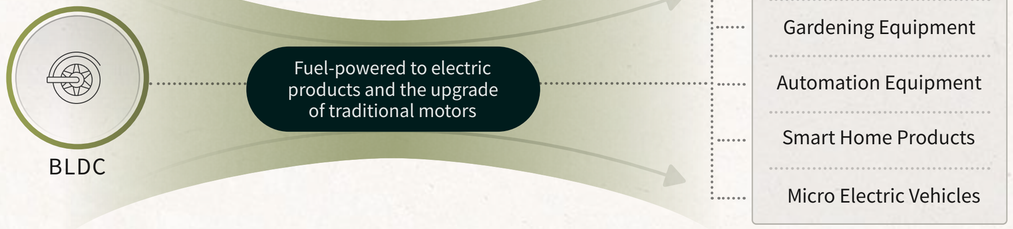
3.2 Research and Development / Manufacturing

The Company continues to promote dual-track transformation in products and processes with high efficiency, low energy consumption, and high reliability as its core values.** In terms of product technology, the Company uses BLDC as its core power technology to promote the transition from fuel-powered to electric products and the upgrade of traditional motors, while expanding applications to power tools, gardening equipment, automation equipment, smart home products, and micro electric vehicles. In terms of process technology, the Company has introduced 3D laser cutting processes to replace certain traditional post-processing methods after tube bending, thereby improving processing flexibility, precision, and process efficiency. In terms of mass production management, the Company has introduced servo presses and counting-type torque screwdrivers on demonstration production lines to strengthen equipment-based and data-based management of the assembly of key components, improve process stability and assembly consistency, and reduce human variation and potential quality risks.

Power Technology Upgrade

Expansion of Diverse BLDC Applications

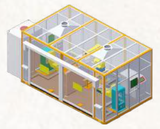
With BLDC as its core power technology, the Company promotes the transition from fuel-powered to electric products and the upgrade of traditional motors, while expanding applications to power tools, gardening equipment, automation equipment, smart home products, and micro electric vehicles, thereby establishing product growth momentum based on high efficiency, low energy consumption, and high reliability.





Process Technology Upgrade

Enhanced Dual Benefits



▲ 3D Laser Cutting Equipment Assembly



▲ Robotic Arm Laser Cutting Machine

Introduction of 3D Laser Cutting

In 2025, Rexon introduced 3D laser cutting equipment, marking a dual advancement in precision processing technology and resource efficiency management:

1. Seamless integration of design and manufacturing :

Through direct integration of 3D drawings from the R&D end into the cutting system, complex structural prototyping can be completed with precision, significantly shortening the transition cycle from prototyping to mass production.

2. Maximization of material utilization :

Through precise simulation technology to optimize sheet layout, the utilization rate of steel sheets is improved, effectively reducing the generation of scrap materials and implementing the sustainability goal of waste reduction at the source.

Comparison of Processes Before and After the Introduction of 3D Laser Cutting

Before	After
Material preparation	Material preparation
Tube cutting	Tube cutting
Elbow	Elbow
Inspection	Inspection
Post-processing (CNC / punch press / tube cutting)	3D laser cutting
Deburring	Deburring
Inspection	Inspection

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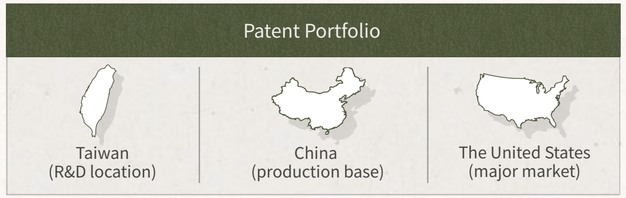
Mass Production Management Upgrade

Demonstration Line Equipment and Quality Control

To improve manufacturing quality and reliability in product life cycle management, the Company introduced servo presses and counting-type torque screwdrivers on demonstration production lines for the assembly of key components. Through equipment-based and data-based management, the Company improves process stability and assembly consistency, reduces human variation and potential quality risks, and strengthens controllability in mass production.

- **Commercialization of new industry products:** Maintain the pace of "converting one new industry product into a development project each quarter" to provide customers with excellent technical support for the transition from fuel-powered to electric products.

Intellectual Property Management



The Company uses WIPS Global patent search and the EPS enterprise patent management system to ensure that every technological innovation receives legal protection.

- **Patent portfolio:** As of 2025, the Company had accumulated 132 valid domestic and foreign patents, with major filing jurisdictions such as Taiwan (R&D location), China (production base), and the United States (major market).

Expansion into the New Drone Business

In 2025, the global drone market rapidly shifted from consumer entertainment to high-end commercial applications. As BVLOS regulations are gradually relaxed, logistics and transportation, automated inspection, precision agriculture, and emergency rescue have become the main growth drivers. The core market demand has shifted from short-duration flight to industrial-grade standards featuring "long endurance × high payload × high reliability," with emphasis on heat dissipation capabilities and protection ratings under complex climatic conditions. The focus of competition has returned to hardware performance and system safety. Power systems must improve energy conversion efficiency while ensuring long-term stable operation and flight control integration capabilities to reduce commercial operating costs and improve mission success rates. Against this industry transformation backdrop, Rexon focuses on the integrated development of high-efficiency BLDC motors and self-developed ESCs. The Company has completed multiple complete power system solutions and achieved deep system-level integration of motors and ESCs. The products strengthen high-load stability, control precision, and energy conversion efficiency, and have been successfully sampled and shipped to Taiwan, the United States, Japan, and Europe for applications in logistics, agricultural spraying, and environmental monitoring scenarios. Through real-machine verification by international customers and trial production control, the Company has established a foundation of reliability and testing data, officially moving from the technology R&D stage toward becoming a power system supplier with international supply capabilities, and laying the foundation for subsequent scaled mass production and diverse electrification applications.

Energy Efficiency Improvement of Two-Way Radios

For two-way radios, Rexon Technology improves product energy efficiency by incorporating energy efficiency into product design, developing low-power hardware equipment, extending battery life, and reducing energy consumption during use. The Company applies energy-saving technologies, such as smart power management, standby mode optimization, and advanced processing technologies, to reduce energy consumption when equipment is operating or idle. The Company also designs long-life products and places sustainable design at the core of product development, manufacturing products with higher durability to reduce replacement frequency, thereby reducing resource and energy use.

- **PJ2 GPS Aviation Two-Way Radio:** The product adopts a low-power GPS module and an optimized power management architecture. While maintaining real-time and clear voice transmission quality, it effectively reduces energy consumption, improves stability during long-duration operation, reduces equipment heat loss, and extends the service life of electronic components.



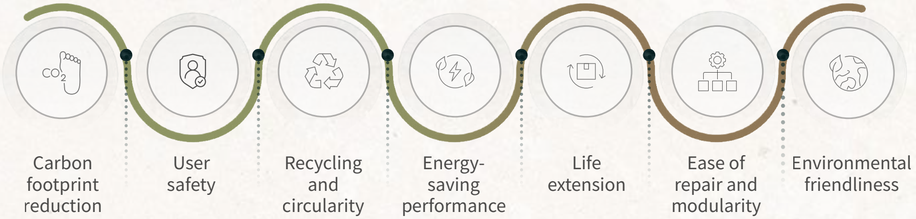
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3.3 Product Design and Life Cycle Management

Rexon Industrial embeds sustainability thinking throughout the entire product life cycle. From source management in the early R&D stage and material conservation during production to energy efficiency improvement at the product use stage and packaging waste reduction at the end stage, the Company is committed to reducing environmental impacts at every stage. Through data-based management, the Company implements its environmental sustainability goals and has continued to study the application of low-carbon materials and circular design in 2025.

Sustainable Product Evaluation Indicator System

In 2025, the Company established a product evaluation mechanism centered on seven major sustainability indicators as the institutional basis for sustainable product design and introduction management. Each indicator is assigned a relative weight based on its importance to environmental impact, usage risks, and the product life cycle to ensure consistency and comparability in the evaluation. The evaluation indicators cover seven major dimensions: carbon footprint reduction, user safety, recycling and circularity, energy-saving performance, life extension, ease of repair and modularity, and environmental friendliness.



Low-Carbon Materials Database

From Data Development to Mass Production Application

To strengthen the decision-making basis for low-carbon product design, the Company continues to build a low-carbon materials database and systematically introduces material data into the R&D, business, and supply chain collaboration processes.

Proactive engagement and technical proposals	Material trial and verification process
The R&D and supply chain teams regularly compile low-carbon materials information in the database and proactively propose application recommendations to global OEM / ODM customers (such as recycled aluminum materials and recycled plastic parts), helping customers respond to carbon tax and regulatory trends.	Functional testing and reliability verification are conducted for low-carbon materials with potential to ensure that they meet the product design requirements in terms of strength, service life, and user safety.
Mass production feasibility assessment	**Progress of introduction cases**
As of 2025, the low-carbon materials database had accumulated 24 material data entries. Through carbon footprint and material property data, the database supports customers in material selection and mass production decision-making, ensuring that low-carbon design can be stably introduced into actual production.	Taking low-carbon ABS substitute materials as an example, the emission factor can be reduced from 3.26 $kgCO_2e/kg$ to 1.23 $kgCO_2e/kg$, representing a carbon reduction of approximately 62%. The Company has submitted an introduction application to customers and continues to track the review and approval progress.

Green Innovation Proposals of the Green Innovation Committee

The Green Innovation Committee is the Company's cross-departmental strategic decision-making platform, led by the Executive Vice President and jointly reviewed by relevant departments. The committee aims for the generation of 24 innovation proposals each year. All proposals must meet at least one sustainable product evaluation indicator, including carbon footprint reduction, user safety, recycling and circularity, energy-saving performance, life extension, modularity and ease of repair, and environmental friendliness. Proposals are submitted by the marketing, sales, and R&D units, and are evaluated and selected through regular meetings to ensure that they are specifically translated into feasible product designs and technical solutions, thereby enhancing product competitiveness and sustainability value.

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Use of Recycled Input Materials

To implement the circular economy, Rexon's plastic injection molding department is equipped with equipment for re-pelletizing recycled runners and sprues, allowing waste materials generated from the process to be reintroduced into production.

- **Increase in recycled content:** Depending on component characteristics, the Company can use up to 15% to 20% recycled materials.
- **2025 results:** In 2025, the Company purchased 116,625 kg of plastic raw materials, of which recycled materials used reached 11,675 kg, achieving the goal of full utilization of raw materials.

Can use up to
15% ~ 20% recycled materials

Recycled materials used reached
11,675 kg

Supply Chain Packaging Material Waste Reduction Strategy

Rexon works with supplier partners to promote waste reduction plans. Through the R-Team platform and lean production thinking, the Company intervenes in management starting from the packaging design stage:

- **Highlight action for eliminating styrofoam:** In 2025, Rexon proactively proposed sustainable design to customers and successfully reached a consensus with Europe's largest power tool brand customer to optimize packaging for battery-powered benchtop table saws, completely removing the original Styrofoam packaging materials.
- **Bare-part supply and circular reuse:** In cooperation with the R-Team supply chain, the Company promotes “bare-part supply” to reduce single-use packaging materials. At the same time, a dedicated carton recycling area has been established in the material delivery area, and blister packaging circular reuse has been promoted to replace single-use plastic bags, taking both environmental protection and labor-hour reduction into account





Reducing Product Energy Requirements

Rexon Industrial regards BLDC (brushless DC motor) technology as a key core for improving product energy efficiency. Through independent R&D, the operating efficiency of BLDC motors can reach more than 85%. Compared with the efficiency of approximately 70% of traditional DC motors, BLDC motors can use energy more effectively and reduce unnecessary energy waste.

Key BLDC Energy-Efficiency Considerations and Drone Mission Phases	
Key BLDC Energy-Efficiency Considerations	Energy Consumption Characteristics
Key BLDC Energy-Efficiency Considerations and Drone Mission Phases ✓	Takeoff and Hover: High thrust demand
Reduced Climb Time ✓	Climb: Sustained high power demand
Extended Flight Time ✓	Cruise Operations: Highest cumulative energy consumption
Precise Rotational Speed Control ✓	Return Flight and Descent: Reduced power demand
Rapid Response ✓	Landing: Brief hovering

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Product Carbon Footprint Management

- **Energy-saving application in power tools:** Rexon has successfully introduced high-efficiency BLDC motors and driver technologies into core models such as drill presses. Through precise speed control and high conversion efficiency, these products deliver excellent operating performance while reducing electricity burden at the user end.
- **High-efficiency design of drone power systems:** The Company focuses on developing high-efficiency small BLDC motors and self-developed electronic speed controllers (ESCs), which are applied to logistics and agricultural drones. By optimizing power efficiency and energy conversion rate, the system can maintain stability under high loads and reduce heat loss, significantly improving drone endurance and overall energy-saving performance.



▲ BLDC motor



▲ Schematic Diagram of Drill Press

Rexon adopts a data-based decision-making approach and selects models for inventory based on principles such as “customer requirements, major products, and market representativeness.” Rexon Industrial continues to expand the scope of its greenhouse gas inventory. In 2025, the Company expects to select 27 key core models (covering treadmills, spin bikes, stone cutters, etc.) for Category 3 and Category 4 emission calculations. Compared with 12 models in 2024, this demonstrates the Company's deeper commitment to data management.

Product Life Cycle and Continuous Improvement

At each stage of the product life cycle, the Company applies reducing energy requirements as the core principle

Design and manufacturing stage
Optimize the BLDC and shared battery platform designs to reduce the parts and materials required per unit of output power.
Use stage
Reduce hourly electricity consumption and direct on-site emissions through high-efficiency drive systems and smart control.
Repair and replacement stage
Extend the service life of motors and complete products to reduce replacement frequency and the energy required for spare parts.
Recycling stage
Gradually increase the recycling and reuse ratios of batteries and metal parts.

How Can Energy Efficiency Be Improved Throughout the Product Life Cycle?

Use
Encourage users to choose products equipped with high-efficiency BLDC motors to reduce energy consumption.

Maintenance
Implement maintenance strategies to extend product service life and reduce energy waste.

Recycling
Implement recycling programs to recover and reuse materials and to reduce environmental impact.

Design
Prioritize high-efficiency BLDC motor design to reduce energy consumption.

Manufacturing
Adopt energy-efficient processes in BLDC motor manufacturing to minimize energy waste.

Transportation
Optimize transportation routes to reduce energy consumption.



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3.4 Supply Chain Collaboration

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Sustainable Supply Chain Management

Description of Positive Benefits (Actual and Potential)

Actual positive:
Promote mutually beneficial development across the supply chain, reduce operating costs, and improve efficiency by reducing waste and optimizing resource use. Accordingly, a sustainable supply chain helps strengthen cost competitiveness and overall operating efficiency, thereby enhancing corporate resilience, risk management, and response capabilities, effectively reducing operational risks and responding to external impacts.

Description of Negative Benefits (Actual and Potential)

Potential negative:
During the initial stage of promoting a sustainable supply chain, suppliers generally have insufficient awareness of and investment in sustainable operations. However, if the supply chain lacks sustainability management, it may lead to poor operations, environmental violations, labor disputes, or regulatory non-compliance, affecting corporate image and delivery stability, and further causing risks of order loss and operational disruption.

Management Mechanisms/ Measures

- Establish supplier SRA self-assessment and audit mechanisms.
- Conduct awareness promotion and education and training through large-scale supplier meetings, encourage suppliers to participate in learning initiatives, and enhance suppliers' sustainability awareness.

Provide appropriate assistance to suppliers that are willing to invest in sustainability management but lack relevant experience or do not know how to begin, such as sharing developments in global sustainability standards and examples of industry sustainability actions, referring them to counseling units, or providing Rexon's successful experience and practical results as references for introducing sustainability systems.

Complaint/ Communication Channels

Complaint mailbox:
Rexon Industrial: GSCM@rexon.com.tw
Rexon Technology: audit@rexontec.com.tw

Responsible unit:
Rexon Industrial: Procurement Division
Rexon Technology: Materials Department

2025 Action Plan Implementation Results

Action Plan

1. The Company held its annual supplier conference along with a sustainability initiative meeting, where three material topics, including "Global Sustainable Development Trend," "Sustainable Development Progress of Rexon," and "Sustainable Initiative Communication," were presented to promote and advocate ESG concept among suppliers.
2. Continued to promote a lean production system across the supply chain through two R-Team lean sharing meetings, with the aim of improving efficiency, reducing waste, and achieving energy conservation and carbon reduction goals.
3. Used the "Supplier Social Responsibility" self-assessment to guide suppliers in paying attention to sustainability-related issues and to work hand in hand with suppliers on the path toward sustainable operations.

Implementation Results

1. The annual supplier conference and sustainability initiative meeting was held on December 17, with a total of 79 suppliers responding and participating. Active discussions and interactions were conducted with supplier partners during the meeting.
2. Two R-Team lean sharing meetings were held at the supplier conference on June 24 and December 17, respectively.
3. A total of 181 suppliers completed the "Supplier Social Responsibility" self-assessment.

Achievement status of 2025 Goals

Goals

1. Rexon Industrial: Suppliers accounting for 100% of the total annual transaction amount are required to complete the "Supplier Code of Conduct." Rexon Technology: Suppliers accounting for 60% of the total procurement amount in 2025 are required to sign the "Supplier Code of Conduct."
2. Rexon Industrial: Suppliers accounting for 85% of the total transaction amount are required to complete the "Supplier Social Responsibility Self-Assessment." Rexon Technology: Suppliers accounting for 60% of the total procurement amount in 2025 are required to complete the "Social Responsibility Self-Assessment Form."
3. Rexon Industrial: ESG-related evaluation items were added to new supplier audits, with a passing score of 45 points or above.
4. Rexon Industrial: The number of suppliers conducting greenhouse gas inventories is to increase by 30% each year.

Achievement Status

Goals achieved

1. Rexon Industrial: Suppliers accounting for **72%** of the transaction amount completed the signing of the "Supplier Code of Conduct," with an **achievement rate of 91%.** Rexon Technology: Suppliers accounting for 60% of the procurement amount were required to sign the "Supplier Code of Conduct." A total of 23 suppliers completed the signing, with an **achievement rate of 88%.**
2. Rexon Industrial: Suppliers accounting for 85% of the procurement amount totaled 99 suppliers, of which 74 completed the "Social Responsibility Self-Assessment Form," with an **achievement rate of 75%.** In addition, **107 suppliers** outside the 85% procurement amount scope also completed the signing, bringing the total number of suppliers that completed the "Social Responsibility Self-Assessment Form" **to 181.** Rexon Technology: Suppliers accounting for 60% of the procurement amount completed the "Social Responsibility Self-Assessment Form," totaling 23 suppliers, with an **achievement rate of 88%.**
3. Rexon Industrial: In 2025, 20 new suppliers were added, and all ESG-related evaluation scores reached the required standard of 45 points or above, with an **achievement rate of 100%.**
4. Rexon Industrial: In 2024, 10 suppliers had conducted greenhouse gas inventories. In 2025, 3 suppliers were newly added (30%), bringing the total number of suppliers conducting greenhouse gas inventories to 13, with an **implementation rate of 100%.**

Short/Medium/ Long-term Goals

Short-Term Goals (2026-2027 years)

1. Suppliers accounting for 90% of the total procurement amount in 2026 are required to complete the "Social Responsibility Self-Assessment Form," and suppliers accounting for 95% of the procurement amount in 2027 are required to complete the self-assessment. Rexon Technology: Suppliers accounting for 85% of the total procurement amount in 2026 are required to complete the "Social Responsibility Self-Assessment Form," and suppliers accounting for 100% of the procurement amount in 2027 are required to complete the self-assessment.
2. Supplier self-assessment and audit: In 2025, Rexon established supplier self-assessment and audit mechanisms to implement value chain transparency. A total of 181 suppliers responded to the self-assessment questionnaire, representing a 100% response rate and covering 71% of the total procurement amount.
3. In 2026, ESG-related evaluation items will be added to new supplier audits, with a passing score of 50 points or above. In 2027, the passing score will be raised to 60 points. Rexon Technology: In 2027, ESG-related evaluation items will be added to new supplier audits, with a passing score of 50 points or above.
4. The number of suppliers conducting greenhouse gas inventories will increase by 30% each year. Rexon Technology: The number of suppliers conducting greenhouse gas inventories will increase by 10% each year.

Medium-Term and Long-Term Goals (2028-2032years)

1. 30% of suppliers completing the "Supplier Social Responsibility Self-Assessment" shall undergo audits and improvement tracking. Rexon Technology: 30% of suppliers completing the "Supplier Social Responsibility Self-Assessment" shall undergo audits and improvement tracking.
2. ESG-related evaluation items added to new supplier audits must reach a passing score of 60 points or above. Rexon Technology: ESG-related evaluation items must reach a score of 60 points.
3. The number of suppliers conducting greenhouse gas inventories will increase by 30% each year.

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Selection of New Suppliers

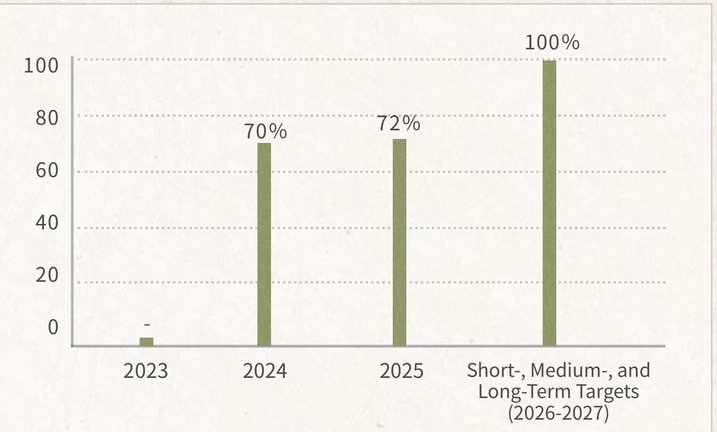
In 2025, the Company actively expanded its green supply chain by incorporating sustainability dimensions into the core indicators for new supplier development, thereby driving transformation across the overall value chain. Doubling of development scale: In 2025, 20 new suppliers were successfully added, demonstrating the Company's active deployment in green procurement. Through indicator-based management, the Company promotes both qualitative and quantitative improvements in resilience by driving in-depth transformation among its supply chain partners. From 2024 to 2025, all performance indicators achieved 100% of their targets, reflecting a broad improvement in partners' ESG awareness and implementation capabilities.

Indicator Item	2024 Actual	2025 Target	2025 Actual	Target Growth Rate / Status
Number of new suppliers	10 suppliers	13 suppliers	20 suppliers	+100%
Target Score for Sustainability Aspects	40	45	45	Steady growth

▲ More than 30% of new suppliers are required to achieve a score of 45 or above

Supplier Code of Conduct

From 2023 to 2025, the number of Rexon Industrial suppliers that signed the "Supplier Code of Conduct" increased significantly from 62 to 164. The actual achievement rate based on transaction amount reached 72%, which was below the expected target of 100%. However, the overall trend remained on a steady growth trajectory. The remaining 28% is expected to be completed in 2026, achieving 100% coverage by transaction amount.

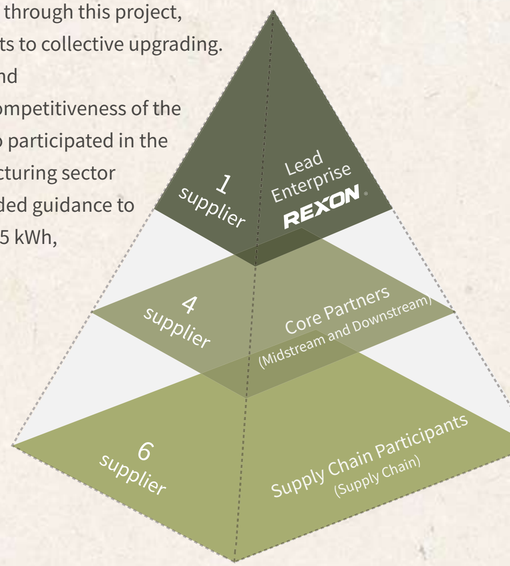


Although the signing rate reached 72% in 2025 and still falls short of the 100% target, overall progress remains steady. We will continue to promote the initiative to achieve full compliance.

■ The signing rate

Supplier Social Responsibility / Low-Carbon and Smart Upgrade Transformation of the Manufacturing Sector through the "Leading Large Enterprises Driving Smaller Enterprises" Model

The "Sustainable Supply Chain Upgrade and Transformation Plan for the Fitness Equipment System" promotes the low-carbon and smart transformation of the overall industry chain through the "Leading Large Enterprises Driving Smaller Enterprises" model. With subsidy support from the Ministry of Economic Affairs, the project brought together ten suppliers to engage in in-depth collaboration on process equipment upgrades, the implementation of energy management systems, and ESG sustainability strategies. Through the establishment of green value streams and digital monitoring, the project successfully delivered significant energy-saving and carbon-reduction results. In addition to quantifiable benefits, cross-enterprise technical exchanges and the development of a green culture further enhanced the green competitiveness of Taiwan's fitness equipment industry in the international market. The project also serves as a benchmark for traditional manufacturers in Taiwan pursuing net-zero emissions and smart transformation. Overall, through this project, Rexon Industrial facilitated the shift of its supply chain system from isolated improvements to collective upgrading. The project successfully established a scalable model of "Leading Smaller Enterprises and Co-Creating Sustainability," significantly strengthening the resilience and sustainable competitiveness of the overall supply chain. In addition, Rexon Technology, a subsidiary of Rexon Industrial, also participated in the parent company's low-carbon and smart upgrade transformation project for the manufacturing sector under the "Leading Large Enterprises Driving Smaller Enterprises" model. Rexon provided guidance to a total of ten suppliers. In 2025, the project achieved actual electricity savings of 19,797.95 kWh, equivalent to approximately NTD 78,000.715 in electricity cost savings.



Project Benefits Summary

In 2025, the project achieved actual electricity
19,797.95 kwh

Estimated electricity cost savings
NTD 78,000.715

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The project execution results were verified and approved through an on-site review by the Industrial Development Administration. The results are as follows:

Achieved low-carbon reductions of
41.13tCO2e/yr
Replacement of new process equipment

Achieved low-carbon reductions of
60.43tCO2e/yr
Upgrade of existing process equipment

Achieved low-carbon reductions of
74.87tCO2e/yr
Implementation of new plant systems

Achieved low-carbon reductions of
181.82 tCO2e/yr
Upgrade of existing plant systems

Deliver annual carbon reduction benefits
358.25 tCO2e
In total, the project is expected to



- Energy Saving and Carbon Reduction
- Product Quality and Yield Optimization
- Green Value Stream (GVS)

Flowchart for the Low-Carbon and Smart Upgrade Transformation Project

The Core Planning of the Project

The core planning of the project is structured around the "1 + 10 System Diffusion Deployment Diagram

Central Coordination	Process Collaboration	Industry Diffusion	Division of Responsibilities and Objectives
The central plant leads the project and is responsible for strategy formulation and resource integration.	Guide five major partner plants in implementing core process improvements.	Simultaneously guide five diffusion plants in implementing low-carbon practices.	The work is divided into three levels: central coordination, process collaboration, and industry diffusion, ensuring that the overall supply chain is upgraded in a synchronized manner.

Green Value Stream (GVS) and Needs Analysis Diagrams

At the implementation level, the project integrates the "Green Value Stream Survey Diagram for Customer Product Series" with the "Low-Carbon Needs Analysis Diagram" of each plant.

- **Waste identification:** Through the GVS survey diagram, the process from components to finished product assembly is visualized, enabling the identification of the "Seven Green Wastes" (such as materials, water, energy, transportation, and waste).
- **Hotspot identification:** The needs analysis diagram (analyzed by the central plant and each supply chain plant) integrates electricity inventory data with production process equipment to identify carbon reduction bottlenecks and energy consumption hotspots (such as plastic injection molding, welding, and stamping processes).

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Carbon Reduction Roadmap

The analysis results are then translated into a concrete "Carbon Reduction Roadmap," with short-, medium-, and long-term targets:

Short-Term Plan 3 years

Focuses on "low-hanging fruit," such as time control for plastic drying machines, enhanced management of electric water dispensers, and the establishment of energy management systems for air-conditioning/compressed air systems.

Medium-Term Plan 5 years

Introduces operational module improvements (such as BI business intelligence implementation), air-conditioning system optimization, and other measures.

Long-Term Plan more than 5 years

Implements large-scale equipment replacement (such as IE3/IE5 high-efficiency motors), rooftop solar photovoltaic systems (energy generation), and a comprehensive electricity information system.

Integrated Outcomes of Planning and Benefits

Through the integrated planning based on the above diagrams, the project generated specific quantifiable benefits：

Environmental benefits	The average energy-saving rate reached 8.58% arbon reductions in the project completion year reached 1,449.725 tCO2e	Economic Benefits	Reduce electricity The system is expected to reduce electricity costs by approximately year NTD 3.1166 million per	Production Efficiency	Through process optimization (such as GVS improvement methods)he overall system utilization rate increased by more than 5%

In summary, this project was not simply an equipment procurement initiative. Instead, it established the framework through the system diffusion diagram, diagnosed issues through the GVS survey diagram, precisely identified priorities through the needs analysis diagram, and guided implementation through the carbon reduction roadmap, thereby achieving concrete results in the sustainable transformation of the system.

Supplier Conference R-Team

In 2025, Rexon held two supplier conferences. The events covered four key dimensions: lean efficiency, ESG governance, quality management, and supply chain strategy, strengthening multi-tier supplier management, reinforcing supply chain resilience, and demonstrating how the Company leads its supply chain through transformation.

Lean	Presented the results of lean management and introduced the spirit of "waste elimination" and "continuous improvement" into the supply chain. Presented R-Team improvement results and quantified the benefits of transformation.	Governance	Enhanced the transparency of second-tier suppliers, implemented 8D abnormality management, introduced the QMS system, and implemented the three-stage inspection procedures of first-piece, in-process, and final inspection to ensure that all stages of production processes comply with stringent standards.
Environment	Extended the concept of sustainable operations to supply chain partners and promoted standardized management of environmental and social responsibility. Launched Scope 1 & Scope 2 inventories, with 100% of the procurement amounts complying with the Code of Conduct.	Integration	Released the supply chain upgrade vision and achieved a win-win outcome of cost reduction and efficiency enhancement through resource integration. Through the supply chain upgrade plan, Rexon strengthened its competitiveness in green procurement.

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6/24 - Group photo with suppliers



6/24 – Supplier lean sharing session



Supplier sustainability initiatives



QMS system



12/17 – Group photo with suppliers



12/17 – Supplier lean sharing session



Lean sharing



Q&A session

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Supplier Self-Assessment and Audit

The Company has established a rigorous supplier sustainability management mechanism. In 2025, the Company launched ESG self-assessments for all suppliers to conduct preliminary screening of environmental and human rights risks. The Procurement Department conducts internal supplier audits and on-site visits to ensure the authenticity of data and track improvements for identified deficiencies. Through a dual-track mechanism of "self-assessment first, followed by audit," the Company strengthens transparency across the value chain and promotes local co-prosperity.

Self-Assessment Stage

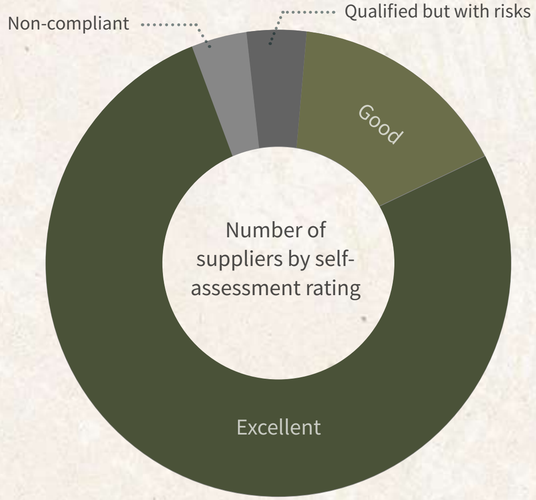
In 2025, the Company fully promoted supplier ESG self-assessments. The questionnaire was designed based on environmental, social, and governance criteria, covering aspects such as carbon emissions, human rights protection, and occupational safety. A total of 181 questionnaires were distributed and 181 were collected, representing a response rate of 100%. The responding suppliers accounted for 71% of the total procurement amount. During the year, 181 suppliers completed self-assessments, covering four major aspects: corporate governance, employee rights, occupational safety, and environmental protection. The assessment results showed that 97% of suppliers achieved a rating of "Good" or above (75 points or above), while only 3% of suppliers received lower scores (below 75 points). Based on the ESG self-assessment results, the Company implemented "risk-based tiered management" (as detailed in the table below) and incorporated the results into procurement evaluation references. The Company will continue to encourage partners to implement ethical management practices and environmental commitments, ensuring the stability and sustainability of the supply chain.

Audit Stage

Based on the self-assessment results, the Procurement Division conducts risk-based tiering and carries out five on-site audits for high-risk suppliers, including document reviews, on-site visits, and employee interviews, to verify the authenticity of self-assessment information and record identified deficiencies.

Improvement Stage

For deficiencies identified during audits, suppliers are required to complete improvements within a prescribed timeframe, and an improvement tracking mechanism is established.



Excellent	81%	146 suppliers
Good	16%	29 suppliers
Qualified but with risks	3%	5 suppliers
Non-compliant	0%	1 suppliers

Percentage of Supplier Procurement Expenditure

Item		Year	2023			2024			2025		
Item	Purchasing Region		Number of Suppliers	Procurement Amount	Percentage of Procurement Amount	Number of Suppliers	Procurement Amount	Percentage of Procurement Amount	Number of Suppliers	Procurement Amount	Percentage of Procurement Amount
Raw Materials	Domestic		754	$4,443,949	81%	773	$3,176,960	69%	749	$3,184,934	71%
	Overseas		80	$942,952	17%	94	$1,370,283	30%	105	$1,187,528	27%
Non-Raw Materials	Domestic		114	$92,222	2%	134	$62,096	1%	169	$93,231	2%
	Overseas		0	$0	0%	0	$0	0%	0	$0	0%
Total			948	$5,479,123	100%	1,001	$4,609,340	100%	1,023	$4,465,693	100%

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Raw Material Recycling and Source Management

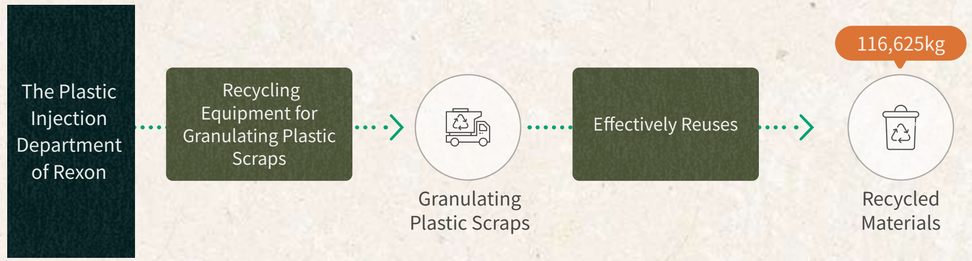
Use of Non-Renewable Energy

The main raw materials for our production process are iron, aluminum sheets, plastics, and packaging materials. After 2023, orders gradually returned to pre-pandemic levels, resulting in increased usage of raw materials.

Categories of Materials	Consumption (unit)	2023	2024	2025
Iron	Ton	16,256	27,631	21,047
Aluminum Sheets	Ton	2,312	12,048	8,702
Plastic	Ton	564	4,559	3,542
Packaging Materials	Ton	3,766	5,235	1,589
Tin	Ton		0.91	1.428
Others	Ton	1,413	1,052	472

Use of Recycled Raw Materials

The plastic injection department of Rexon has recycling equipment for granulating plastic scraps. This equipment effectively reuses the scraps generated during the production process. Depending on the material properties and product requirements of the parts produced, recycled materials are incorporated wherever feasible. In 2025, the plastics section purchased 116,625 kg of plastic raw materials and used recycled materials to improve raw material utilization.



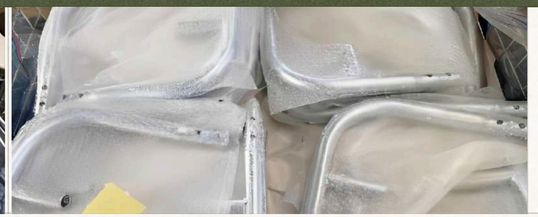
Supply Chain Green Packaging and Waste Reduction Policy

1 Implementing material conversion, plastic reduction, and circular design

For packaging materials that are difficult to recycle in traditional logistics, the Company is actively promoting material substitution solutions to reduce environmental impact. Existing Styrofoam cushioning materials are being replaced with recyclable molded pulp materials. The Company is also working with its design and supply chain teams to develop standardized "universal molded pulp" inbound packaging specifications, thereby enhancing the standardization and economic benefits of packaging materials. These measures significantly reduce the consumption of single-use plastics and lower the carbon footprint associated with downstream waste treatment.

2 Through in-depth communication with the supply chain

The Company successfully established process integration under a "one-step" packaging mechanism. By requiring suppliers to use outbound bubble bags directly as the shipping carrier, replacing conventional plastic bags, the Company directly addressed the issue of secondary waste generated during downstream unpacking. This approach also significantly improved the operational efficiency of line-side unpacking and warehousing, demonstrating the core value of sustainable production.

Before Improvement	After Improvement	Directions
		By eliminating plastic bags for inbound materials and introducing direct inbound delivery using bubble bags, the Company successfully eliminated non-value-added operations. The processing time per item was reduced from 37 seconds to 22 seconds, representing an efficiency improvement of approximately 41%. At the same time, the measure reduced operators' workload and improved the stability of the operating process.

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3 In the past, component packaging involved excessive layers (including dividers and plastic bags)

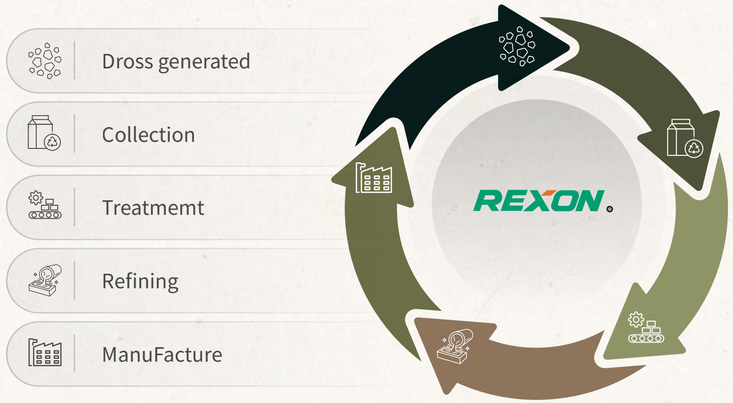
Requiring substantial manpower after inbound delivery to unpack, sort, and recycle repeated packaging materials. In collaboration with long-term suppliers, the Company introduced a "simplified packaging mechanism," eliminating non-value-added plastic bags and optimizing the packaging structure. By practicing source reduction, the Company improved the real-time efficiency of production lines while significantly reducing overall plastic consumption across the supply chain.

Before Improvement	After Improvement	Directions
		1. **Packaging method optimization (supplier-side improvement):** Suppliers are requested to adjust the original bulk packaging method to "individual (or appropriate-quantity) packaging," with parts neatly placed in cartons according to specifications to ensure that components remain protected during transportation and storage. 2. **Improved convenience for on-site use:** On-site personnel can directly retrieve the required number of components based on actual needs, without unpacking entire packages, thereby reducing unnecessary operations and manpower input. 3. **Reduced labor hours for unpacking and material preparation:** Through standardized and modular packaging design, the Company effectively reduced unpacking time and improved overall operating efficiency. Average unpacking labor hours decreased by approximately 47%, effectively improving operational efficiency. Inventory and on-site management improvement: Clearer component packaging and easier retrieval support inventory control and 5S implementation, resulting in a noticeable improvement in on-site organization.

4 During the production process at Rexon Technology

Tin dross is generated from the use of solder pots, and the tin dross is regularly collected for recycling and reuse. In 2024, 632 kg was recycled and reused, while in 2025, 802 kg was recycled and reused.





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3.5 Product Quality and Responsibility

As a globally recognized manufacturer of power tools, garden tools, and fitness equipment, Rexon Industrial adopts rigorous and systematic manufacturing process management across all stages, from raw material procurement and component processing to finished product assembly and testing. Through highly integrated manufacturing and supply chain management mechanisms, we strengthen quality control over critical components to ensure that our products meet international market and customer standards in terms of design, manufacturing, and functional performance. For components that are not manufactured in-house, Rexon Industrial has also established a comprehensive supplier evaluation and audit system. Through incoming material inspections and regular evaluation mechanisms, the Company ensures that all components maintain stable quality and comply with the applicable specifications.



▲ Power Tools



▲ Fitness Equipment



▲ Garden Tools



USA
P.T.S. - the United States

Vietnam
Rexon Vietnam-Vietnam

Taiwan
- Rexon Industrial-Taiwan - Renhua Plant and Tucheng Plant
- Rexon Technology-Dali, Taiwan



China
Tongxiang Rexon-Tongxiang, Mainland China



Thailand
Rexon Thailand-Thailand

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Product Health and Safety

Rexon Industrial has established and continues to maintain the effective operation of its ISO 9001 quality management system. The Company conducts comprehensive quality management in accordance with its quality manual and standard operating procedures (SOPs), and has established a clear quality policy centered on "providing high-quality and highly reliable products that meet customer needs." The Company regularly convenes quality review meetings and cross-functional improvement meetings. Through data-driven management, the Company establishes key quality performance indicators (KPIs), such as incoming defect rates, cost of poor quality, and the number of customer complaints. Department heads regularly review implementation results and continue to drive quality improvements.

Description of Positive Benefits

Actual positive:
1. Promoting product health and safety enables the Company to demonstrate its environmental, social, and governance (ESG) efforts to the public. This not only strengthens corporate trust but also helps attract more customers and investors.
2. It also enhances employee engagement and satisfaction. When employees recognize that the Company places importance on their health and safety, they are more motivated to engage in their work, helping improve productivity and reduce turnover.
3. By complying with health and safety standards, the Company can reduce the risk of accidents, thereby lowering potential legal liabilities and financial losses.

Description of Negative Benefits

Potential negative:
1. Health risks: Products may pose direct threats to consumer health. For example:
   - Hazardous chemicals: Certain products may contain carcinogens or other hazardous chemicals, which may have long-term impacts on consumer health during use.
   - Product defects: Defects in product design or manufacturing may result in user injuries. This not only affects consumer health but may also give rise to legal proceedings and compensation liabilities.
2. Regulatory compliance risks: Failure to comply with the applicable regulations may expose the Company to legal and financial risks.

Management Mechanisms/ Measures

Rexon's management mechanisms for ensuring product health and safety are as follows:
1. Risk assessment and management: If quality issues arise during production, they are classified by severity into minor, general, and serious issues. Rigorous SOPs have been established for each category, with corresponding rapid response measures based on the level of severity. Customer complaint handling is also classified by severity, including rework, returns, and market recalls. This enables the Company to define risks and establish a rapid quality response mechanism while providing timely responses to customers.
2. Compliance with regulatory requirements: Before mass production, all product components must pass RoHS testing for hazardous substances before they may be used in production. Before finished products are shipped, they must also obtain safety certifications in compliance with the local regulations, supporting environmental protection while providing consumers with safety assurance.
3. Employee training and awareness enhancement: Through quality competition incentives, quality awareness case studies are incorporated into evaluation criteria using One Point Lesson (OPL) training. Each month, the production teams and personnel with the highest quality evaluation scores are publicly recognized, ensuring that the concept of quality is not merely a slogan but is truly embedded in employees' mindset.

Complaint/ Communication Channels

Responsible Department: Customer Service Division
Email: Sales@rexon.com.tw

2025 Action Plan Implementation Results

Action Plan

1. Establish a comprehensive product safety management mechanism, covering product safety design review, material safety control, outgoing safety testing, regulatory compliance management, and issue traceability and continuous improvement mechanisms.
2. Compile and analyze suppliers' quality scores on a monthly basis, and establish supplier quality evaluation data. Suppliers rated Class D in any given month are required to submit PDCA improvement reports and are subject to quality audits conducted by SQE.

Implementation Results

1. All new product models introduced into mass production completed international safety regulatory compliance and material safety controls.
2. In 2025, after the supplier evaluation mechanism was established, a total of seven suppliers were rated Class D. Following guidance and support, all seven suppliers improved their quality performance and passed the evaluation.

Achievement status of 2025 Goals

Goals

1. In 2025, there were zero cases of customer health or safety incidents resulting from our products.
2. Customer complaint cases related to the safety of the Group's top 10 products were less than 3.

Achievement Status

Goals achieved

1. In 2025, there were no reported incidents of customer health or safety incidents resulting from our products.
2. There were **0** customer complaint cases related to the safety of the Group's top 10 products.

Short/Medium/ Long-term Goals

Short-Term Goals (2026-2027 years)

1. There were 0 customer complaint cases related to the safety of the Group's products.
2. Regarding the timely handling of major customer complaints, a risk report, including countermeasures, is submitted within 24 hours.
3. 0 3R incidents related to shipment quality.

Medium-Term and Long-Term Goals (2028-2032years)

1. Quality improvement through source management: A supplier grading system and management mechanism have been established to select suppliers of appropriate grades based on product positioning.
2. Further improve product safety management processes, obtain international safety certifications for major products, and strengthen product traceability and safety monitoring.
3. Building on the foundation of maintaining zero 3R incidents related to shipment quality, continue to deepen quality risk prevention and governance mechanisms.

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During the product manufacturing process, quality management at the source is key to ensuring consumer safety and satisfaction.Accordingly, the Company implements rigorous controls throughout the entire process, from incoming material quality control and process quality management to customer complaint handling and improvement, as described below.

Source Quality Management

- **Incoming material and supplier quality management:**
  (1) Establishment of the QMS supplier management system: Suppliers are managed by tier, and key component suppliers are strictly required to implement self-management.
  (2) Implementation of first-piece, in-process, and final inspection: This ensures that raw materials and components provided by suppliers comply with the Company's quality standards, reducing quality risks at the source.

- **Process quality management:**
  (1) Establishment of autonomous inspection on production lines.
  (2) Introduction of poka-yoke fixtures at key inspection stations: This prevents defective products from flowing to subsequent processes due to operational errors.
  (3) OPL (One Point Lesson): When a quality issue occurs, a quality abnormality record is established. Quality standards and concepts are then communicated to operators through One Point Lesson (OPL) training. In 2025, a total of 134 OPL quality awareness sessions were completed, embedding quality awareness in every Rexon employee and making it part of the Company's DNA.

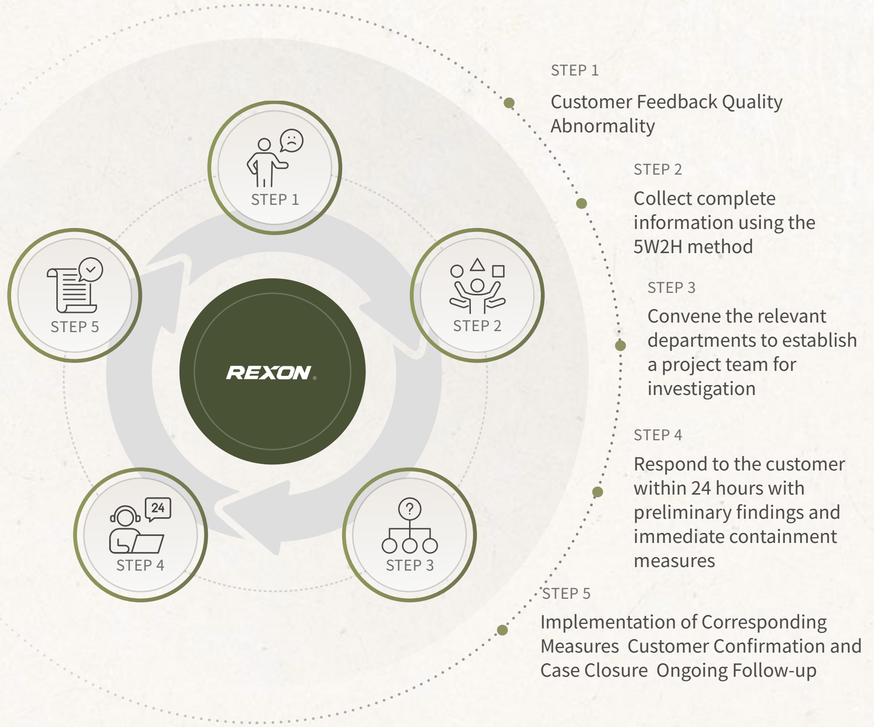
- **Customer complaint handling process:**
  Rexon places great importance on the voices of customers and consumers, and it has established a comprehensive customer complaint handling process. Upon receiving a customer complaint, the Company first collects 5W2H information based on the severity level and completes a customer complaint handling form for investigation by the Quality Assurance Department. A project is then established to explain the possible causes and propose measures to prevent recurrence, enabling the Company to respond to the customer within 24 hours with preliminary findings and immediate containment measures. The case is closed after obtaining the customer's confirmation. Rexon handles customer complaints based on the principle of satisfying customers with high-quality and efficient service.

Source Management

Incoming quality (suppliers)
- Supplier tiered management + self-management
- Unified critical-to-quality (CTQ) and defect classification
- First-piece → in-process → final inspection

Built-in process quality (workstations)
- Self-inspection → mutual inspection → specialized inspection framework
- Key station release + poka-yoke
- OPL: OK/NG standards / abnormality records

Customer complaint improvement (Customer)
- Customer complaint grading + response timeliness
- 8D/SCAR standardization
- Project-based management of key issues (cross-departmental)



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Product Hazardous Substance Management

To continuously strengthen supply chain management and regulatory tracking, Rexon Industrial upholds its commitment to product quality and environmental protection. The Company continues to collaborate with suppliers to ensure product safety and compliance, reduce environmental risks, protect consumer health, and promote environmental sustainability. In accordance with international environmental regulations such as REACH and RoHS, Rexon Industrial has established a hazardous substance management mechanism. Suppliers are required to provide REACH and RoHS testing reports or declarations of conformity. Through R&D review and incoming inspections by the Quality Assurance Department, the Company ensures that products comply with regulatory requirements before they enter mass production. Through continuous improvement and rigorous controls, Rexon Industrial is committed to becoming an industry leader in hazardous substance management.

The results of these efforts are reflected in product manuals, where the “Table of Restricted Substances in Products” is disclosed (as shown in the figure). The table clearly lists the hazardous substances that may be present in products and the applicable usage standards, ensuring that product design and manufacturing comply with the control requirements of relevant regulations throughout the entire process.

The implementation results for 2025 are summarized below :

- **New part verification:** In 2025, a total of 1,762 new parts were verified. All of them completed third-party testing and complied with the applicable regulations, with no non-compliance identified.
- **Hazardous substance testing for raw materials:** In 2025, 13 models entered mass production, involving 209 parts and 75 suppliers. RoHS testing reports were provided for all the applicable items. The Quality Assurance Department conducts regular audits, and no violations were identified.

In 2026, the Company will further require 100% compliance with international environmental regulations such as REACH and RoHS for every mass-produced model, and it will review implementation results through monthly sustainability KPIs



限用物質含有情況標示聲明書
Declaration of the Presence Condition of the Restricted Substances Marking

設備名稱：切槽機，型號（型式）：GC1950 & GC1950 (集塵型)
Equipment name: Type designation (Type)

單元 Unit	限用物質及其化學符號 Restricted substances and its chemical symbols					
	鉛 Lead (Pb)	汞 Mercury (Hg)	鎘 Cadmium (Cd)	六價鉻 Hexavalent chromium (Cr⁺⁶)	多溴聯苯 Polybrominated biphenyls (PBB)	多溴二苯醚 Polybrominated diphenyl ethers (PBDE)
外殼塑膠組件	○	○	○	○	○	○
外殼金屬組件	○	○	○	○	○	○
馬達組件	○	○	○	○	○	○
開關組件	○	○	○	○	○	○
電源線組件	○	○	○	○	○	○
內部電子零件	○	○	○	○	○	○
內部導線	○	○	○	○	○	○
五金組件	○	○	○	○	○	○

備考1.“超出0.1 wt %”及“超出0.01 wt %”係指限用物質之百分比含量超出百分比含量基準值。
Note 1: “Exceeding 0.1 wt %” and “exceeding 0.01 wt %” indicate that the percentage content of the restricted substance exceeds the reference percentage value of presence condition.
備考2.“○”係指該項限用物質之百分比含量未超出百分比含量基準值。
Note 2: “○” indicates that the percentage content of the restricted substance does not exceed the percentage of reference value of presence.
備考3.“—”係指該項限用物質為排除項目。
Note 3: The “—” indicates that the restricted substance corresponds to the exemption.

▲ Table of Restricted Substances in Products

1,762 new parts

In 2025, All of them completed third-party testing and complied with the applicable regulations, with no non-compliance identified.

209 parts

RoHS testing reports were provided for all the applicable items. The Quality Assurance Department conducts regular audits, and no violations were identified.

75 suppliers

RoHS testing reports were provided for all the applicable items. The Quality Assurance Department conducts regular audits, and no violations were identified.

Product Safety Certification

Against the global trend of increasingly stringent product safety requirements, governments around the world continue to formulate and strengthen relevant regulations to ensure the quality and safe use of imported products. Rexon recognizes that product safety and quality are core elements of business operations. Upholding the principle of “safety first,” the Company strictly complies with regulatory requirements in each jurisdiction. It has passed reviews conducted by various international certification bodies, obtaining relevant certification certificates to comprehensively ensure that its products comply with the safety standards of each sales market.

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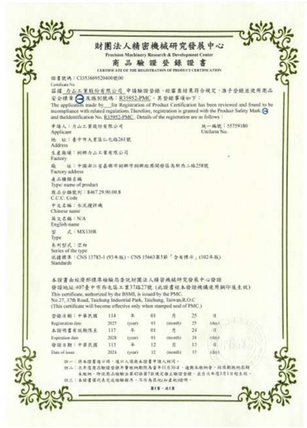
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1 Product Certification

The machinery products developed by the Company are marketed worldwide. All products are designed and manufactured in accordance with international standards for environmental friendliness and user safety. The materials used pose no concern to human health, and the products have passed multiple environmental management system and product safety certifications. In addition, based on the regulatory requirements of different sales regions, products have obtained the necessary local certifications to ensure full compliance in terms of quality, environmental protection, and regulatory compliance (see Attachment). Relevant certifications include: Certificate of Conformity for cement mixers, certificate for portable stone cutters, and ETL certification for fitness equipment (BSMI).



▲ Certificate of Conformity for Cement Mixers





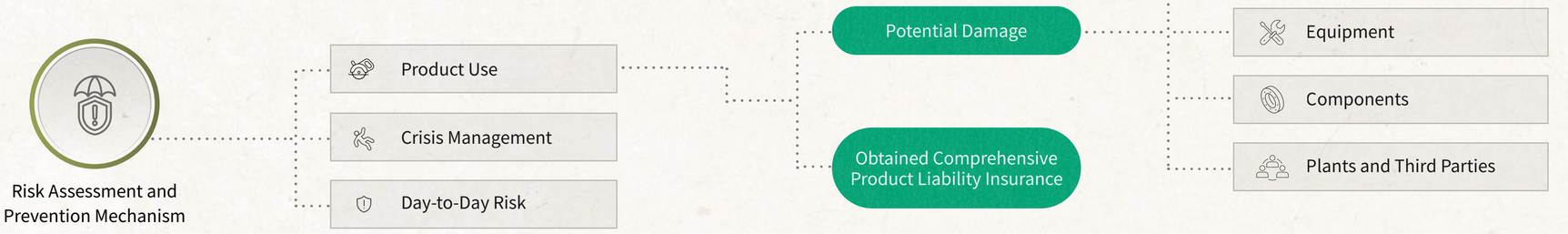
▲ Certificate for Portable Stone Cutters



▲ ETL Certification for Fitness Equipment

2 Product Liability Insurance Coverage

Rexon has established a comprehensive risk assessment and prevention mechanism. In addition to day-to-day risk and crisis management, the Company has also obtained comprehensive product liability insurance to cover potential damage that may arise from product use and affect employees, customers, equipment, components, plants, and third parties. To date, the Company has had no product-related insurance claims, fully demonstrating the effectiveness of its personnel operation management, product quality control, and plant planning. This also reflects Rexon's strong commitment and responsibility to product safety and stakeholder protection.



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3 Protection of Consumer Rights and Interests

Rexon values consumer rights and product safety and is committed to providing sufficient and transparent product information to ensure that consumers can use products safely and correctly, thereby reducing risks arising from improper installation, operation, or maintenance.

The Company's products comply with the applicable regulations and safety standards in each sales region. Operating manuals clearly explain the correct methods for installation, adjustment, operation, and maintenance, as well as the necessary warnings. At the same time, specification labels, usage instructions, and safety labels are affixed to the product body to provide complete and timely safety information, protecting consumers' right to know and their safety in use.

4 Product Labeling

We uphold the concept of protecting consumer rights and are committed to ensuring that consumers receive complete and accurate information when purchasing and using our products to protect their safety and reduce the risks during installation, operation, or maintenance. For this reason, the Company strictly complies with local safety regulations, clearly outlines the correct procedures for installation, adjustment, operation and maintenance in its product manuals, and provides relevant safety warnings. In addition, the product itself bears a specification label, usage instructions, and warning labels to ensure that consumers have sufficient information on safe use.

In order to comply with the latest regulations, the Company has assigned dedicated personnel to keep abreast of the latest regulations and promptly update product labels to meet both customer needs and regulatory changes. At the same time, the Company actively cooperates with inspections and sampling checks conducted by the Bureau of Standards, Metrology, and Inspection of the Ministry of Economic Affairs and the Ministry of Labor to ensure the accuracy and compliance of product labeling while continuously enhancing product safety and legality.

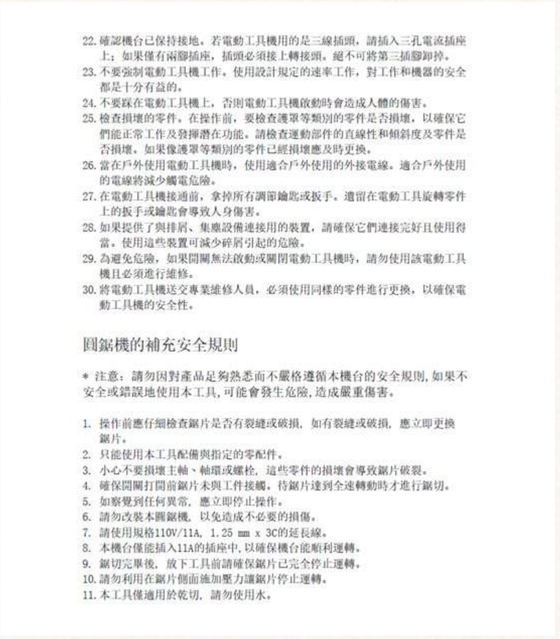


電動工具機操作安全規範說明

＊注意：操作前請詳閱說明書。

該機的設計有一定的適用範圍，如請勿試圖修改和使用在本機設計中所不具備的功能上。如對本機的使用有疑問，請洽本公司技術人員確認後，方可使用。

1. 為了您的安全起見，在使用電動工具機工作之前請先閱讀說明書，瞭解它的使用範圍、限制條件以及可能的危險性。
2. 保持工作場所整齊、清潔；雜亂的工作場所會引發工作意外的發生。
3. 避免在危險的環境中使用機器；不要在潮濕、曝曬、雨淋、化學藥品或瓦斯等…危險環境下使用機器，必須保持工作環境先線充足。
4. 不讓小孩靠近機器；使用機器時避免圍觀，或有圍觀者則必須保持安全距離，不讓圍觀者接觸機器或電線延長線。
5. 機器使用完畢後必須收藏妥當，放置於乾燥處及避免小孩拿得到之處。
6. 正確使用機器，不要勉強使用不是本機台設計的功能範圍。
7. 合適的穿戴，不要穿戴鬆散的服裝、手套、耳環、項鏈、領帶或其他裝飾品，以免它們捲住轉動的部件。建議穿防滑鞋，戴頭髮護罩(對長髮而言)。
8. 使用安全眼鏡；若鋸屑粉塵過高，宜戴口罩。
9. 不要破壞電源線；避免電源線接觸高熱、金屬銳利邊、油污或沾濕。
10. 固定工件時，使用夾鉗固定工作物比用手握住更安全。
11. 不可越過機器；運轉時保持正確操作姿勢。
12. 注意保養機器；隨時注意使用刀具是否銳利，其他保養方法請參閱操作手冊。
13. 防止意外啟動；在維修換裝零件或配件時，必須先將電源線插頭拔掉。
14. 避免意外啟動；插上電源線插頭前先確定開關在 "OFF" 的狀態，請勿將手指放在已接通電源的開關上，或在開關處於 "ON" 的狀態時插入插頭。
15. 使用正確的延長線，避免延長線過長。
16. 專心操作，保持頭腦清醒，避免疲勞時操作機器。
17. 服用藥物、酒精後請不要進行操作。
18. 避免觸電；操作機器時身體不要接觸到有接地的金屬體(如：管道、散熱片、冰箱等)。
19. 換裝零件；維修或更換零件時，請一定使用本廠規格的零件。
20. 妥善保存操作說明書。
21. 做好工作現場保護。

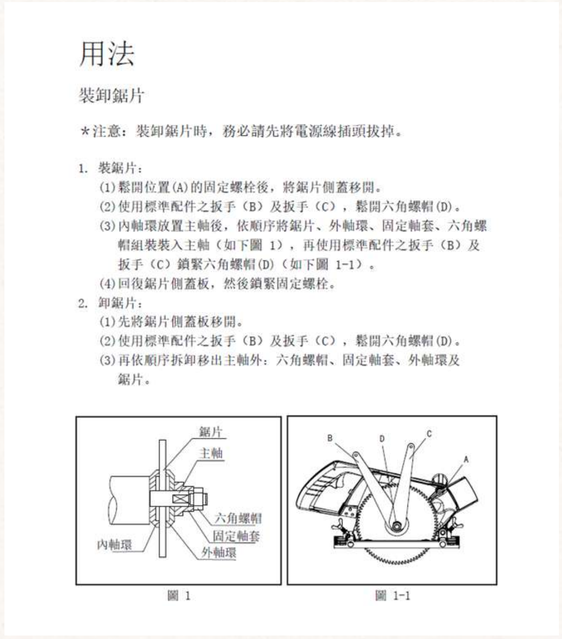


22. 確認機台已保持接地。若電動工具機用的是三線插頭，請插入三孔電波插座上；如果僅有兩腳插座，插頭必須接上轉接頭，絕不可將第三插腳卸掉。
23. 不要強制電動工具機工作。使用設計規定的速率工作，對工作和機器的安全都是十分有益的。
24. 不要踩在電動工具機上，否則電動工具機啟動時會造成人體的傷害。
25. 檢查損壞的零件。在操作前，要檢查護罩等類別的零件是否損壞，以確保它們能正常工作及發揮潛在功能。請檢查運動部件的直線性和傾斜度及零件是否損壞，如果像護罩等類別的零件已經損壞應及時更換。
26. 當在戶外使用電動工具機時，使用適合戶外使用的外接電線。適合戶外使用的電線將減少觸電危險。
27. 在電動工具機接通前，拿掉所有調節鑰匙或扳手。遺留在電動工具旋轉零件上的扳手或鑰匙會導致人身傷害。
28. 如果提供了與排屑、集塵設備連接用的裝置，請確保它們連接完好且使用得當。使用這些裝置可減少碎屑引起的危險。
29. 為避免危險，如果開關無法啟動或關閉電動工具機時，請勿使用該電動工具機且必須進行維修。
30. 將電動工具機送交專業維修人員，必須使用同樣的零件進行更換，以確保電動工具機的安全性。

圓鋸機的補充安全規則

＊注意：請勿因對產品足夠熟悉而不嚴格遵循本機台的安全規則，如果不安全或錯誤地使用本工具，可能會發生危險，造成嚴重傷害。

1. 操作前應仔細檢查鋸片是否有裂縫或破損，如有裂縫或破損，應立即更換鋸片。
2. 只能使用本工具配備與指定的零配件。
3. 小心不要損壞主軸、軸環或螺栓，這些零件的損壞會導致鋸片破裂。
4. 確保開關打開前鋸片未與工件接觸，待鋸片達到全速轉動時才進行鋸切。
5. 如察覺到任何異常，應立即停止操作。
6. 請勿改裝本圓鋸機，以免造成不必要的損傷。
7. 請使用規格110V/11A，1.25 mm x 3C的延長線。
8. 本機台僅能插入11A的插座中，以確保機台能順利運轉。
9. 鋸切完畢後，放下工具前請確保鋸片已完全停止運轉。
10. 請勿利用在鋸片側面施加壓力讓鋸片停止運轉。
11. 本工具僅適用於乾切，請勿使用水。



用法

裝卸鋸片

＊注意：裝卸鋸片時，務必請先將電源線插頭拔掉。

1. 裝鋸片：
   (1) 鬆開位置(A)的固定螺栓後，將鋸片側蓋移開。
   (2) 使用標準配件之扳手（B）及扳手（C），鬆開六角螺帽(D)。
   (3) 內軸環放置主軸後，依順序將鋸片、外軸環、固定軸套、六角螺帽組裝裝入主軸（如下圖 1），再使用標準配件之扳手（B）及扳手（C）鎖緊六角螺帽(D)（如下圖 1-1）。
   (4) 回復鋸片側蓋板，然後鎖緊固定螺栓。
2. 卸鋸片：
   (1) 先將鋸片側蓋板移開。
   (2) 使用標準配件之扳手（B）及扳手（C），鬆開六角螺帽(D)。
   (3) 再依順序拆卸移出主軸外：六角螺帽、固定軸套、外軸環及鋸片。

圖 1

圖 1-1

CH.04

GREEN

Environmental Sustainability

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4.1 Climate Action (TCFD)

Climate-Related Financial Disclosures (TCFD) Governance

With regard to the risk management related to climate change, the Board of Directors is the highest governance body and conducts supervision. The ESG Operations Committee subordinate to the Board of Directors is responsible for promotion under the supervision of the Board and reports to the Board on a regular basis. In 2025, the Sustainability Office took the responsibility for promotion, checked the operational aspects and issues affected by climate disasters, formulated action plans, and clarified the impact of the climate disasters on material operational aspects (such as assets and production) in accordance with the Task Force on Climate-related Financial Disclosures (TCFD). The Sustainability Office further checked the issues affected under each operational aspect and the reasons of the impact in order to reflect the impact of the climate disasters on the finance of the Company.

Climate Change Governance and Management Structure

Board of Directors

- The Board of Directors is the highest decision-making body in the management of the Company's climate change risks. Its responsibilities include reviewing the policies and making important decisions related to climate change management, and supervising the effective operation of the management mechanism.
- The Board of Directors reviews the climate change risks and opportunities of the Company and incorporates them in the discussion scope of the annual budget, business plan and major capital expenditures.

Sustainability Committee

- Report the assessment results and work progress of climate risks and opportunities to the Board of Directors every year.
- Take the responsibility for implementing the climate change management policy and major resolutions reviewed by the Board of Directors.

ESG Operations Committee

- Periodically follow up the information on the development trend of international climate change in order to improve the understanding of global risk trends and climate change among the employees.
- Take the responsibility for the identification and assessment of climate change risks and opportunities and periodical arrangement of climate change discussion meetings. It gathers the Risk Management Group to identify the physical risks, transition risks, and opportunities of climate change, proposes corresponding improvement measures, periodically follows up implementation status and goals, and continue to enhance the management of climate risks and opportunities.

Management of Climate Change Related Risks and Opportunities

1 Identification Process of Climate Change Related Risks and Opportunities

To effectively manage climate-related risks and opportunities, the Company's Sustainability Office under the ESG Operations Committee convened top executives on October 8, 2025 to discuss and assess the transition risks (policy and regulation, technology, market, reputation), physical risks (immediate, long-term), and opportunities (resource efficiency, energy source, product/service, market, resilience) in the TCFD.

TCFD Education and Training
The Sustainability Office refers to internal and external information and lists business-related climate change risk and opportunity factors.

Summarization Identification Results
The Sustainability Office summarizes the climate change risk and opportunity factors of each department and calculates the likelihood of occurrence and impact of climate change risks/ opportunities

Establishment of Response Strategies
The responsible unit writes down response strategies for major climate risks and opportunities

Calculation of Potential Financial Impact
The responsible unit calculates financial impact of risks/ opportunities

Establishment of Goals
The responsible unit establishes corresponding indicators and goals for evaluating the implementation status of relevant response strategies

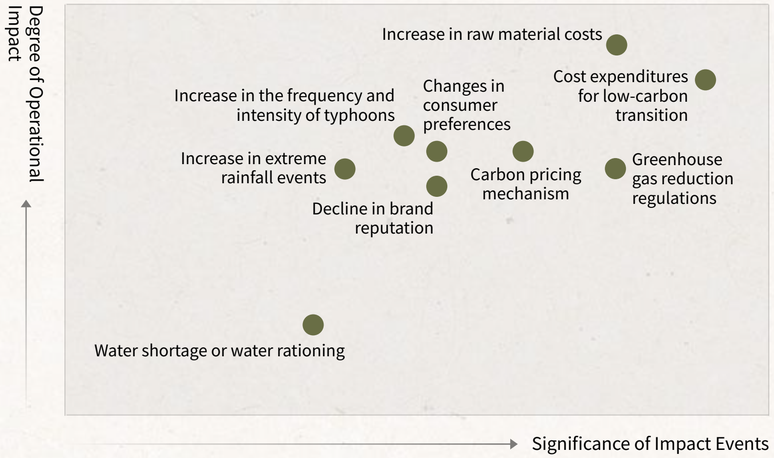
Implementation of Policies
The Sustainability Office follows up the implementation status on a regular basis. The Sustainability Committee report to the Board of Directors periodically as a reference for follow-up of performance.

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2 Identification Results of Climate Change Risks and Opportunities

(1) Climate Change Related Risk Type

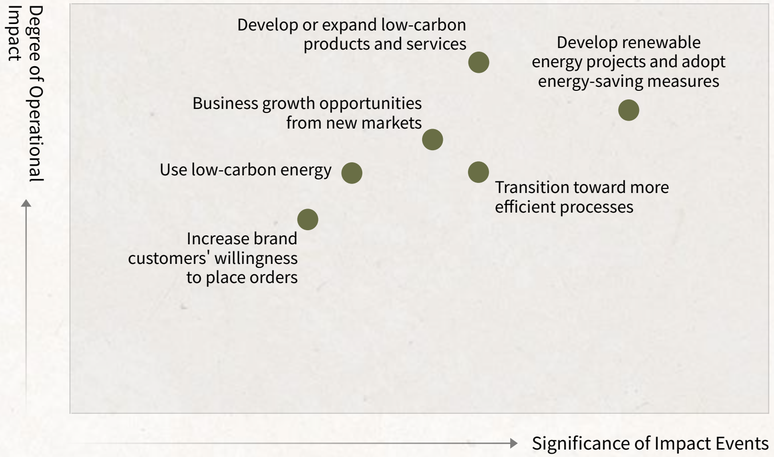
For the risk component, Rexon Industrial identifies climate-related risks based on categories including "Policy and Legal Risks," "Market Risks," "Technology Risks," "Reputation Risks," and "Physical Risks." The Company further assesses the materiality of each risk identification factor based on its impact level and likelihood. The identification results are as follows:



Risk Level	Risk Category	Risk Factor
Significant	Market risk	Increase in raw material costs
	Technology risk	Cost expenditures for low-carbon transition
	Policy and regulatory risk	Greenhouse gas reduction regulations
	Policy and regulatory risk	Carbon pricing mechanism
	Market risk	Changes in consumer preferences
	Acute risk	Increase in the frequency and intensity of typhoons
	Reputational risk	Decline in brand reputation
Secondary	Acute risk	Increase in extreme rainfall events
	Chronic risk	Water shortage or water rationing

(2) Climate Change Related Opportunity Type

For the opportunity component, Rexon Industrial identifies climate-related opportunities based on opportunity categories including "Resource Efficiency," "Energy Source," "Products and Services," "Market," and "Resilience." The Company further assesses the materiality of each opportunity identification factor based on its impact level and likelihood. The identification results are as follows:



Opportunity Level	Opportunity Category	Issue
Significant	Resilience	Develop renewable energy projects and adopt energy-saving measures
	Product and service	Develop or expand low-carbon products and services
	Market	Business growth opportunities from new markets
	Resource efficiency	Transition toward more efficient processes
Secondary	Energy source	Use low-carbon energy
	Market	Increase brand customers' willingness to place orders

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Scenario Assessment of Key Climate Risks

Rexon Industrial has completed the identification of climate-related risks and opportunities. To simulate and assess the potential impact of climate risks on operations under different climate change pathways, the Company further selected one physical risk and one transition risk as the scope of its scenario analysis. By modeling changes in risks under different climate scenarios, the Company aims to assess their potential impacts on its operating model, business strategy, and financial performance. The assessment results will serve as a key basis for future strategy adjustments, resource allocation, and resilience enhancement measures.The Company primarily references domestic and international scientific reports as well as domestic policy reports to analyze the impact of climate-related physical and transition risks on the Company, while also broadly considering various potential climate scenarios to gain an in-depth understanding of the range of climate-related risks and opportunities that may arise over time.In 2025, Rexon Industrial used flood hazard potential maps from the Water Resources Agency, Ministry of Economic Affairs to conduct a physical risk analysis. For transition risks, the Company adopted scenarios provided by the Network for Greening the Financial System (NGFS) to conduct a climate change risk simulation analysis. Two scenarios were selected for the assessment of physical risks and transition risks, respectively.

1 Scenario Description

Physical Risk Scenario

Overlay analysis was conducted (where flood depth was classified as no impact, 0.3–0.5 meters, 0.5–1 meter, 1–2 meters, 2–3 meters, and over 3 meters). The flood hazard potential maps incorporate sewer systems, regional drainage flood simulations, and the results of flood-prone area management planning. They also take into account flood progression (flow velocity and the rate of water level rise) and differences in the proportion of rainfall between plains and mountainous areas, providing simulation results under ten quantitative rainfall scenarios (150, 250, and 350 mm per six hours; 200, 300, and 400 mm per twelve hours; and 200, 350, 500, and 650 mm per twenty-four hours).

The flood hazard potential maps were developed to support the advance identification of disaster risks. As the current flood hazard potential maps are unable to simulate the precipitation patterns of future typhoon and flood events, the Company linked the simulations under the ten rainfall scenarios with the latest TCCIP AR6 map data for annual maximum one-day rainfall. SSP1-2.6 (future warming controlled within 2° C) was set as the mild scenario, while SSP5-8.5 (future warming exceeding 4° C) was set as the severe scenario. At a 90% confidence level, the mild scenario corresponds to a simulation of 350 mm of rainfall per twenty-four hours. Under the severe scenario, the maximum one-day rainfall across Taiwan is conservatively assessed using the rainfall scenario of 650 mm per twenty-four hours.

Transition Risk Scenario

For transition risks, the Company adopted scenario simulation parameters provided by the Network for Greening the Financial System (NGFS) to conduct a transition scenario analysis. The Company selected the Net Zero 2050 and Fragmented World scenarios for analysis, comparing the financial impacts on the Company under different policy environments and warming pathways. The Net Zero 2050 scenario assumes that the world limits global warming to below 1.5° C through more stringent climate policies and achieves global net-zero carbon dioxide emissions around 2050. The Fragmented World scenario assumes the delayed and divergent implementation of climate-related policies across countries, resulting in high global physical risks and high transition risks, with temperature increases potentially exceeding 4° C. This scenario also assumes that countries with net-zero targets only partially achieve them (approximately 80% of their targets), while other countries maintain their current climate policies.

The calculation methodology for this transition risk scenario analysis uses parameters from NGFS’ s GCAM 6.0 (Global Change Analysis Model). GCAM is a global market equilibrium model that integrates economic, energy, land-use, and climate systems to analyze the interactions between human activities and global environmental change. The model is designed to assess the impacts of different policy scenarios and technology options on global energy use, land-use changes, greenhouse gas emissions, and climate change-related outcomes. Compared with the other two integrated models provided by the NGFS (REMIND-MAgPIE and MESSAGE-GLOBIOM), GCAM’ s market equilibrium characteristics better support differentiated market demand forecasts under different scenarios through market supply-demand equilibrium. Its carbon emission pathways and parameter results are also more aligned with the Company’ s development and strategic planning needs. Therefore, the Company selected this model as the primary source of parameters for this scenario analysis. The model covers a global scope and is capable of simulating and generating market demand forecasts from the present day through 2050.

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2 Time Horizons Used in Climate-Related Scenario Analysis

The NGFS scenarios provide reasonably credible hypothetical scenarios and simulation parameters through 2050. To better apply these scenarios in identifying the most relevant climate-related risks and opportunities, as well as the related financial impacts, the Company uses the same time horizons in its scenario analysis as those applied to climate-related risks and opportunities. The scope of analysis is set for the Company's principal operating location (Taiwan). The time horizons used in the scenario analysis are set out in the table below:

Short Term	Medium Term	Long Term
2030	2030 — 2040	2040 — 2050

3 Climate-Related Scenario Analysis Results

(1) Physical Risk Scenario Analysis: Risk Levels Under Different Scenarios

Climate-Related Physical Risk	Physical Risk Scenario Analysis							
	Scenario	SSP1 — 2.6			SSP5 — 8.5			
	Estimated Maximum Flood Depth	0.3m | 0.5m	0.5m | 1m	1m | 2m	0.3m | 0.5m	0.5m | 1m	1m | 2m	
The increasing severity of flooding caused by extreme weather events, such as typhoons and floods	Estimated Flooding Ratio of Owned Sites	0%	0%	0%	0%	0%	0%	
	Estimated Flooding Ratio of Supplier Sites	0%	0%	0%	0%	0%	0%	

(2)Transition Risk Scenario Analysis: Risk Levels Under Different Scenarios

Climate-Related Transition Risk	Transition Risk Scenario Analysis							
	Scenario	Net Zero 2050			Fragmented World			
	Time Horizon	Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term	
Changes in consumer preferences toward environmentally friendly and low-carbon products, resulting in reduced demand for non-low-carbon products and products without environmental labels.	Estimated Range of Financial Impact as a Percentage of Total Assets	<5%	<5%	<5%	<5%	<5%	<5%	

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4 Scenario Analysis and Assessment of Strategy and Business Model

The Company selected the physical risk of "the increasing severity of flooding caused by extreme weather events, such as typhoons and floods" and the transition risk of "changes in consumer preferences toward environmentally friendly and sustainable products, resulting in reduced demand for non-low-carbon products and products without environmental labels" to analyze the impact of these risks on the Company under different scenarios and assess the Company's resilience in response to such impacts. When conducting the climate resilience assessment, the Company considered different material areas of uncertainty under different scenarios. Under the very high emissions scenario (SSP5-8.5) and the low emissions scenario (SSP1-2.6), the key material areas of uncertainty include the frequency and intensity of extreme weather events. Such uncertainty arises from the high variability of climate projections and potential unexpected changes in extreme weather caused by evolving climate models and weather conditions. Under the Fragmented World and Net Zero 2050 scenarios, the material areas of uncertainty mainly relate to changes in climate policies across countries, including future carbon fee rates, the setting of preferential rates, and related trends.

Risk Type and Description	Selected Scenario	Scenario Description	Key Assumptions	Impact Assessment	Resilience Capacity
Physical Risk / The increasing severity of flooding caused by extreme weather events, such as typhoons and floods	IPCC Low Emissions Scenario (SSP1-2.6)	Under this scenario, warming will be limited to within 2° C by 2100; greenhouse gas emissions will continue to decline and reach net zero by 2075.	Key assumptions include: 1. Under the SSP1 (Shared Socioeconomic Pathway 1)[1] scenario: Based on WIC2023[2] estimates, Taiwan's population will gradually decline to approximately 20.43 million by 2050. Income and technological progress are both assumed to be at moderate levels. Production and consumption patterns will continue past trends while inequality will gradually decrease but remain present. 2. The highest regional average "annual maximum one-day rainfall" before 2050 under the TCCIP[3] AR6 SSP1 statistically downscaled data is adopted. 3. No material changes are assumed in the number or geographic locations of plants; that is, plant relocation is not taken into consideration. 4. No material changes are assumed in suppliers; that is, supplier restructuring plans are not taken into consideration.	Based on the scenario analysis results, under both scenarios, the Company's owned sites and the suppliers for the nine major processes are not affected. All sites are located outside the areas predicted by the flood hazard potential maps to be subject to possible flooding.	The Company's current operating sites and major suppliers are not exposed to potential flooding. Nevertheless, to strengthen its resilience to this risk, the Company will continue to actively evaluate plans for adding operating sites and diversifying suppliers. This ensures that even if a single site (supplier) is affected under an extreme scenario, the Company can continue to operate effectively.
	IPCC Very High Emissions Scenario (SSP5-8.5)	Under this scenario, there is a greater than 50% probability that warming will exceed 4° C by 2100. By 2050, greenhouse gas emissions are roughly estimated to double from current levels, and by 2100, they are expected to reach three times current levels.	Key assumptions include: 1. Under the SSP5 (Shared Socioeconomic Pathway 5) scenario: Based on WIC2023 estimates, Taiwan's population will decrease more significantly, reaching approximately 19.41 million by 2050. Income levels are assumed to be high, free trade is adopted and social inequality decreases. Production, consumption, and lifestyle patterns under this pathway are highly resource-intensive. 2. Society relies on fossil fuels for development. 3. The highest regional average "annual maximum one-day rainfall" before 2050 under the TCCIP AR6 SSP5 statistically downscaled data is adopted. 4. No material changes are assumed in the number or geographic locations of plants; that is, plant relocation is not taken into consideration. 5. No material changes are assumed in suppliers; that is, supplier restructuring plans are not taken into consideration.		

[1] Except for population, for which quantitative figures at the country/regional level are available, the remaining IPCC scenario assumptions are disclosed qualitatively using the globally applicable descriptions, with reference to the IPCC Summary for Policymakers (p.13), website: https://www.ipcc.ch/site/assets/uploads/2019/11/02_Summary-for-Policymakers_SPM.pdf
[2] IIASA: The 2023 version of the Wittgenstein Centre (WIC2023) provides population projections under various IPCC scenarios, website: https://dataexplorer.wittgensteincentre.org/wcde-v3/
[3] Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), website: https://tccip.ncdr.nat.gov.tw/ds_02_02_ar6.aspx

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Risk Type and Description	Selected Scenario	Scenario Description	Key Assumptions	Impact Assessment	Resilience Capacity
Transition Risk / Changes in consumer preferences toward environmentally friendly and sustainable products, resulting in reduced demand for non-low-carbon products and products without environmental labels.	NGFS Fragmented World	This scenario assumes that the implementation of climate-related policies across countries is delayed and divergent, resulting in high global physical risks and high transition risks. The scenario also assumes that countries with net-zero targets only partially achieve their targets (approximately 80% completion), while other countries maintain their current climate policies.	Key assumptions include: 1. The implementation of climate-related policies across countries is delayed and divergent, resulting in high global physical risks and high transition risks. The scenario also assumes that countries with net-zero targets only partially achieve their targets (approximately 80% completion), while other countries maintain their current climate policies. 2. The global market is assumed to be an equilibrium market, where various systems (economic, energy, and trade markets) reach a dynamic supply-demand equilibrium. 3. GDP and population projections for each country are based on the latest Shared Socioeconomic Pathways (SSPs) (assuming that global GDP continues to increase at an annual growth rate of 2.5%, and that the global population continues to rise until reaching its peak in 2080, representing an increase of approximately 25% compared with 2025 values). 4. The development of global decarbonization-related technologies is assumed to be slow and fragmented. 5. No material changes are assumed in the types of products manufactured by the Company, and no material changes are assumed in the number of environmental labels obtained for each product category.	Based on the scenario analysis results, the Company is exposed to low risk under both scenarios in the short term [4](with the Net Zero 2050 scenario showing a slightly lower level of risk than the Fragmented World scenario). Under the medium- and long-term assessments, the estimated financial impacts under both scenarios increase slightly, with the impact assessment rising to medium risk.	Looking ahead, the Company plans to continue increasing the proportion of low-carbon materials used in its products and further enhance its competitiveness in the sustainable transformation market. This will help ensure that as consumers become more environmentally conscious, change their purchasing habits, and increase their demand for sustainable products, the Company can maintain or even strengthen the competitiveness of its products, reduce transition risks, and enhance its resilience under this scenario.
	NGFS Net Zero 2050	This scenario assumes that the world limits global warming to below 1.5° C through more stringent climate policies and achieves global net-zero greenhouse gas emissions around 2050.	Key assumptions include: 1. The world limits global warming to below 1.5° C through more stringent climate policies and achieves global net-zero greenhouse gas emissions around 2050. 2. The global market is assumed to be an equilibrium market, where various systems (economic, energy, and trade markets) reach a dynamic supply-demand equilibrium. 3. GDP and population projections for each country are based on the latest Shared Socioeconomic Pathways (SSPs) (assuming that global GDP continues to increase at an annual growth rate of 2.5%, and that the global population continues to rise until reaching its peak in 2080, representing an increase of approximately 25% compared with 2025 values). 4. The development of global decarbonization-related technologies is assumed to be rapid. 5. No material changes are assumed in the types of products manufactured by the Company, and no material changes are assumed in the number of environmental labels obtained for each product category		

[4] The impact assessment is determined based on the ratio of the financial impact caused by scenario analysis stress testing to total assets. A financial impact of less than 5% of total assets in the base year is classified as low risk, 5% to 15% as medium risk, and more than 15% as high risk.

5 Short-, Medium-, and Long-Term Climate Change Strategy and Business Model Adaptability

Rexon Industrial's strategy and business model are implemented based on the Company's most reasonably likely scenarios. The Company assesses its ability to adjust and adapt its strategy and business model, including the availability and flexibility of financial resources, its ability to reallocate and upgrade assets, and the impact of investments in climate-related mitigation, adaptation, and climate resilience opportunities, as described below:

Risk Category	Risk Description	Scenario	Ability to Adjust or Adapt Strategy and Business Model in Response to Climate Change
Physical risk	The increasing severity of flooding caused by extreme weather events, such as typhoons and floods	IPCC Low Emissions Scenario (SSP1-2.6)	The Company's current operating sites and supplier sites are not exposed to flooding risks. Nevertheless, the Company will continue to strengthen its resilience to this risk. With respect to supply chain resilience and upstream management, the Company is currently taking active measures to ensure supply chain stability and security. These measures include increasing the proportion of parts supplied by second-source suppliers for the Company’ s top 10 product models by 3% each year, establishing records for at least 12 alternative raw materials each year, and comprehensively collecting climate risk data from all key suppliers. Through these actions, the Company continues to enhance its supply chain resilience and ensure that its operations are not affected. Going forward, the Company will continue to actively evaluate plans for additional operating sites and the diversification of supplier sources to ensure that it can properly respond to more severe scenarios and maintain effective operations under extreme climate conditions.
		IPCC Very High Emissions Scenario (SSP5-8.5)	
Transformation risk	Changes in consumer preferences toward environmentally friendly and sustainable products, resulting in reduced demand for non-low-carbon products and products without environmental labels.	NGFS Net Zero 2050	In the past, the Company has obtained carbon footprint certification for representative products and has also identified its major sources of carbon emissions. In addition, the Company continues to increase the production share of sustainability-related products. These products are developed through measures such as reducing product carbon footprints, improving product energy efficiency and service life, promoting recycling and circularity, adopting modular product design, using low-carbon, safe, and environmentally friendly materials, and enhancing environmental friendliness. At the same time, the Company has established annual short-, medium-, and long-term targets. The Company aims for sustainable products to account for 25% of operating revenue by 2030 and 75% by 2050. These actions ensure that, as environmental awareness rises in the future, the Company can keep pace with changes in consumer purchasing habits and maintain its competitiveness in sustainability-related products.
		NGFS Fragmented World	

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Management of Climate Change Related Risks and Opportunities

In addition to conducting a scenario analysis for the selected physical and transition risks and further assessing their impacts, as well as the Company's resilience and adaptability, Rexon Industrial also analyzed the risks and opportunities identified as "material" in 2025. This analysis was conducted to understand the impacts of each risk and opportunity on the Company's operations, financial performance, and industry value chain, and to determine whether the Company has established response measures and related management targets.

1 Types of Climate-Related Risks and Response Strategies

The descriptions of risk impacts, financial impacts, and response strategies are as follows:

Possible time horizon | Short term 1–3 years · Medium term 3–5 years · Long term 5–10 years

Ranking	Risk Category	Risk Factor	Impact Description	Time Horizon	Operational Impact	Financial Impact	Impacted Areas of the Industry Value Chain				Countermeasures	Management Targets	Financial Impact of Response Measures
							Upstream	Company	Downstream	Others			
1	Market risk	Increase in raw material costs	Climate change may increase the cost of raw materials required in the manufacturing process, causing suppliers to increase contract prices with the Company and thereby increasing manufacturing costs.	Medium Term	Abnormal climate conditions caused by climate change may lead to a sharp decline in raw material output or supply disruptions. Instability in supply-side deliveries may drive up the Company's manufacturing costs. In the event of extreme shortages, supply chain disruptions may prevent products from being delivered on schedule, potentially resulting in revenue losses.	1. Increased costs due to raw material shortages 2. Production disruptions and operational interruptions caused by raw material shortages, resulting in reduced revenue	✓	✓	✓		1. Enhance supply chain resilience: Diversify sources of raw materials, adopt regional procurement for high-risk key components, and expand alternative suppliers to reduce the impact of disruptions in any single region. 2. Strengthen R&D and supply collaboration:Prioritize the evaluation of alternatives for high-impact raw materials, or reduce dependence on specific materials through design optimization to mitigate cost volatility caused by climate policies. 3. Establish resilience indicators: Use the annual delivery share of key suppliers as the core assessment basis for allocation and cost leveling to ensure supply stability.	1. Increase localization of key materials and backup supplier coverage in high-risk regions, with the ratio of second-source suppliers for the top 10 product models increasing by 3% each year. 2. Complete records for at least 12 alternative key risk materials each year. 3. Maintain cooperation and delivery stability with key suppliers, with their delivery share not falling below the prior-year level (by category).	1. Increased costs from multiple supply sources:Ensuring diversified sources of raw materials may increase inventory holding costs and management costs related to coordination with multiple suppliers. 2. Cost of alternative raw materials and design changes: Identifying alternative materials may increase sourcing and negotiation time and labor costs while product design adjustments may also increase R&D expenses. 3. Costs and benefits of establishing long-term supplier relationships: Maintaining long-term cooperation with suppliers may increase negotiation costs in the short term; however, it can secure priority supply during shortages and reduce the risks of supply chain disruption and revenue loss.

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Ranking	Risk Category	Risk Factor	Impact Description	Time Horizon	Operational Impact	Financial Impact	Impacted Areas of the Industry Value Chain				Countermeasures	Management Targets	Financial Impact of Response Measures
							Upstream	Company	Downstream	Others			
2	Technology risk	Cost expenditures for low-carbon transition	Customer requirements for low-carbon solutions may lead to changes in product development direction. During the low-carbon transition, the Company may incur higher R&D costs to reduce carbon emissions from its own operations, or incur costs associated with unsuccessful R&D efforts.	Short Term	1. Customers require suppliers to provide low-carbon solutions and impose more stringent carbon-reduction-related product requirements. 2. To meet low-carbon transition requirements, the Company needs to adjust product design, materials, and processes, such as using low-carbon or recyclable materials and developing more energy-efficient products that help customers reduce carbon emissions. 3. In promoting the low-carbon transition, the Company must also reduce carbon emissions from its own operations, including production, energy use, and logistics.	1. As carbon tariffs in regions such as the European Union and the United States become increasingly stringent, customers may raise their carbon emissions requirements for the Company, potentially resulting in lower revenue for the machine tool and fitness equipment business groups. 2. Establishing a low-carbon materials database, introducing new materials and processes, and developing or obtaining regulatory-compliant testing and certifications will increase R&D and production costs. 3. Investments in low-carbon process technologies and energy-saving equipment will increase related capital expenditures and R&D expenses.	✓	✓	✓		1. Business, R&D, and marketing teams will jointly focus on customers that prioritize low-carbon solutions, establish value communication points for low-carbon products, and gradually introduce online sales and digital marketing to enhance market acceptance. 2. R&D will lead the establishment of a low-carbon materials database, compiling materials and recycled materials with carbon footprint data (such as recycled aluminum and PCR plastics), and incorporating the database into the design stage as a basis for material selection.	1. Complete proposals for four sustainable products to customers in 2026. (1 per quarter) 2. Complete the establishment of data for at least 12 low-carbon materials each year.	1. The introduction of low-carbon customer strategies and digital marketing will require additional manpower and marketing expenses, increasing operating costs. 2. Measures to establish a low-carbon materials database will increase costs and may result in lower revenue.
3	Policy and regulatory risk	Greenhouse gas reduction regulations	In accordance with the carbon reduction targets established by domestic competent authorities in response to climate change, the Company is required to conduct carbon inventories and carbon reduction planning. In the initial stage of implementing carbon reduction programs, operating costs are expected to increase.	Short Term	1. The Company is required to regularly conduct carbon inventories and obtain third-party verification. 2. Establishing reduction targets and implementing them will help enhance the brand's green image and strengthen sustainable competitiveness.	1. Initiating carbon inventories and third-party verification will increase related costs. 2. Implementing reduction plans will enhance corporate image, increase suppliers' willingness to cooperate, and strengthen consumer trust in the brand, thereby contributing to revenue growth.		✓			Rexon continues to monitor domestic and international carbon reduction regulations, and has completed greenhouse gas inventories that have been verified by a third party. Based on the inventory results, the Company promotes energy-saving and carbon reduction measures, including improving energy efficiency, replacing high-energy-consuming equipment, optimizing processes, and evaluating renewable energy. The Company also regularly tracks its carbon emissions performance.	The Company will continue to pass third-party verification each year, and aims to complete the full inventory and verification of the consolidated companies by 2027.	1. In response to carbon reduction regulations, Rexon has completed greenhouse gas inventories and third-party verification, and has promoted energy-saving measures. In the short term, this will require additional operating expenses and capital expenditures. 2. In the medium and long term, if carbon emissions do not improve, operating costs will increase as carbon fees and carbon pricing mechanisms become clearer. 3. The existing inventory and management foundation enables the Company to understand its carbon emissions structure, respond to policies in advance, reduce compliance costs, and improve operational efficiency, which will support financial performance over the long term.

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Ranking	Risk Category	Risk Factor	Impact Description	Time Horizon	Operational Impact	Financial Impact	Impacted Areas of the Industry Value Chain				Countermeasures	Management Targets	Financial Impact of Response Measures
							Upstream	Company	Downstream	Others			
4	Policy and regulatory risk	Carbon pricing mechanism	As the government promotes the carbon fee collection mechanism, the Company may incur fees for excess carbon emissions, resulting in additional operating costs.	Long Term	1. Taiwan's Climate Change Response Act will initially impose carbon fees on specific industries.	1. Excess carbon emissions may result in carbon fee expenses, increasing operating costs.		✓			Establish a carbon governance structure: The Board of Directors provides oversight, the Sustainability Committee coordinates carbon risk management, and the carbon inventory task force conducts annual inventories.	Complete carbon inventories in line with the reporting schedule each year, report estimated carbon fee exposure, and track progress in carbon risk management.	The operation of the carbon governance structure has increased greenhouse gas inventory management costs, such as inventory, consulting, and internal manpower costs.
5	Market risk	Changes in consumer preferences	Consumers are paying increasing attention to climate issues and are showing a growing preference for low-carbon products or products with lower environmental impacts. Products that do not meet consumer demand may be eliminated from the market.	Medium Term	Abnormal climate conditions caused by climate change may reduce raw material output or disrupt supply, resulting in unstable deliveries and higher manufacturing costs. In the event of extreme shortages, the supply chain may be disrupted, preventing products from being delivered on schedule and resulting in revenue losses.	1. Brand customers may shift to other suppliers, resulting in lower revenue. 2. By capturing market trends for low-carbon and sustainable products, the Company can enhance proposal opportunities, create revenue growth, and further support growth in corporate market value and share price.		✓	✓		To respond to the significant market risk arising from the shift in consumer preferences toward low-carbon and environmentally friendly products, the business department is required to establish a mechanism for identifying and classifying customers' low-carbon needs, and to incorporate low-carbon competitiveness into business proposals and pricing strategies.	Complete proposals for four sustainable products to customers in 2026. (1 per quarter)	In response to consumers' shift toward low-carbon and environmentally friendly products, the Company has invested in operational management and product adjustments. In the short term, this will increase operating expenses and certain product costs, affecting gross margin. However, these investments can reduce the risk of order losses in the medium and long term, maintain relationships with key customers, and strengthen competitiveness in high-ESG markets. They are therefore necessary investments for risk mitigation and value preservation.

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Ranking	Risk Category	Risk Factor	Impact Description	Time Horizon	Operational Impact	Financial Impact	Impacted Areas of the Industry Value Chain				Countermeasures	Management Targets	Financial Impact of Response Measures
							Upstream	Company	Downstream	Others			
6	Acute risk	Increase in the frequency and intensity of typhoons	The increasing frequency of severe typhoons may cause operational disruptions or factory shutdowns, and in severe cases may endanger the safety of personnel at the plant.	Long Term	1. Typhoons may cause operational disruptions, resulting in delays to original operating plans. 2. Strong winds and heavy rainfall caused by typhoons may result in occupational incidents related to employee attendance or operations. 3. Some suppliers may experience disruptions to production and shipment due to typhoons, resulting in supplier shortages or supply chain disruptions.	1. Operational disruptions caused by typhoons may result in reduced revenue. 2. Occupational incidents caused by typhoons may increase compliance costs and compensation expenses. 3. Supplier shortages or supply chain disruptions may result in reduced revenue.	✓	✓			(Environmental Safety) 1. Strengthen meteorological monitoring and typhoon preparedness: The Occupational Safety Department monitors weather information and initiates typhoon preparedness procedures when warnings are issued, such as reinforcing equipment, securing materials, inspecting drainage, and confirming backup power. 2. Activate emergency response and ensure employee safety: During typhoons, inspections are strengthened, necessary protective equipment is provided, and personnel access is controlled to prevent entry into high-risk areas. 3. (Procurement) 4. Secure strategic inventory in advance of typhoon season and establish an emergency second-source supplier mechanism, enabling rapid capacity switching when major production areas are affected by disasters.	(Environmental Safety) 1. Shorten disaster-related interruption times and quickly restore production and shipment. 2. Ensure zero casualties among personnel during disasters and maintenance operations. 3. (Procurement) 4. Shorten disaster-related interruption times and quickly restore production and shipment to reduce operational losses. 5. Enhance supply chain resilience and steadily increase the proportion of second-source suppliers for key materials to avoid supply disruption risks.	(Environmental Safety) 1. Emergency response and typhoon preparedness will increase operating costs but can shorten interruption times and avoid significant revenue losses. 2. Plant closures will increase the cost of operational interruptions and shutdowns. Salaries must still be paid during work suspensions, additional protective equipment must be purchased for inspection personnel, and post-disaster repairs and outsourced maintenance costs will increase. 3. (Procurement) 4. Emergency response and typhoon preparedness will increase operating costs but can shorten interruption times and avoid significant revenue losses. 5. Advance stocking and additional alternative suppliers will increase inventory and negotiation costs, but can prevent supply disruptions, avoid significant revenue losses, and maintain corporate reputation.

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							Upstream	Company	Downstream	Others			
7	Reputational risk	Decline in brand reputation	In line with international trends, companies are incorporating climate risks into their operations. If a company fails to properly manage climate risks, stakeholder trust may decline, negatively affecting brand reputation. Lower customer trust in the brand may result in revenue declines and goodwill impairment.	Long Term	1. Failure to meet investors' expectations for corporate sustainability may reduce investors' willingness to invest. 2. Damage to corporate image may reduce suppliers' willingness to cooperate and lower brand customers' trust in the Company.	1. Lower investor willingness to invest may cause the Company's share price to decline. 2. Lower supplier willingness to cooperate may expose the Company to supply disruption risks, or brand customers may become less willing to work with the Company due to reduced trust, resulting in revenue declines.	✓	✓	✓	✓ (Investors)	1. Establish a climate risk identification mechanism for key suppliers, prioritizing the assessment of energy use, emissions, and carbon reduction measures for suppliers with high carbon emissions and high supply disruption risks, and incorporating such assessments into procurement management. 2. Improve the transparency of climate-related information disclosure, continue to disclose carbon emissions data, and strengthen response capabilities to meet the needs of partners and stakeholders.	1. Increase local procurement of key materials and backup supplier coverage for high-risk suppliers, and increase the ratio of second-source suppliers for the top 10 product models by 3% each year. 2. Update climate-related information on the official website, in the annual report, and in the sustainability report at least once each year, and collect stakeholder feedback on the brand through diverse channels.	1. The Company has invested resources in climate risk inventories, data collection, and system development for key suppliers. In the short term, this will only result in a slight increase in management and manpower costs, with no material financial impact. 2. In response to sustainability disclosure needs, the Company has invested in management and data response costs, which will help maintain customer cooperation and market access. In addition, to respond to climate risks and market demand, the Company has invested operating and R&D expenses in product design, energy efficiency, and emissions management. While costs will increase in the short term, these investments will help enhance competitiveness.

2 Types of Climate-Related Opportunities and Response Strategies

The descriptions of opportunity impacts, financial impacts, and response strategies are as follows:

Possible time horizon | Short term 1–3 years · Medium term 3–5 years · Long term 5–10 years

Ranking	Opportunity Category	Opportunity Factor	Impact Description	Time Horizon	Operational Impact	Financial Impact	Impacted Areas of the Industry Value Chain				Countermeasures	Management Targets	Financial Impact of Response Measures
							Upstream	Company	Downstream	Others			
1	Resilience	Develop renewable energy projects and adopt energy-saving measures	In response to the challenges of climate change and government energy transition policies, the Company may install solar panels on plant rooftops to develop green electricity, or adopt energy-saving measures to reduce overall operational energy consumption.	Medium Term	1. Promote diversified energy-saving and energy-generation solutions, such as integrating solar energy with high-performance battery energy storage systems, conducting lighting evaluations, and mitigating compressed air leakage. Ensure stable energy supply under different operating environments. 2. Adopt energy-saving measures to reduce the Company's energy consumption.	1. Optimize the energy cost structure. 2. Reducing energy consumption can lower energy costs at the source.		✓			Install additional high-speed roll-up doors in plant areas to prevent air-conditioning leakage and reduce the energy load of air-conditioning systems.	Air-conditioning electricity consumption is expected to decrease by 12% in 2026.	Capital expenditures are expected to increase, while operating expenses for electricity consumption are expected to decrease.

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Ranking	Opportunity Category	Opportunity Factor	Impact Description	Time Horizon	Operational Impact	Financial Impact	Impacted Areas of the Industry Value Chain				Countermeasures	Management Targets	Financial Impact of Response Measures
							Upstream	Company	Downstream	Others			
2	Product and service	Develop or expand low-carbon products and services	Major international companies are placing increasing emphasis on the circular economy and green products to reduce the negative environmental impacts of products.	Medium Term	Customers' demand for low-carbon and sustainable products is increasing. Capturing low-carbon business opportunities may help attract new customers and enter new markets.	Low-carbon products may attract customers or enable the Company to enter new markets, potentially increasing revenue.	✓	✓	✓		Use potential low-carbon materials for product and process innovation and R&D, and continue to develop low-carbon products.	The Company expects to complete the development of two low-carbon products by 2027.	In the early stage of low-carbon product development, R&D and marketing expenses will increase. However, as products mature and market acceptance improves, product premiums or sales volume growth may drive revenue growth and improve medium- and long-term profitability.
3	Market	Business growth opportunities from new markets	Market trends related to low-carbon products and reducing product life cycle footprints will create new business opportunities.	Short Term	Enter sustainable product areas related to the fuel-to-electric transition and low-carbon materials, such as drones, e-bikes, and garden tools.	Entering the sustainable product market is expected to expand markets and customers and increase revenue.		✓	✓		In response to new market demand driven by rising global sustainability awareness, the Company targets sustainability-oriented customers, strengthens business proposals for low-carbon products and environmental benefits, and integrates cross-departmental resources to actively capture business growth opportunities from new markets.	The Company has incorporated measurable and trackable new market development results into the performance indicators of the business department.	In response to business growth opportunities from new markets, the Company has invested related manpower, R&D, and management resources in the short term, resulting in slight increases in operating expenses and certain product development costs. In the medium and long term, successful entry into sustainability-oriented new markets is expected to expand revenue scale, improve the gross margin structure, and strengthen customer loyalty.
4	Resource efficiency	Transition toward more efficient processes	Improving energy efficiency in new or existing production lines reduces the use of energy and resources and decreases pollution emissions. This not only lowers operating costs but also enhances product value.	Short Term	1. Improve equipment efficiency and reduce energy and resource consumption. 2. Low-energy-consumption products can attract customers with demand for sustainable products and create business opportunities.	1. Improved energy efficiency can reduce energy expenses. 2. Lower product energy consumption may attract new customers and increase revenue.		✓	✓		Add inspection equipment to check for compressed air leakage.	The Company expects to purchase an acoustic imaging device in 2026. After the device is acquired, monthly inspections of compressed air pipeline leakage points will be conducted by area, followed by leak prevention measures, with the goal of reducing air compressor energy consumption by 30%.	Capital expenditures are expected to increase, while operating expenses are expected to decrease due to reduced air compressor energy consumption.

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4.2 Greenhouse Gas Management

Rexon Group Greenhouse Gas Inventory and Verification Schedule

To comply with the Financial Supervisory Commission's "Sustainable Development Roadmap for TWSE- and TPEx-Listed Companies" and relevant regulations governing greenhouse gas inventories and information disclosure, the Company reviews the operating nature and materiality of each subsidiary based on the scope of its consolidated financial statements, and completes greenhouse gas inventory procedures within the prescribed timeframe. The inventory scope covers direct emissions (Category 1) and energy indirect emissions (Category 2). Disclosure is conducted in stages in accordance with the requirements of the competent authority to ensure that the disclosed information is consistent with the scope of the consolidated financial statements and that regulatory compliance requirements are fulfilled.

2023 (Verify 2022 in 2023)	2024 (Verify 2023 in 2024)	2025 (Verify 2023 in 2024)
Taiwan Rexon Plant	Taiwan Rexon Plant Tucheng Plant	Taiwan Rexon Plant Tucheng Plant+Tucheng Plant

2026 (Verify 2025 in 2026)	2027 (Verify 2026 in 2027)
Taiwan Rexon Plant Tucheng Plant+Tucheng Plant+PTS	Taiwan Rexon Plant Tucheng Plant+Tucheng Plant+PTS+Tongxiang Rexon+Vietnam

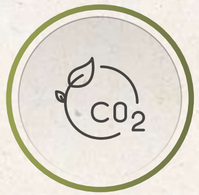
Rexon's Net-Zero Roadmap

In view of the intensifying impacts of climate change on the environment, society, and national development, more than 130 countries worldwide have committed to achieving net-zero emissions by 2050, demonstrating a shared commitment to addressing climate risks. The Company's net-zero roadmap is planned in accordance with international development trends and Taiwan's Pathway to Net-Zero Emissions in 2050. It covers greenhouse gas inventories, energy transition, and supply chain carbon reduction management, and establishes specific and measurable phased targets and action plans.
The Company has also established monitoring and disclosure mechanisms, strengthened communication and collaboration with stakeholders, and continues to review and refine its carbon reduction measures to steadily advance its net-zero transition.

		2023 (Low Carbon)	2030	2050 (Net Zero Emissions)
Process Improvement	Replacement of Outdated Equipment and Automation	Inventory and hotspot analysis of high-energy-consuming equipment by plant area	High-energy-consuming equipment replacement	
	Intelligent Energy Management	Evaluation of intelligent energy monitoring system + ISO5001	Implementation of ISO5001	Establishment of an intelligent energy monitoring system by plant area
	Enhancement of Production Efficiency	PDCA improvement activities to enhance production efficiency		
	Waste Reduction	Reduce scrap materials by 5% annually by Model		
Energy Transition	Installation of Solar Energy Systems	Installation of solar panels on rooftops	Integration into the internal power grid	
	Utilization of Green Energy	Use of green electricity by 15% of the factories in Taiwan	Evaluation of purchasing green energy certificates	Promotion of green energy usage to 15% of the Group
Circular Economy	Research and Development (R&D) and innovation	25% proportion of the sustainable product revenue	75% proportion of the sustainable product revenue	
		Improvement of design by switching to materials of low environmental impact and systematizing product carbon footprints		
	Sustainable Supply Chain	Establishment of a sustainable supply chain management policy	Promotion to the suppliers that account for 95% of the transaction amount in the previous year	

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Greenhouse Gas



Material Topics

Climate Change Management
(Greenhouse Gases)

Description of Positive Benefits
(Actual and Potential)

Actual positive:
1. We increase the proportion of green energy usage, reduce carbon footprint, promote energy self-sufficiency, improve corporate energy efficiency, reduce electricity consumption, and reduce carbon emissions. These initiatives support our commitment to ESG (environmental, social, and governance) sustainability and contribute to global environmental protection and sustainable use of resources.
2. When actively implementing carbon reduction measures, the Company can directly reduce the carbon footprint of products, but needs to make capital investment accordingly.

Description of Negative Benefits
(Actual and Potential)

Actual negative impacts:
In 2025, total greenhouse gas emissions amounted to 48,107.089 tCO_2e/year, contributing to climate change and impacting the environment of local communities.

Potential negative:
Rexon cannot effectively reduce electricity consumption, carbon emissions, and environmental impacts, without increasing the use of green energy in the factory area and adopting smart power consumption solutions.

Management Mechanisms/ Measures

The ESG Committee establishes SBTi-aligned reduction targets and reviews progress toward achieving these targets on a monthly basis.

Complaint/Communication Channels

Contact person: Sustainability Office.
Email: esg@rexon.com.tw.

2025 Action Plan Implementation Results

Action Plan

To comply with the disclosure schedule of greenhouse gas inventory information for TWSE/TPEx listed companies set forth under the "Sustainable Development Roadmap for TWSE/TPEx Listed Company" of the Financial Supervisory Commission, Rexon Industrial will complete the greenhouse gas inventory task within the specified schedule for the subsidiaries in the consolidated financial statements based on their operational style and significance.

Implementation Results

Rexon Industrial completed the greenhouse gas inventory for its Taiwan production bases (including the headquarters and its subsidiary, Rexon Technology) and obtained an ISO 14064-1 verification statement.

Achievement status of 2025 Goals

Goals

1. By July 2025, we will complete the greenhouse gas inventory and verification scope for Rexon Industrial and Rexon Technology, based on the year 2024.
2. Implement various energy reduction projects (Scope 1 and Scope 2).

Achievement Status

Goals achieved

1. In May 2025, Rexon Industrial and Rexon Technology completed the 2024 greenhouse gas inventory and verification, and obtained the SGS statement in August of the same year.
2. Total Scope 1 and Scope 2 emissions in 2024 amounted to 3,446.9972 tCO_2e, representing a decrease of 0.6% compared with 2023.

Short/Medium/ Long-term Goals

Short-Term Goals (2026-2027 years)

1. Complete the 2025 greenhouse gas inventory and verification scope for the parent company, Rexon Industrial, its subsidiary Rexon Technology, and P.T.S. in the United States by April 2026.
2. In 2026, revise the inventory coverage for Category 3.1 and 4.1 greenhouse gas emissions at Rexon Industrial's Dali Plant, which relate to emissions from transportation and products used by the organization. The coverage will be changed from 90% of production models to the top four raw materials by material usage in the product portfolio.
3. The subsidiary Tongxiang Rexon (China) is expected to complete its 2026 greenhouse gas inventory in January 2027 and complete verification in May 2027.

Medium-Term and Long-Term Goals (2028-2032years)

1. In 2028, Rexon Industrial's Dali Plant is expected to expand the inventory coverage for Category 3.1 and 4.1 greenhouse gas emissions relating to transportation and products used by the organization, from the top ten material suppliers by procurement amount to the top fifteen suppliers.
2. By the year 2030, Rexon Industrial Dali Plant aims to use 15% green energy.
3. In accordance with government policies and regulations, the plan is to achieve zero greenhouse gas emissions from all operational sites by 2050.

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Greenhouse Gas Emissions Management

1 Direct (Scope 1) Greenhouse Gas Emissions

Guided by its core strategy of sustainable operations and in alignment with the government's 2050 net-zero emissions policy, Rexon Industrial began early preparations for its 2021 greenhouse gas inventory in 2022, using 2023 as the base year to establish a systematic management mechanism.
The organizational boundary of the 2025 inventory covers the headquarters (Renhua Plant and Tucheng Plant) and subsidiaries, including Rexon Technology Corp. and P.T.S. (Power Tool Specialists Inc.). The voluntary greenhouse gas inventory is conducted in accordance with ISO 14064-1:2018 and covers seven types of greenhouse gases, including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3). Scope 1 emissions are primarily generated from fuel combustion by stationary equipment owned by Rexon, as well as process-related emission sources. Rexon continues to reduce direct emissions through equipment efficiency improvements, energy use optimization, and regular monitoring mechanisms.

2 Indirect (Scope 2) Greenhouse Gas Emissions

Scope 2 emissions mainly comprise indirect greenhouse gas emissions from purchased electricity. Rexon regularly consolidates electricity consumption data from its plant sites and improves energy efficiency through energy-saving projects, the replacement of aging equipment, and the introduction of high-efficiency equipment. In addition, Rexon incorporates energy management performance into each department's sustainability KPIs to ensure that carbon reduction measures are effectively implemented and that improvement results are reviewed annually.

3 Other Indirect (Scope 3) Greenhouse Gas Emissions

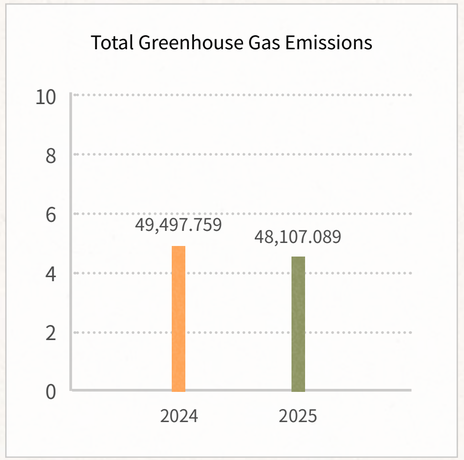
Scope 3 emissions cover greenhouse gas emissions from raw material procurement, supply chain activities, transportation and distribution, and other indirect operating activities. In 2025, as the product portfolio included in the inventory became more diversified, the process characteristics, raw material usage, and supplier structure of each product differed significantly, resulting in a slight increase in overall Scope 3 emissions compared with the previous year. This result indicates that the Company must continue to refine its product structure optimization and supply chain management strategies.

4 Total Greenhouse Gas Emissions and Emissions Intensity

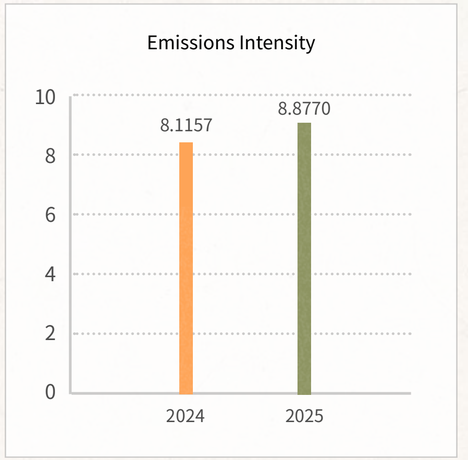
The 2025 internal inventory results show that total greenhouse gas emissions amounted to 48,107.089 tCO_2e/year. The relevant data will be subject to third-party verification in April 2026. Total emissions in 2025 were 48,107.089 tCO_2e/year, representing a decrease of 1,390.670 tCO_2e/year compared with total emissions of 49,497.759 tCO_2e/year in 2024, showing a slight downward trend. If measured by emission intensity (tCO_2e/NT$ million of revenue):

2023 emissions intensity (verified by a third party in 2024): 11.1574
2024 emissions intensity (verified by a third party in 2025): 8.1157
2025 emissions intensity (verified by a third party in 2026): 8.8770

In 2025, in addition to the impact of lower revenue, the inventory data of the U.S. subsidiary (P.T.S.) was also included, resulting in a slight increase in the Group's emissions intensity. Going forward, the Company will continue to improve operational efficiency, optimize its product portfolio, and adjust its supply chain structure, among other measures, to reduce carbon emissions per unit of output.



tCO_2e/year



tCO2e/NT$ million of revenue

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5 Greenhouse Gas Reduction Strategies and Continuous Improvement Mechanism

Rexon Industrial follows the spirit of the PDCA cycle management. Through institutionalized inventory procedures and data analysis, the Company has clearly established environmentally friendly targets such as "less pollution and lower energy consumption" while strengthening its product design and manufacturing advantages year by year. Key reduction measures include optimizing the product portfolio and supply chain structure, improving energy use efficiency and equipment performance, and other initiatives. Current energy management projects include compressed air pipeline leak prevention measures, upgrades to air-conditioning equipment and the installation of additional high-speed roll-up doors, the replacement of traditional lighting equipment with energy-saving LED tubes, process equipment optimization, and smart meter installation. Greenhouse gas emissions in 2025 decreased compared with the 2023 base year. Looking ahead, the Company will continue to deepen its greenhouse gas management mechanism, strengthen data quality and verification transparency, and steadily advance toward its net-zero emissions target, fulfilling its corporate responsibility for environmental sustainability.

6 Emissions of Ozone-Depleting Substances (ODS)

Rexon Industrial does not produce or use raw materials or process gases containing ozone-depleting substances (ODS) in its production, manufacturing, or operating processes.

7 Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Air Emissions

Purchased electricity is Rexon Industrial's primary energy source, and its production processes do not involve other operating procedures that generate significant air pollutants. Based on an assessment of each operating site, there were no nitrogen oxides (NOx), sulfur oxides (SOx), or other significant air emissions during the year, ensuring that the burden on ambient air quality in surrounding areas is minimized.

Year	2023			2024			2025		
Revenue (million NT dollars)	6,708			6,099			5,419		
Type	Total Emissions (tCO_2e)	Percentage (%)	Greenhouse Gas Emissions Intensity (tCO_2e/NT$ million)	Total Emissions (tCO_2e)	Percentage (%)	Greenhouse Gas Emissions Intensity (tCO_2e/NT$ million)	Total Emissions (tCO_2e)	Percentage (%)	Greenhouse Gas Emissions Intensity (tCO_2e/NT$ million)
Direct Greenhouse Gas Emissions									
Category 1 (Direct Emission)	426.1051	0.57%	0.0635	466.6378	0.94%	0.0765	357.4929	0.74%	0.0660
Indirect Greenhouse Gas Emissions									
Category 2 (Energy)	3,043.2969	4.07%	0.4537	2,980.3594	6.02%	0.4887	3,010.2721	6.26%	0.5555
Category 3 (Transportation)	925.9911	1.24%	0.1380	643,2330	1.30%	0.1055	505.4805	1.05%	0.0933
Category 4 (Product Used)	70,448.5887	94.13%	10.5022	45,407.5284	91.74%	7.4451	44,233.8431	91.95%	8.1623
Category 5 (Use of Products)	0.0000	0.00%	0.000	0.0000	0.00%	0.000	0.0000	0.00%	0.000
Category 6 (Other Sources)	0.0000	0.00%	0.000	0.0000	0.00%	0.000	0.0000	0.00%	0.000
Total Emissions	74,843.982	100.00%	11.1574	49,497.759	100%	8.1157	48,107.089	100%	8.8770

Note:
1. In 2023, the inventory scope covered only the Renhua Plant and Tucheng Plant of the Taiwan headquarters. Rexon Technology was included in 2024, and P.T.S. was included in 2025. Domestic and overseas sales sites and production sites will be included progressively in accordance with the future greenhouse gas management schedule.
2. The operational control approach is used to define the boundaries, and the calculation method adopts the emission factor approach.
3. Depending on the emission source, emission factors are converted using factors and data from sources including the Greenhouse Gas Emission Factor Management Table of the Ministry of Environment, Executive Yuan (Greenhouse Gas Emission Factor Calculation Table announced on February 5, 2024), the Product Carbon Footprint Information Network, Ecoinvent v3, mass balance calculations, the global warming potential (GWP) factors from the IPCC Sixth Assessment Report (2021), and ICAO flight carbon emissions. If the government publishes new factors in the future, the Company will adjust the selection of GWP factors in accordance with the requirements of the competent authorities. carbon emissions from flights based on ICAO data, are used for conversion. In the future, if the government announces new factors, we will comply with the regulations of government agencies and adjust the selection of GWP coefficients accordingly.
4. The electricity emission factor for the Taiwan headquarters is based on the electricity emission factor announced by the Energy Administration, which is 0.474 tCO_2e per thousand kWh (2024).
5. The greenhouse gas emission intensity is calculated as the annual greenhouse gas emissions divided by the net consolidated revenue for the year (in million dollars).

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4.3 Energy Management

Material Topics

Climate Change Management
(Energy Management)

Description of Positive Benefits (Actual and Potential)

Actual positive:
Improving energy efficiency, reducing energy consumption and emissions, minimizing environmental impacts, and lowering operating costs can also enhance corporate resilience and competitiveness, helping the Company respond to customer and international market requirements for low-carbon supply chains.

Description of Negative Benefits (Actual and Potential)

Potential negative:
Failure to manage energy use and emissions may result in increased greenhouse gas emissions, higher operating costs, exposure to carbon taxes or regulatory risks, and a loss of competitive advantage in meeting customers' low-carbon requirements.

Management Mechanisms/ Measures

1. Establish an energy management system and regularly inventory electricity, fuel, and other energy data.
2. Promote energy-saving projects, such as equipment improvements, lighting replacements, and production line optimization.
3. Set annual carbon reduction and energy-saving targets, and track improvement results.
4. Analyze greenhouse gas inventory results and propose reduction strategies.
5. Gradually introduce renewable energy and high-efficiency equipment.

Complaint/ Communication Channels

Contact: Biotechnology Section
Email: xiao.chen@rexon.com.tw

2025 Action Plan Implementation Results

Action Plan

1. Compressed air pipeline leakage prevention measures.
2. Upgrade of air-conditioning equipment and installation of additional high-speed roll-up doors.
3. Traditional lighting equipment was replaced with energy-saving LED lamps.
4. Solar green electricity installation.
5. Process equipment optimization.
6. Smart meter installation.

Implementation Results

1. A total of 93 compressed air pipeline leakage points were eliminated in the assembly and processing areas, reducing waste by 33% and lowering electricity consumption of the air compressor in Building E by 0.31%.
2. Replacement rate of air conditioners using R22 refrigerant in the factory area: 100% A total of 10 high-speed roll-up doors were installed to provide thermal insulation, keeping the indoor temperature difference below 5° C.
3. In 2025, a total of 684 LED tubes were replaced in the building, achieving a replacement rate of 100%.
4. In 2025, solar power generation was completed for Buildings C/D, with total green electricity generation reaching 1,882,132 kWh(solar power generation is expected to be converted to self-generation and self-consumption in 2036). Total electricity consumption of the plant in 2025: 6,161,152 kWh Green electricity accounted for 30.5% of the plant’ s electricity consumption.
5. Two plastic injection molding machines were replaced in April, saving 39,072 kWh annually. Energy-saving improvements were made to 15 production line packaging machines. Each machine saves 6.88 kWh per day, resulting in total annual savings of 27,245 kWh. Energy-saving improvements for water dispensers: 42 units in the building/plant were set to standby mode from 22:00 to 7:00. Each unit saves 2 kWh per day, resulting in total annual savings of 22,176 kWh.
6. In August 2025, additional smart meters were installed for air compressors, the high-voltage station, solar power, and Manufacturing Department I, achieving a completion rate of 100%.

Achievement status of 2025 Goals

Goals

1. Compressed air pipeline leakage prevention measures.
2. Upgrade of air-conditioning equipment and installation of additional high-speed roll-up doors.
3. Traditional lighting equipment was replaced with energy-saving LED lamps.
4. Solar green electricity installation.
5. Process equipment optimization.
6. Smart meters.

Achievement Status

1. Improvements were made to 93 compressed air pipeline leakage points, reducing electricity consumption of the air compressor in Building E by 0.31%.
2. The replacement rate for R22 refrigerant air-conditioning units in the plant reached 100%. A total of 10 high-speed roll-up doors were installed to provide thermal insulation, achieving an indoor temperature difference of less than 5° C.
3. The replacement of 684 LED tubes in the building was completed ahead of schedule in 2025, achieving a replacement rate of 100%.
4. In 2025, solar power generation was completed for Buildings C/D, with total green electricity generation reaching 1,882,132 kWh(solar power generation is expected to be converted to self-generation and self-consumption in 2036).
   Total electricity consumption of the plant in 2025: 6,161,152 kWh
   Green electricity at the plant reached 30.5%.
5. Two plastic injection molding machines were replaced, resulting in annual electricity savings of 39,072 kWh.
   Energy-saving improvements were completed for 15 production line packaging machines, resulting in annual electricity savings of 27,245 kWh.
   Energy-saving improvements were implemented for a total of 42 water dispensers in the building/plant, resulting in annual electricity savings of 22,176 kWh.
6. In 2025, additional smart meters were installed for the air compressors, the high-voltage station, the solar power system, and Manufacturing Department I, achieving a completion rate of 100%.

Short/Medium/ Long-term Goals

Short-Term Goals (2026-2027 years)

1. Introduce the first phase of the smart energy management system.
2. Achieve a 60% replacement rate for high-energy-consuming air-conditioning equipment.
3. Reduce air compressor energy consumption across the entire plant by 30% through compressed air pipeline leak repair and usage management.
4. Install welding gas throttle valves on fully automatic welding machines to reduce gas consumption by 30%.

Medium-Term and Long-Term Goals
(2028-2032years)

Mid-term goals (3-5 years) expected to be achieved by 2028

1. Achieve a 80% replacement rate of high-energy consumption air conditioning equipment on production lines.
2. Reduce air compressor energy consumption across the entire plant by 50%.
3. Achieve energy savings of 10% in processing and manufacturing processes.

Long-term Goals (5-10 years)

1. Achieve 30% green electricity use across the entire plant area by 2036.
2. Achieve 100% LED coverage across the entire plant area by 2030.
3. Achieve a 100% replacement rate for high-energy-consuming air-conditioning equipment on production lines by 2035.

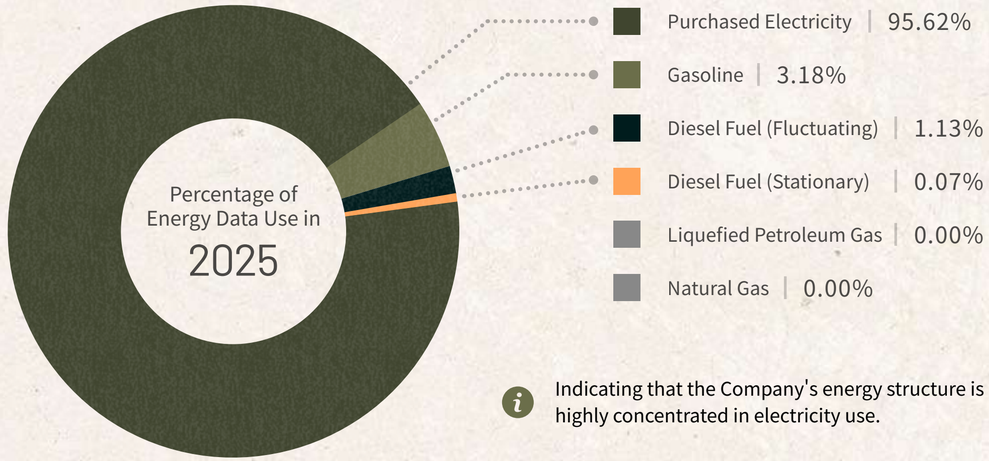
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Energy Consumption

In 2025, total energy consumption within the organization was 24,005.99 GJ, representing an increase of 294.42 GJ compared with 2024. The change in energy use was mainly attributable to a decrease in operating activities while certain fixed energy demands remained unchanged. In addition, following the inclusion of emissions data from the U.S. subsidiary, overall energy consumption increased slightly.

Energy Structure Analysis (2025)

Purchased Electricity	6,376 thousand kWh (22,954.63 GJ), accounting for 95.62% of total energy consumption.
Gasoline	23,403.30 liters (763.77 GJ), accounting for 3.18% of total energy consumption.
Other Energy Items	Other energy items accounted for approximately 1.20% in total



Indicating that the Company's energy structure is highly concentrated in electricity use.

Year	2023		2024		2025	
Item	Heat Energy Consumption (GJ)	Percentage	Heat Energy Consumption (GJ)	Percentage	Heat Energy Consumption (GJ)	Percentage
Purchased Electricity	22,177.87	95.65%	22,635.6	95.46%	22,954.63	95.62%
Diesel Fuel (Fluctuating)	258.56	1.12%	258.54	1.09%	270.68	1.13%
Liquefied Petroleum Gas	0.35	0.00%	0.36	0.00%	0.34	0.00%
Gasoline	748.28	3.23%	815.62	3.44%	763.77	3.18%
Diesel Fuel (Stationary)	2.11	0.01%	1.41	0.01%	16.87	0.07%
Natural Gas	0.00	0.00%	0.00	0.00%	0.00	0.00%
Total	23,187.17	100.00%	23,711.57	100.00%	24,006,28	100.00%
Revenue (million NT dollars)	6,708		6,099		5,419	
Energy Intensity (GJ/million of revenue)	3.4566		3.8878		4.4300	

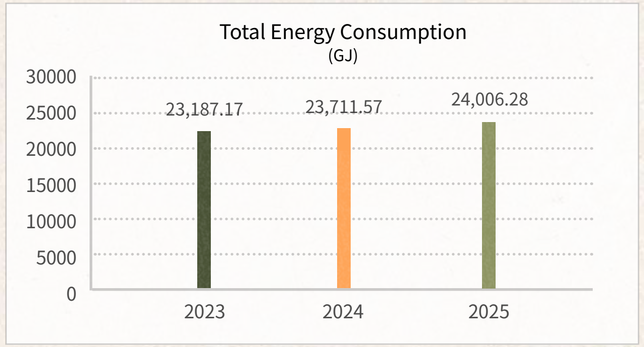
Note: 1. The source of the coefficient for purchased electricity, gasoline, and diesel fuel is the Energy Bureau of the Ministry of Economic Affairs, Energy Product Unit Heat Value Table.
2. The calorific value coefficient for liquefied petroleum gas is sourced from the Greenhouse Gas Emission Factor Management Table of the Ministry of Environment, Executive Yuan (Greenhouse Gas Emission Factor Calculation Table announced on February 5, 2024).
3. The conversion formula for heat value is: Original Usage Amount * Unit Conversion Coefficient * Heat Value Conversion Coefficient.
4. Only Tucheng Plant used natural gas in 2025.

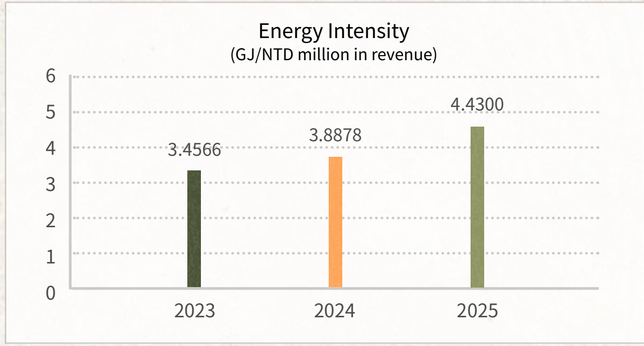
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Energy Intensity Analysis

In 2025, energy intensity was 4.4300 GJ/NTD million in revenue, up 0.5422 GJ/NTD million from 3.8877 GJ/NTD million in 2024.

The main reason was as follows: The machinery and equipment in the plant continued to operate on a fixed daily basis, and energy consumption did not change significantly compared with the previous year. As revenue declined, energy use intensity per unit of revenue increased.





Trend Analysis

2023 Base year • 2024 Purchased electricity accounted for 95.46% • 2025 Purchased electricity accounted for 95.62%

Total energy consumption	Total energy consumption increased slightly in 2025 compared with 2024, mainly because operating activities declined while fixed energy use remained unchanged.
Energy intensity	Energy intensity showed an upward trend, reflecting the impact of lower revenue on energy consumption per unit of revenue.
2026 Outlook	The Company will adopt active measures to conduct comprehensive assessments and implement action plans, including the introduction of energy-saving equipment, real-time monitoring of energy use data, and the adoption of renewable energy, with the aim of reducing energy intensity and continuously optimizing its energy structure. The Company remains committed to reducing energy consumption and achieving more efficient energy use. Since 2023, the Company has formulated a plan to complete the full transformation of its in-plant lighting system by 2030, achieving 100% LED coverage and reducing carbon emissions.

Energy-Saving Measures

To ensure the successful achievement of this goal, we have established the following implementation framework:

Phased Implementation Plan

From 2023 to 2030, lighting facilities in the Company's office buildings and plant areas will be gradually upgraded in phases.

Specialized Management Team

A dedicated energy management team has been established to oversee, execute, and evaluate performance of the plan.

Resource Allocation

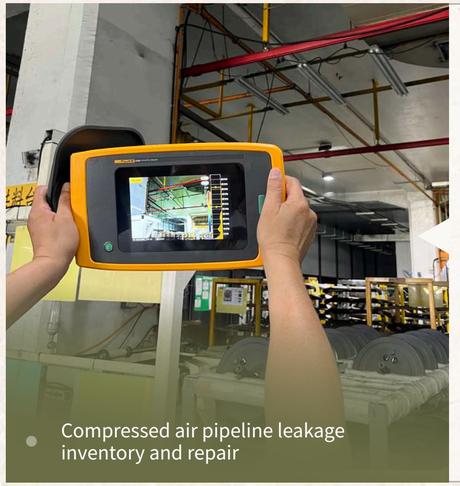
Allocate budget annually to support LED transformation, ensuring the adequacy of environment, equipment, and human resources.

Annual LED Tube Replacement Plan

LED coverage rate	Plants	Supporting building
2025	70%	100%
2026	76%	-
2027	82%	-
2028	88%	-
2029	94%	-
2030	100%	-

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Energy-Saving Improvement Activities of the Manufacturing Department



Compressed air pipeline leakage inventory and repair

Compressed air pipeline leakage prevention inspection

Energy Conservation Measures

Improvements were made to 93 compressed air pipeline leakage points, reducing electricity consumption of the air compressor in Building E by 0.31%.

Power Saving 13,482 kWh/year

Carbon Reduction 6.66 tCO_2e/year



Installation of high-speed roll-up doors in plant areas to prevent air-conditioning leakage and isolate external heat sources

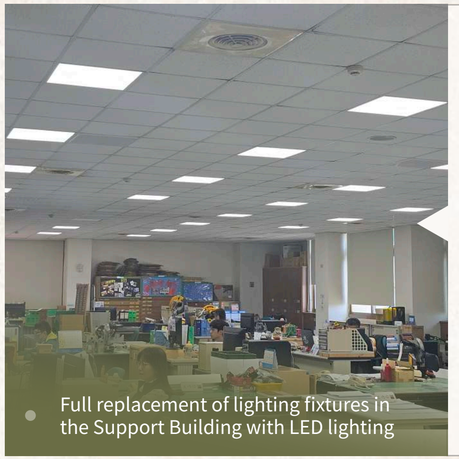
Upgrade of air-conditioning equipment and installation of additional high-speed roll-up doors

Energy Conservation Measures

The replacement rate for R22 refrigerant air-conditioning units in the plant reached 100%. A total of 10 high-speed roll-up doors were installed to provide thermal insulation, achieving an indoor temperature difference of less than 5° C.

Power Saving 85,518 kWh/year

Carbon Reduction 42.244 tCO_2e/year



Full replacement of lighting fixtures in the Support Building with LED lighting

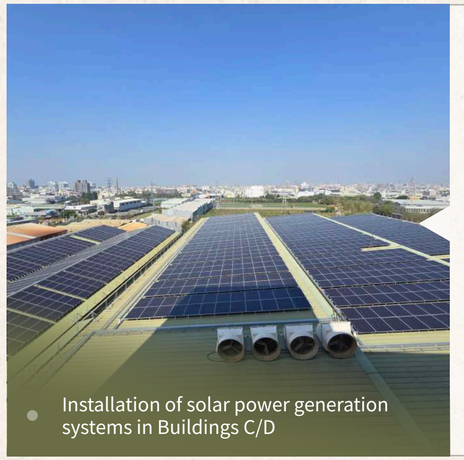
Replacement of traditional lighting with energy-saving LED tubes

Energy Conservation Measures

The Support Center completed the replacement of 684 LED tubes ahead of schedule in 2025, achieving a replacement rate of 100%.

Power Saving 13,023 kWh/year

Carbon Reduction 6.433 tCO_2e/year



Installation of solar power generation systems in Buildings C/D

Ongoing expansion of solar power systems

Energy Conservation Measures

Completion of Solar Power Generation System Installation in Buildings C/D (2025)

Power Saving 1,882,132 kWh/year

Carbon Reduction 929.773 tCO_2e/year

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Replacement of 400T and 500T injection molding machines



Establishment of an energy management system and smart meters

Process equipment optimization

Energy Conservation Measures

New 400-ton and 500-ton plastic injection molding machines were purchased to replace two existing high-energy-consuming injection molding machines.

Power Saving 39,072 kWh/year

Carbon Reduction 19.301 tCO_2e/year

Energy Conservation Measures

Energy-saving improvements were completed for 15 production line packaging machine conveyors, enabling automatic shutdown and standby mode to reduce electricity consumption.

Power Saving 27,245 kWh/year

Carbon Reduction 13.459 tCO_2e/year

Energy Conservation Measures

Energy-saving improvements were implemented for water dispensers, covering a total of 42 units in the office building and plant areas, resulting in annual electricity savings of 22,176 kWh.

Power Saving 22,176 kWh/year

Carbon Reduction 10.954 tCO_2e/year

Energy Saving Improvement Activities of the Factory:

The designed solar power generation capacity reached 1,941.89 kWh, and total solar power generation in 2025 amounted to 1,882,132 kWh.
The solar power currently generated is sold to Taiwan Power Company under a feed-in tariff arrangement and is expected to be converted to self-generation and self-consumption in 2036.

The Building B solar power system

The Building B solar power system was commissioned and began generating electricity in August 2019.

The solar energy in Building E

The solar energy in Building E was launched in November 2023 and power generation began.

The Building C and Building D solar power systems

The Building C and Building D solar power systems were commissioned and began generating electricity in June 2025.

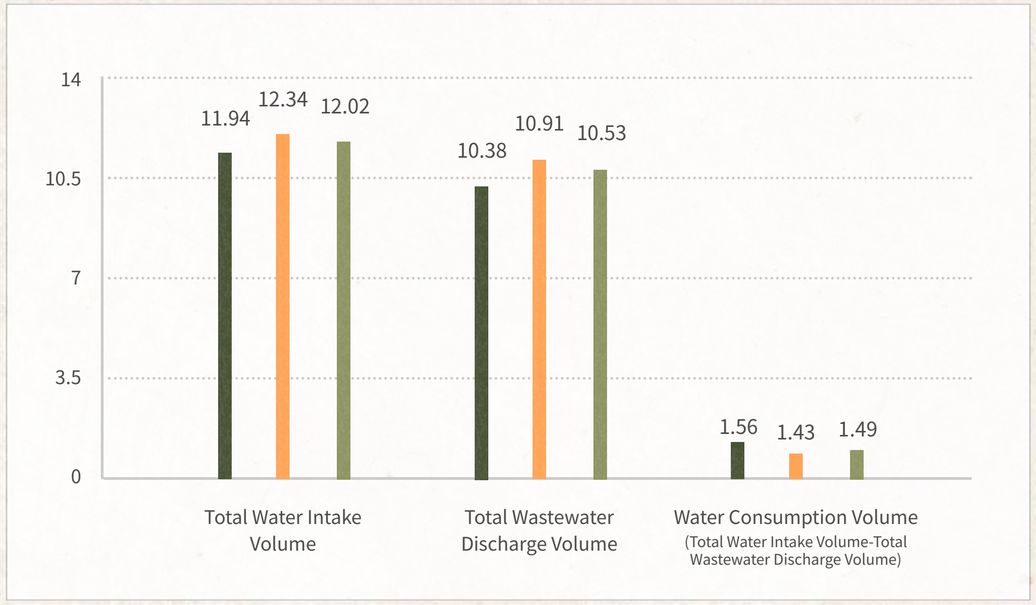
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4.4 Water Resource Management

Rexon is committed to responsible water resource management and complies with domestic and international regulations related to water pollution prevention and sustainable resource use to ensure that its operating activities do not impose a burden on the environment. The Company's water source is tap water supplied by Taiwan Water Corporation, originating from Liyutan Reservoir. As the plant does not have water storage or reuse systems, water withdrawal is equivalent to actual water use, which is mainly concentrated in employees' domestic use. The Company's manufacturing processes do not involve water-intensive operations and do not generate industrial wastewater. Domestic wastewater discharged from the plant is subject to long-term testing and management by a legally qualified third-party environmental monitoring agency, ensuring that discharged water meets the applicable standards before being discharged into local surface water bodies.

To understand water resource risks at its operating sites, the Company refers to the World Resources Institute (WRI) Aqueduct Water Risk Atlas to assess risks at its operating locations. The results show that Dali Industrial Park is classified as having low to medium water risk, indicating that Rexon currently does not cause significant or immediate negative impacts on the local water environment. In addition, based on an environmental sensitivity review, none of Rexon's operating sites are located near areas of high biodiversity conservation value, and their potential ecological impact is considered insignificant.





Year	Total Water Intake Volume	Total Wastewater Discharge Volume	Water Consumption Volume (Total Water Intake Volume-Total Wastewater Discharge Volume)
2023	11.94	10.38	1.56
2024	12.34	10.91	1.43
2025	12.02	10.53	1.49

Unit: million liters

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4.5 Waste Management

Rexon recognizes the potential environmental impacts of manufacturing activities, particularly the waste generated from metal processing, plastic applications, and paper-based packaging processes. To effectively reduce environmental impacts, the Company follows the management principles of the ISO 14001 environmental management system. Through systematic planning, implementation, review, and continuous improvement mechanisms, Rexon has established a comprehensive waste management system and incorporated waste reduction and proper disposal into its environmental objectives and day-to-day operational management.

In terms of source management for waste generation, Rexon follows the core principles of "source reduction, clear classification, and transparent waste flow." The Company begins with process design and equipment operating efficiency, optimizing material utilization and reducing the generation of offcuts and scraps. At the same time, by strengthening equipment maintenance and quality control, the Company reduces scrapping and waste caused by defective products. In packaging management, Rexon has gradually introduced recyclable materials and reusable packaging materials to improve packaging efficiency per unit and reduce the proportion of single-use materials, enabling waste to be effectively reduced at the source.



Waste generated within the plant is classified and managed based on its nature. Major categories include resource-based waste, such as metals, waste plastics, and waste paper cartons, as well as general industrial waste and a small amount of hazardous waste. All waste is classified and labeled in accordance with the Company's internal standard procedures and properly stored temporarily in designated areas. The Company regularly compiles statistics on the amount of each type of waste generated and analyzes generation trends and areas for improvement, using the results as a basis for continuously optimizing processes and waste reduction strategies.

In terms of treatment and waste flow management, Rexon prioritizes reuse and resource recycling. Metal waste is handed over to professional service providers for recycling and remelting, while plastics and paper are incorporated into recycling systems to increase the resource recovery rate and reduce the amount of final disposal. Waste that cannot be reused is subject to final disposal through methods such as incineration or heat treatment, depending on its nature.

To ensure that the treatment process is lawful, transparent, and traceable, the Company only engages legally qualified waste clearance and disposal service providers. It also tracks waste transportation routes and final destinations through GPS systems, confirming that the flow of waste is clear throughout the entire process and complies with regulatory requirements. At the same time, the Company regularly reviews clearance records and relevant supporting documents to reduce potential environmental risks and ensure that no pollution is caused to the external environment.

In addition to internal management, Rexon also extends the concept of waste reduction to the supply chain. The Company works with raw material and packaging suppliers to increase recycling rates and reduce the use of single-use materials, jointly strengthening resource circulation efficiency and building a more sustainable production model.

Overall, Rexon's waste management is centered on practical implementation. Through source reduction, proper classification, transparent clearance, and resource reuse, the Company fulfills the spirit of continuous improvement emphasized by ISO 14001. Going forward, the Company will continue to increase the recycling and reuse rate, optimize waste management performance, and steadily advance toward the goals of low-waste, circular, and sustainable manufacturing.



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Rexon Waste Management Process

Waste Generation
Recyclable waste and general/ industrial waste are generated from manufacturing processes and day-to-day operations.

Classification
Recyclable waste, general waste, and industrial waste are clearly separated to prevent mixing.

Temporary Storage
Waste is temporarily stored in designated areas based on its characteristics, with proper labeling and rainproof and leak-prevention measures in place.

Recycling
Recyclable materials are regularly collected and transported by qualified recycling service providers.

Treatment
Industrial waste is entrusted to legally qualified treatment service providers, with tracking through manifests throughout the entire process.

Recordkeeping
Waste clearance volumes and treatment methods are recorded and included in the annual environmental performance review.

Hazardous Waste

Waste composition	On-site		Off-site	
Item	Generation of waste (ton)	Disposal	Generation of waste (ton)	Disposal
-	-	-	-	-

Non-Hazardous Waste

Waste composition	On-site		Off-site	
Item	Generation of waste (ton)	Disposal	Generation of waste (ton)	Disposal
Municipal solid waste generated by employees (H-0002)	9.6	Commissioned disposal	9.6	Incineration treatment
Plastic waste (R-0201)	1.32	Waste that does not need to be cleared	1.32	In-plant reuse
Mixed oil waste (D-1799)	0.8	Commissioned disposal	0.8	Physical treatment
Scrap iron (R-1301)	55.32	Commissioned disposal	55.32	General business waste subject to reuse
Aluminum scrap (R-1304)	1.06	Commissioned disposal	1.06	General business waste subject to reuse
Resin waste (D-0202)	0.01	Commissioned disposal	0.01	Heat treatment
Mixed plastic waste (D-0299)	0.2	Commissioned disposal	0.2	Incineration treatment
Mixed paper waste (D-0699)	0.4	Commissioned disposal	0.4	Incineration treatment

Note: 1. Please refer to "Waste Cleaning Plan" (classification categories A/B/C/D/E/R, etc.) when completing in the waste composition section.
2. Waste weight is measured monthly in metric tons (t).
3. Types of recovery operations: include preparation for reuse, recycling, and other recovery operations.
4. Types of recycling operations: include downcycling, upcycling, composting, or anaerobic digestion.
5. Other recovery operations: include repurposing or refurbishment.
6. Types of disposal operations include incineration (with energy recovery), incineration (without energy recovery), landfilling, and other disposal operations.
7. The organization can specify other disposal operations, such as dumping, open burning, or deep well injection.
8. "Onsite" means within the physical boundary or administrative control of the reporting organization, and "offsite" means outside the physical boundary or administrative control of the reporting organization.

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4.6 Ecological and Biodiversity Management (TNFD)

All of Rexon's production and service operating sites are primarily located in urban and township areas and are not adjacent to protected areas or areas of high biodiversity value. Therefore, the impact of its operating activities on biodiversity is not significant. In response to the strong international focus on biodiversity conservation and no-deforestation issues, and in support of the United Nations Sustainable Development Goal SDG 15, "Life on Land" (to conserve and sustainably use terrestrial ecosystems, ensure biodiversity, and prevent land degradation), as well as to meet the requirements of Item E-14 of the 2026 ESG Evaluation, which asks whether the Company has established and disclosed a biodiversity policy or commitment and described its implementation, the Company recognizes the growing importance of ecology and biodiversity management (TNFD) in sustainable development. Accordingly, in December 2025, the Company drafted the "Biodiversity and No-Deforestation Commitment of Rexon Industrial Corp., Ltd.," which was approved by the Board of Directors in February 2026. The core focus of the commitment covers not only the Company's own operations but also extends to supply chain management. It clearly states that the Company will work together with its supply chain partners to avoid biodiversity loss and deforestation, and ensure compliance with the applicable regulatory requirements.

Rexon Industrial Corp., Ltd.

Biodiversity and No-Deforestation Commitment

Rexon Industrial firmly believes that protecting biodiversity and conserving forests are essential to achieving sustainable development. As part of its environmental sustainability efforts, the Company not only actively implements energy-saving and carbon-reduction measures to mitigate climate change but also recognizes ecosystem and biodiversity conservation as key actions for advancing environmental sustainability. Beyond its own operations, the Company is committed to working with suppliers across its value chain and encouraging business partners to support biodiversity and forest conservation by taking actions that give due consideration to ecosystems, biodiversity, and forest conservation. Through these efforts, the Company seeks to contribute to environmental and social well-being and advance the United Nations Sustainable Development Goal (SDG) 15, "Life on Land," which calls for protecting, restoring, and promoting the sustainable use of terrestrial ecosystems, sustainably managing forests, combating desertification, halting and reversing land degradation, and halting biodiversity loss.

Corporate Commitments

- The Company's own operations and supply chain shall comply with the applicable international laws and regulations and those of the jurisdictions in which they operate, and shall avoid establishing operating sites or facilities within or adjacent to areas of global or national importance for biodiversity.
- The Company's own operations and supply chain partners shall avoid operational activities that damage or adversely affect protected forests and species.
- Where the Company's own operations are located near key biodiversity areas or involve changes in land use, including the construction of new facilities, adjustments to land allocation and use within existing facilities, or the use of vacant land, the Company shall assess the potential loss of ecological value and strive to achieve its biodiversity-related goals through afforestation or other restoration actions.
- Actively support biodiversity conservation initiatives.
- Promote awareness of biodiversity conservation, deforestation prevention, and forest conservation among internal and external stakeholders, including employees, shareholders, customers, business partners, and supply chain partners, thereby enhancing their awareness of environmental and ecological protection.
- Work with supply chain partners and external stakeholders to support biodiversity conservation, forest conservation, and ecological protection.
- Require supply chain partners to comply with this commitment through the "Supplier Code of Conduct."
- The Company shall not knowingly procure from suppliers that contribute to biodiversity loss or deforestation, or that violate the applicable laws and regulations.

This Biodiversity and No-Deforestation Commitment shall take effect upon approval by the Sustainability Development Committee and subsequent reporting to the Board. The same procedure shall apply to any amendments.

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4.7 Plant Environment Management

Rexon continues to improve the environmental quality surrounding its plant sites. Through regular monitoring, equipment maintenance, and environmental improvement projects, the Company reduces the impact of production activities on air quality, noise levels, and surrounding communities. All environmental factors are continuously tracked by professional testing agencies, and improvement measures are implemented immediately when necessary to ensure that the plant maintains a sound and safe environmental condition.

Regular Monitoring of the Operating Environment

Rexon engages qualified third parties each year to conduct noise testing, primarily to assess the impact of noise generated during plant operations on the external environment. The testing results over the past three years have all remained within the limits permitted by the applicable regulations, indicating that the plant has maintained good environmental quality.

Air Pollution Source Reduction

- Production equipment is maintained regularly to reduce exhaust emissions.
- Ventilation and local exhaust systems are installed in dust-generating areas to reduce fugitive dust emissions and the risk of worker exposure.
- Additional ventilation and airflow guidance facilities are installed in areas prone to odor generation to reduce odor disturbance inside and outside the plant.

Year	Pollution Source (Process)	Reporting Month	Emissions (kg/quarter)	Standard
2023	Volatile Organic Compounds	January	27.23	Compliant
		April	26.76	
		July	37.41	
		October	55.41	
		Total Annual Emissions	146.81	
2024	Volatile Organic Compounds	January	72.7	Compliant
		April	71.75	
		July	54.94	
		October	48.78	
		Total Annual Emissions	248.17	
2025	Volatile Organic Compounds	January	65.71	Compliant
		April	76.79	
		July	79.33	
		October	95.19	
		Total Annual Emissions	317.02	
Description	Emissions are below the fee collection threshold; therefore, no payment is required. However, reporting is still required.			

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Noise Control and Improvement

- Noise hotspot inspections are conducted each year to identify equipment or operating areas that may generate high noise levels.
- Improvements are implemented based on the monitoring results, such as installing soundproof walls or adjusting equipment locations, to reduce the impact of noise on the surrounding environment.

Year	Monitoring Point	Actual Monitoring Data			Regulatory Standard (Category 2 Noise Control Zone)			Unit: dB(A)
		Daytime Value	Evening Value	Nighttime Value	Daytime Value	Evening Value	Nighttime Value	Result
2023	Rear entrance/exit of the Precision Manufacturing Building	55.1	49.9	44.7	60	55	50	Compliant
	Material Section I	63.2	59.5	53.0				Non-compliant
	End of Lane 209 outside the Company	56.2	52.0	46.5				Compliant
2024	Rear entrance/exit of the Precision Manufacturing Building	56.2	49.9	45.2				Compliant
	Smoking area of Materials Section I	61.8	57.1	46.0				Non-compliant
	End of Lane 209 outside the Company	54.8	49.8	46.0				Compliant
2025	Rear entrance/exit of the Precision Manufacturing Building	54.9	50.7	45.4				Compliant
	Pallet receiving area near the Precision Manufacturing Building	55.5	49.7	44.8				Compliant
	Area near the maintenance office of the Precision Manufacturing Building	62.8	62.0	60.2				Non-compliant

Description of Abnormal Noise Monitoring Results

Most of the Company's annual noise monitoring results complied with regulatory standards, while a small number of monitoring points showed temporary exceedances. Based on the analysis, the exceedances were mainly attributable to traffic noise caused by building structure reflections, echoes in lanes, or temporary vehicle movements. These were short-term and non-continuous factors, and were not caused by in-plant equipment or production processes.

Improvements and Response Measures

- Adjust operating hours: Avoid operations that may generate noise during evening and nighttime periods.
- Improve the site environment: Evaluate the installation of sound-absorbing or soundproofing facilities in areas with stronger echoes.
- Manage vehicle access: Require contractors to reduce idling and high-noise behavior.
- Continue monitoring and tracking: Regularly review trends and implement necessary improvements based on the results.

Chemical Substance Use Safety

- Establish a chemical inventory to properly manage the procurement, storage, use, and disposal processes.
- Set up and plan hazardous chemical storage areas with exhaust or ventilation facilities to ensure safe chemical handling and prevent unauthorized personnel from accessing or using chemicals.

Maintenance of Plant Rainwater Discharge Facilities

- Drainage ditches are installed within the plant and are regularly cleared and dredged to ensure smooth drainage during heavy rainfall and prevent water accumulation.
- Rainwater discharge outlets are inspected regularly to prevent waste or oil contamination from entering external water bodies.

Through multi-faceted measures covering air quality, noise, and chemical management, Rexon continues to optimize plant environmental management. Through equipment maintenance, environmental monitoring, and engineering improvements, the impact of operating activities on the surrounding environment has been reduced year by year. Rexon will continue to promote improvements in environmental quality.

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5.1 Human Rights Management



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Human Rights



Description of Positive Benefits
(Actual and Potential)

The Company places great importance on human rights issues and complies with international standards such as the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the International Labour Conventions. The Company implements the principles of respect and equality, and ensures that all employees are treated fairly at every stage, including recruitment, appointment, training, performance evaluation, and promotion. Through the promotion of diversity and inclusion, gender equality, anti-discrimination education and training, workplace harassment prevention, and employee care programs, the Company is committed to creating a safe and friendly workplace, strengthening employees' sense of belonging, organizational cohesion, and overall workplace resilience.



Description of Negative Benefits
(Actual and Potential)

The Company currently entrusts the recruitment of foreign migrant workers to recruitment agencies, and certain fees are still borne by the migrant workers themselves. As a result, the current practice has not yet fully met the highest standard of "zero recruitment fees for migrant workers" required by certain international customers or social responsibility audits, such as the RBA. Nevertheless, the Company complies with the relevant laws and regulations in Taiwan and regularly reviews recruitment agency contracts and hiring procedures to ensure that the process is lawful and transparent while preventing improper fees or unfair treatment. This issue may be identified as an improvement item in customer CSR audits. The Company continues to monitor the policy directions of the competent authorities and, within the scope of institutional feasibility, gradually reviews and plans more worker-friendly recruitment models, continuing to move toward alignment with international human rights trends.



Management Mechanisms/ Measures

I. Recruitment and Hiring

1. Implement the principle of fair employment and strictly prohibit any form of discrimination or differential treatment.
2. Strictly prohibit the use of child labor.
3. Determine salaries based on objective factors such as the competencies, education, experience, and market salary levels required for each position. The starting salary for all positions is higher than the minimum wage.

II. Employment and Onboarding

1. Incorporate human rights, equality, and workplace ethics courses into orientation training to raise employees' awareness of workplace respect and safety.
2. Explain employees' rights regarding union and club activities, and protect employees' right to participate voluntarily.
3. Provide Thai-language work rules to help foreign employees understand the Company's systems.
4. Prepare salary statement comparison tables in the employees' native language (Thai) to ensure that migrant workers clearly understand the salary structure.

III. Employment and Day-to-Day Management

1. Continue to promote human rights education and training to enhance employees' knowledge and awareness.
2. Regularly convene labor-management meetings and Gender Equality Committee meetings to strengthen labor relations and gender equality governance.
3. Organize cross-cultural activities to promote exchange and inclusion among employees from different groups.
4. Monitor working hours and adjust shift schedules to ensure reasonable working hours and respect employees' willingness.
5. Provide the necessary care resources and friendly measures for employees during pregnancy and childbirth.
6. Establish an occupational safety and health management system in accordance with ISO 45001 to reduce occupational accident risks and protect employees' safety and health.
7. Continuously review and improve the Company's management mechanisms for human rights and labor conditions through external recommendations from customer social responsibility audits.



Complaint/ Communication Channels

1. Direct communication and response between employees and managers
2. Education and training platform of Rexon Academy
3. EAPs hotline
4. Company's hotline
5. Company's "Whisper Zone" (Chinese / Thai)
6. Suggestion boxes (Chinese / Thai)
7. Labor-management meetings
8. Gender Equality Committee
9. Rexon Labor Union meetings
10. Employee satisfaction surveys

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2025 Action Plan Implementation Results

Action Plan

1. Promote human rights-related courses
2. Organize a Songkran Festival event for migrant workers
3. Prohibit the use of child labor
4. Add Thai-language work rules
5. Enhance system transparency — the signing of labor contracts
6. RBA human rights topic training and planning for system implementation
7. Customer social responsibility audits

Implementation Results

1. As of December 2025, a total of 12 digital courses had been offered, with 1,193 cumulative participations.
2. On April 11, 2025, a Songkran Festival event was held, with a total of 70 migrant workers, Taiwanese supervisors, and colleagues participating.
3. There were no records of child labor employment in 2025.
4. Thai-language work rules were provided to help migrant workers understand the Company's systems and their rights.
5. The labor contract signing rate for all employees reached 99%, and the related briefing sessions were completed.
6. External consultants were invited to explain system content and operating procedures.
7. Three audits were completed in 2025, with no major deficiencies identified.

Achievement status of 2025 Goals

Goals

1. Promote human rights-related courses
2. Organize one cross-cultural event
3. Prohibit the use of child labor
4. Add Thai-language work rules
5. Enhance system transparency — the signing of labor contracts
6. RBA human rights topic training and planning for system implementation
7. Customer social responsibility audits

Achievement Status

Goals achieved

1. Implemented, with 12 cumulative courses and 1,193 cumulative participations.
2. Completed the 2025 Songkran Festival event.
3. Achieved, with no violations identified.
4. Announced and explained to migrant workers during briefing sessions.
5. The signing rate for all employees reached 99%.
6. Completed the training and launched internal planning.
7. All three audits were completed with no major deficiencies identified.

Short/Medium/ Long-term Goals

Short-Term Goals (2026-2027 years)

1. Establish a human rights management system framework for the Company, with clearly defined human rights policies and operating procedures.
2. Continue to promote human rights education and awareness courses.
3. Complete the feasibility assessment, self-assessment, and implementation planning for the RBA adoption.
4. Apply for external verification related to international human rights standards.
5 Establish an initial supplier human rights risk inventory and principles for collaborative audits.

Medium-Term and Long-Term Goals (2028-2032years)

1. Introduce a human rights due diligence system and extend it to the supply chain management.
2. Establish an annual audit and external review system benchmarked against the RBA standards.
3. Shape a safe, inclusive, and diverse workplace culture that is fully aligned with international human rights and social responsibility standards.

To fulfill its commitment to sustainable corporate operations and protect the fundamental human rights of stakeholders, Rexon follows the human rights principles set out in the Universal Declaration of Human Rights and continues to promote gender equality and friendly workplace measures. The Company convenes Gender Equality Committee meetings on a quarterly basis, has established a comprehensive workplace sexual harassment prevention system and grievance mechanism, and announces relevant gender equality policies through multiple channels, fostering an equal, respectful, and friendly work environment from within the organization.

To further provide a safe and secure work environment, Rexon has established the “Statement on the Prevention of Unlawful Infringement in the Workplace” and set up a confidential grievance section, grievance hotline, and dedicated mailbox, which are handled by the Human Resources Department. To protect the rights and interests of the parties involved, all cases are investigated and handled by the Sexual Harassment Grievance Handling Committee under the principle of confidentiality. The Company also stipulates that female members must account for more than one-half of the Gender Equality Committee to ensure gender representation and protect women's rights and interests.

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- Rexon regularly convenes Gender Equality Committee meetings, with a total of four meetings held in 2025.
- In 2025, Rexon accepted a total of four workplace sexual harassment complaints. All cases were investigated in accordance with relevant regulations and reported to the Gender Equality Committee, with follow-up actions handled in accordance with the reward and disciplinary management regulations.
- All Rexon security personnel are formal employees of the Company, and no external security personnel are engaged. To ensure that security personnel have a clearer understanding of work systems and duties, Rexon arranged various training courses in 2025, including gender equality, counter-terrorism education and training, first aid, access control, and container and cargo security. Each person received a total of 2 hours of training. Managers conduct ad hoc supervision and regular evaluation to ensure compliance with regulations.
- Rexon and Rexon Technology both grant one day of leave for Indigenous Peoples' ceremonial festivals. In 2025, three Rexon employees applied for ceremonial festival leave, and there were no incidents involving violations of Indigenous Peoples' rights.
- The Company holds a Songkran Festival event for migrant workers every year, where department supervisors and all migrant workers gather together to help relieve migrant workers' homesickness and work-related stress.
- In 2025, there were no cases of child labor employment and no incidents of forced labor.
- In 2025, a total of 12 human rights education and training courses were conducted, with 1,193 cumulative participations.
- To protect employees' rights and strengthen labor law compliance, the Company completed the signing of labor contracts for all employees by the end of 2025, achieving a signing rate of 99%. Considering that the Company employs foreign employees, Rexon also added Thai-language work rules in 2025 to ensure information equality and barrier-free communication, enabling employees whose native language is Thai to fully understand the Company's systems and their own rights and interests.
- In response to the strong focus on human rights issues across global supply chains, the Company launched an upgrade of its human rights system at the end of 2025. Professional consultants were invited to provide special briefings and suitability assessments on international human rights standards and social responsibility standards. The Company also reviewed the gaps between its current systems and international standards, and is gradually building a management system that meets the requirements of international customers. This initiative was not undertaken in response to the requirements of any single customer. Rather, it reflects the Company's long-term sustainable development strategy and its proactive efforts to establish a human rights management system aligned with international standards, demonstrating the Company's active commitment to social responsibility.



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5.2 Employment and Retention

Rexon promotes open and transparent talent recruitment in accordance with the law, implements the principles of employment equality and non-discrimination, and strictly prohibits forced labor. The Company is committed to building a sustainable workplace that respects human rights and employee dignity. In response to industrial technology upgrades and demographic changes, the Company actively addresses the challenges of an aging society. In 2025, the Company hired15 new middle-aged and older employees, accounting for 9.6% of total new hires for the year. As Rexon continues to deepen its age diversity and inclusion policies, the Company was recognized in Business Weekly's 2025 Top 100 Age-Friendly Enterprises, reflecting external professional recognition of its efforts in utilizing middle-aged and older talent and promoting intergenerational inclusion management.

Region	Category / Gender	Female						Male						Total
	Contract Type	Permanent Employment (Non-Fixed-Term Contract)			Temporary Employment (Fixed-Term Contract)			Permanent Employment (Non-Fixed-Term Contract)			Temporary Employment (Fixed-Term Contract)			
	Age	Below 30	30-50	Above 51	Below 30	30-50	Above 51	Below 30	30-50	Above 51	Below 30	30-50	Above 51	
Taiwan	Full-time	40	141	80	0	0	0	84	281	111	0	0	0	737
	Part-time	0	0	0	0	0	0	1	0	0	0	0	0	1
	Total	40	141	80	0	0	0	85	281	111	0	0	0	738
United States	Full-time	0	1	2	0	0	0	0	2	1	0	0	0	6
	Part-time	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	1	2	0	0	0	0	2	1	0	0	0	6

1. Employee headcount statistics are based on the number of active employees recorded in the Human Resources system as of December 31, 2025.
2. This table excludes directors who are not employed by the Company.
3. Statutory working hours are calculated based on 8 hours per day.
4.Statistics as of the end of December 2025:
(1) As of the end of December 2025, there was 1 part-time employee. The highest number during the reporting period was 52, mainly due to the hiring of part-time employees in the first quarter in response to a significant increase in orders.
(2) There were 93 dispatched employees. The highest number during the reporting period was 181, mainly due to the hiring of dispatched employees in the third and fourth quarters in response to a significant increase in orders.

Number of Non-Employee Workers Engaged in 2025						
Region	Gender / Type	Outsource	Dispatched	Contracted	Consultants	Others
Taiwan	Male	0	65	0	6	0
	Female	0	28	0	1	0
	Work Type	-	On-Site Manufacturin	-	Consulting	-
United States	Male	0	0	0	0	0
	Female	0	0	0	0	0
	Work Type	-	-	-	-	-

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Resignations and New Hires

1 New Employee Hire Rate

Note:
1. New hire rate (%) = [Number of new hires in the category during the year (A) / Total number of employees in the category (B)] x 100.
2. The number of the employees who are dismissed as a result of resignation is not deducted from the number of new employees.
3. PTS in the United States had no new hires in 2025.

Region	Taiwan												United States											
Year	2024						2025						2024						2025					
Gender	Male			Female			Male			Female			Male			Female			Male			Female		
Age	Number of Newly Hired Employees (A)	Total Number (B)	New Hire Rate (%)	Number of Newly Hired Employees (A)	Total Number (B)	New Hire Rate (%)	Number of Newly Hired Employees (A)	Total Number (B)	New Hire Rate (%)	Number of Newly Hired Employees (A)	Total Number (B)	New Hire Rate (%)	Number of Newly Hired Employees (A)	Total Number (B)	New Hire Rate (%)	Number of Newly Hired Employees (A)	Total Number (B)	New Hire Rate (%)	Number of Newly Hired Employees (A)	Total Number (B)	New Hire Rate (%)	Number of Newly Hired Employees (A)	Total Number (B)	New Hire Rate (%)
Below 30	51	106	48.11%	29	38	76.32%	71	85	83.53%	31	40	77.50%	0	0	0	0	0	0	0	0	0	0	0	0
30-50	51	289	17.65%	22	157	14.01%	51	281	18.15%	20	141	14.18%	0	2	100.00%	0	1	0.00%	0	2	0.00%	0	1	0.00%
Above 51	5	105	4.76%	0	72	0.00%	3	111	2.70%	4	80	5.00%	0	1	0.00%	0	3	0.00%	0	1	0.00%	0	2	50.00%
Summary	Total Number of Newly Hired Employees: 158			Total Number of Employees: 767			Overall New Hire Rate (%): 20.60%			Total Number of Newly Hired Employees: 180			Total Number of Employees: 738			Overall New Hire Rate (%): 24.39%			Total Number of Newly Hired Employees: 0			Total Number of Employees: 7		
	Overall New Hire Rate (%): 0.00%			Total Number of Newly Hired Employees: 0			Total Number of Employees: 6			Overall New Hire Rate (%): 0.00%													

2 Employee Turnover Rate

Note:
1. Resignation Rate (%) = [Number of Resignations in the Category (A) / Total Number of Employees in the Category (B)] x 100
2. The number of resignations includes those who are dismissed voluntarily or involuntarily, retired, or died on the job.

Region	Taiwan												United States											
Year	2024						2025						2024						2025					
Gender	Male			Female			Male			Female			Male			Female			Male			Female		
Age	Number of Registrations (A)	Total Number (B)	Resignation Rate (%)	Number of Registrations (A)	Total Number (B)	Resignation Rate (%)	Number of Registrations (A)	Total Number (B)	Resignation Rate (%)	Number of Registrations (A)	Total Number (B)	Resignation Rate (%)	Number of Registrations (A)	Total Number (B)	Resignation Rate (%)	Number of Registrations (A)	Total Number (B)	Resignation Rate (%)	Number of Registrations (A)	Total Number (B)	Resignation Rate (%)	Number of Registrations (A)	Total Number (B)	Resignation Rate (%)
Below 30	92	106	86.79%	44	38	115.79%	86	85	101.18%	28	40	70.00%	0	0	0	0	0	0	0	0	0	0	0	0
30-50	79	289	27.34%	58	157	36.94%	52	281	18.51%	31	141	21.99%	2	2	100.00%	0	1	0.00%	0	2	0.00%	0	1	0.00%
Above 51	18	105	17.14%	12	72	16.67%	9	111	8.11%	3	80	3.75%	0	1	0.00%	0	3	0.00%	0	1	0.00%	1	2	50.00%
Summary	Total Number of Resignations: 330			Total Number of Employees: 767			Overall Resignation Rate (%): 39.50%			Total Number of Resignations: 209			Total Number of Employees: 738			Overall Resignation Rate (%): 28.32%			Total Number of Resignations: 2			Total Number of Employees: 7		
	Overall Resignation Rate (%): 28.57%			Total Number of Resignations: 1			Total Number of Employees: 6			Overall Resignation Rate (%): 16.67%													

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Comparison of the Number of Employees by Category

Note: 1. Percentage of employees in each category subject to different multiple indicators = Number of employees in each category subject to different multiple indicators in the current year/total number of employees in each category in the current year x 100.
2. The business locations of both Rexon and Rexon Technology are all situated in Taiwan.

Region		Taiwan				United States			
Year		2024		2025		2024		2025	
Item / Multiple Indicators		Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage
Senior Executives	Foreign Employee	1	7.14%	1	6.67%	0	0%	0	0%
	Disabled	0	0.00%	0	0.00%	0	0%	0	0%
	Indigenous People/Ethnic Minorities	0	0.00%	0	0.00%	0	0%	0	0%
	Local employees in Taiwan	13	92.86%	14	93.33%	1	100%	1	100%
Mid-level and Front-line Supervisors	Foreign Employee	1	0.95%	1	0.92%	0	0%	0	0%
	Disabled	0	0.00%	0	0.00%	0	0%	0	0%
	Indigenous People/Ethnic Minorities	0	0.00%	0	0.00%	0	0%	0	0%
	Local employees in Taiwan	104	99.05%	108	99.08%	4	100%	4	100%
General Staff	Foreign Employee	88	13.58%	78	12.70%	0	0%	0	0%
	Disabled	14	2.16%	13	2.12%	0	0%	0	0%
	Indigenous People/Ethnic Minorities	4	0.62%	4	0.65%	0	0%	0	0%
	Local employees in Taiwan	542	83.64%	519	84.53%	2	100%	1	100%

Distribution or Employees by Grade

Region			Taiwan				United States			
Year			2024		2025		2024		2025	
Category / Gender		Age	Number of Shareholders	Percentage	Number of Shareholders	Percentage	Number of Shareholders	Percentage	Number of Shareholders	Percentage
Senior Executives	Male	Below 30	0	0%	0	0%	0	0%	0	0%
		30-50	6	2%	6	2%	0	0%	0	0%
		Above 51	6	6%	7	6%	1	100%	1	100%
	Female	Below 30	0	0%	0	0%	0	0%	0	0%
		30-50	0	0%	0	0%	0	0%	0	0%
		Above 51	2	3%	2	3%	0	0%	0	0%
Subtotal			14	2%	15	2%	1	14%	1	17%

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Region			Taiwan				United States			
Year			2024		2025		2024		2025	
Category / Gender		Age	Number of Shareholders	Percentage	Number of Shareholders	Percentage	Number of Shareholders	Percentage	Number of Shareholders	Percentage
Mid-level and Front-line Supervisors	Male	Below 30	9	8%	9	11%	0	0%	0	0%
		30-50	54	19%	54	19%	2	100%	2	100%
		Above 51	23	22%	25	23%	0	0%	0	0%
	Female	Below 30	1	3%	2	5%	0	0%	0	0%
		30-50	10	6%	10	7%	1	100%	1	100%
		Above 51	8	11%	9	11%	1	33%	1	50%
Subtotal			105	14%	109	15%	4	57%	4	66%
General Staff	Male	Below 30	97	92%	76	89%	0	0%	0	0%
		30-50	229	79%	221	79%	0	0%	0	0%
		Above 51	76	72%	79	71%	0	0%	0	0%
	Female	Below 30	37	97%	38	95%	0	0%	0	0%
		30-50	147	94%	131	93%	0	0%	0	0%
		Above 51	62	86%	69	86%	2	67%	1	50%
Subtotal			648	84%	614	83%	2	29%	1	17%
Total			767	100%	738	100%	7	100%	6	100%

Remuneration Policy

The Company adheres to the principle of fair remuneration and does not discriminate against employees based on religion, gender, race, or political affiliation. The remuneration is determined based on the nature of the work, education background and experience, professional skills, and workload. We provide remuneration that is competitive in the market. The Company also complies with the applicable local laws and regulations on gender equality to ensure equal pay for equal work regardless of gender. In 2024, the starting salary for entry-level domestic employees of Rexon Industrial was 1.04 times the minimum wage under the Labor Standards Act, and it increased to 1.05 times the minimum wage in 2025. The starting salary for entry-level foreign employees is set in accordance with the minimum wage standards prescribed by the Labor Standards Act. The starting salary for entry-level domestic employees of Rexon Technology is also determined based on the minimum wage under the Labor Standards Act. In 2025, the ratio of the annual total compensation of Rexon's highest-paid individual to the median annual total compensation of all employees was 12.29 times (including Rexon Industrial and Rexon Technology). The ratio of the percentage increase in annual total compensation of the highest-paid individual to the median percentage increase in annual total compensation of all other employees was -81.75 times (including Rexon Industrial and Rexon Technology). The Company’s Remuneration Committee regularly reviews the compensation policies for management to ensure their reasonableness. In addition, the Company is dedicated to establishing a fair compensation system and a standardized assessment formula. We have established internal performance management regulations and implemented an assessment and response mechanism to provide two-way communication channels and processes for managers and employees, so the employees can understand their performance and the expectation of the organization to them. We maintain fair compensation and promotion systems through a strict mechanism to create a fair work environment. As of December 31, 2025, the percentage of male and female employees undergoing performance evaluation within the Company was 100%.

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Ratio of Basic Salary and Remuneration of Women to Men

Employee Category	Basic Salary		Compensation	
	Female	Male	Female	Male
Senior Executives	0.9	1	1.1	1
Mid-level and Front-line Supervisors	0.9	1	0.9	1
General Staff	0.9	1	0.9	1

Note: 1. "Basic salary" is a fixed monthly salary that includes base pay, performance allowance, know-how allowance, duty allowance, fuel allowance, workplace allowance, and night shift allowance.
2. Remuneration" is the total annual remuneration, including basic salary, overtime pay, annual bonus, and employee remuneration.

Average and median wage of full-time non-managerial employees

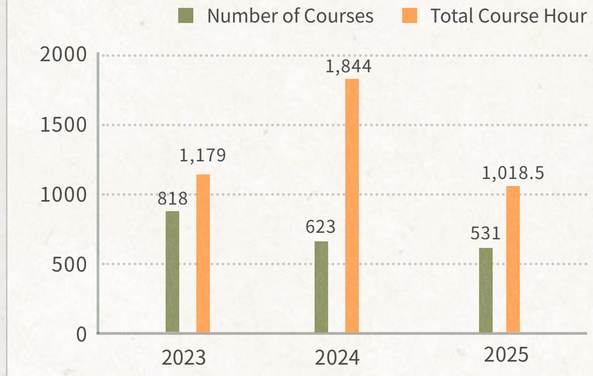
Base Salary	Unit	2024	2025	Difference	Percentage of Difference
Number of full-time non-managerial employees	Employee	735	690	-45	-6.10%
Average wage of full-time non-managerial employees	NTD thousand	526	633	108	20.50%
Median wage of full-time non-managerial employees	NTD thousand	434	546	113	26.00%

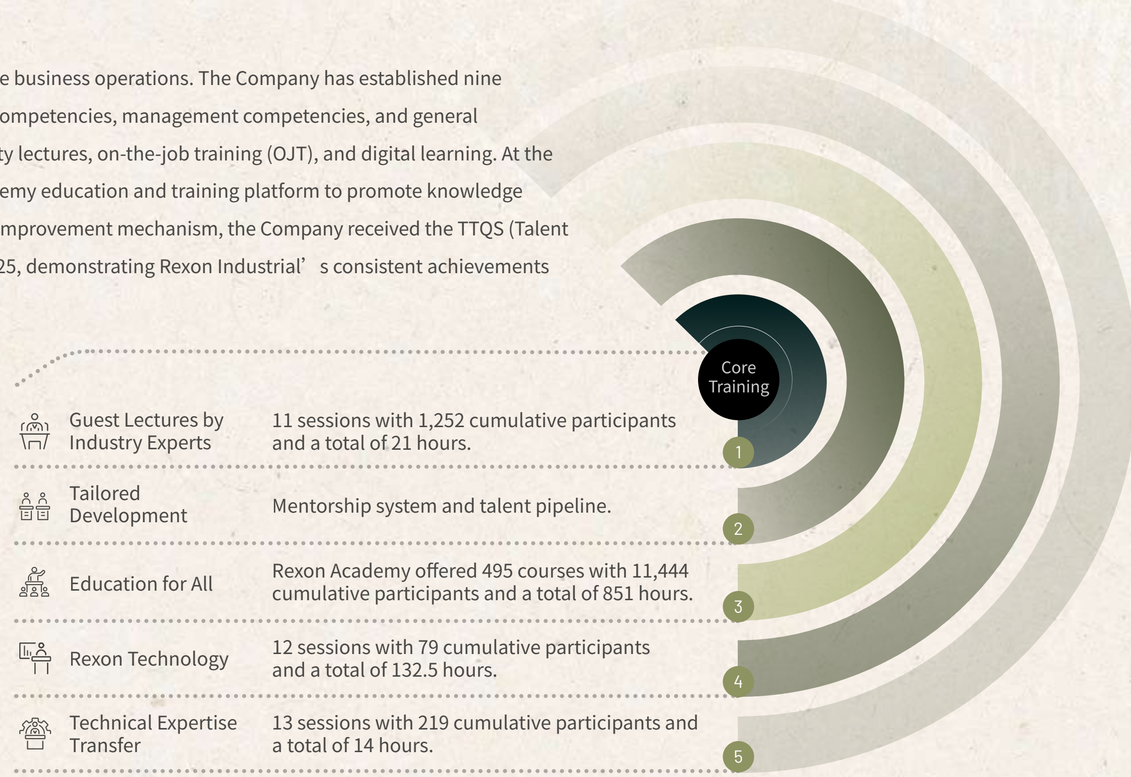
Note: 1. The 2024 and 2025 data represent figures for Taiwan, including Rexon Industrial and Rexon Technology.
2. According to information on the wage of full-time non-managerial employees of TWSE-listed companies

5.3 Career Development

Rexon Industrial continues to regard talent development as an important cornerstone of sustainable business operations. The Company has established nine academies and promotes talent cultivation through three major curriculum systems: professional competencies, management competencies, and general education. It also adopts diverse learning methods, including internal and external courses, celebrity lectures, on-the-job training (OJT), and digital learning. At the same time, the Company integrates physical and digital learning resources through the Rexon Academy education and training platform to promote knowledge sharing and experience transfer. Driven by institutionalized training management and a continuous improvement mechanism, the Company received the TTQS (Talent Quality-Management System) Gold Medal certification for three consecutive cycles from 2021 to 2025, demonstrating Rexon Industrial's consistent achievements in talent development and training quality management.

The implementation records of the Rexon Academy training platform from 2023 to 2025 are as follows



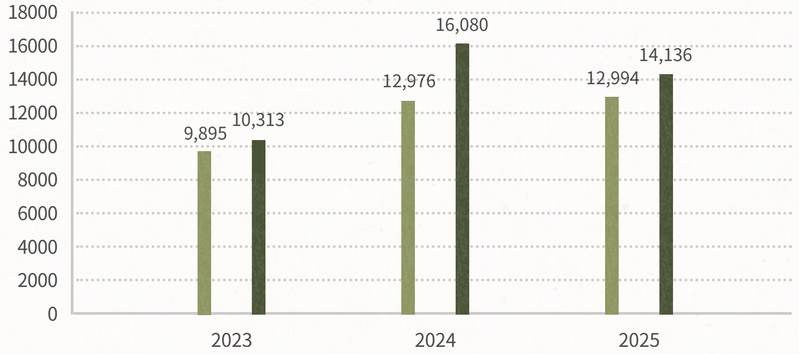


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In 2023, the Company completed the full migration of the UMU digital courses to the cloud-based learning platform, and the number of courses offered reached its peak. From 2024 to 2025, the Company continued to refine course planning with a focus on the competency development needs of each department. In 2024, the promotion of the "Enterprise Human Resources Enhancement Plan" and internal instructor training drove an increase in the total number of training hours offered during the year.

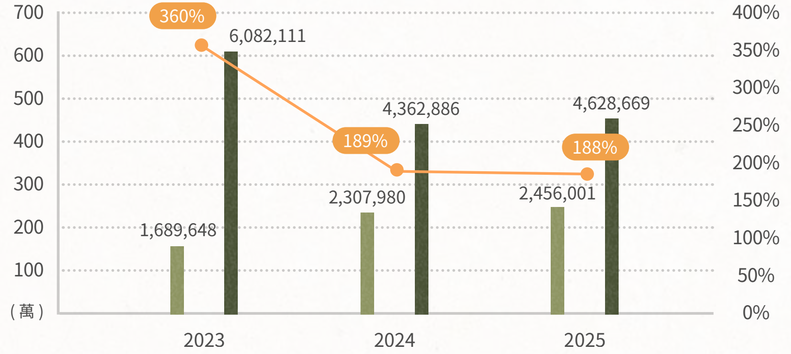
From 2023 to 2025, employee participation in training remained stable, with cumulative attendance exceeding 10,000 each year. In 2024, total training hours reached 14,766 hours, the highest level in the past three years. In 2025, under a more focused and streamlined training program design, overall learning participation remained stable, demonstrating the Company's ongoing commitment to employee capability development and the cultivation of a learning-oriented organizational culture.

Comparison of Trainees and Training Hours, 2023–2025



Number of Trainees Total Training Hours

Comparison of Training Budget and Actual Expenditure, 2023–2025



Budget Actual Utilization Rate

From 2023 to 2025, the Company continued to invest resources in education and training, with actual investment amounts exceeding the original planned budgets each year, reflecting the Company's emphasis on talent cultivation and competency development. In 2023, actual spending was relatively high because the establishment of the digital learning platform and the introduction of multiple ESG and lean management courses had not been included in the original budget. In 2024 and 2025, the Company continued to invest based on organizational and competency development needs, supporting employee capability enhancement and promoting the organization's long-term growth.

Industry-Government-Academia Collaboration

With the government actively promoting industry-government-academia collaboration policies, the Taichung City Government Labor Affairs Bureau has integrated resources from colleges, universities, and enterprises to jointly create a youth career exploration and workplace development platform. The platform provides young people with practical training and workplace experience opportunities, helping them build a sound understanding of career development and identify future career directions. Through such collaborative mechanisms, young people are provided with broader employment and development pathways, while enterprises are also able to cultivate and recruit potential talent at an early stage, further strengthening their human capital foundation and overall competitiveness. The concrete actions in 2025 are as follows:

1. Industry-Academia Cooperative Education Program
(Rexon Industrial)

Project Details

- Department of Information Management, National Chin-Yi University of Technology
- Department of Electrical Engineering, National Chin-Yi University of Technology

Tangible Results

Through the Industry-Academia Cooperative Education Program, Rexon Industrial established a stable talent cultivation and transition mechanism with the Department of Information Management and the Department of Electrical Engineering of National Chin-Yi University of Technology. The program provides students with practical learning and workplace transition opportunities, helping them become familiar with corporate operations and job requirements at an early stage. After evaluating students' learning performance and job fit, the Company hired one student each from the Department of Information Management and the Department of Electrical Engineering. This strengthened the Company's immediate workforce readiness while expanding the effectiveness of future campus talent recruitment and development.

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2. Academic Exchange through Educational Visits
(Rexon Industrial)

Project Details

- Department of Electrical Engineering, Wufeng Agricultural and Industrial Vocational High School
- Department of Electrical Engineering, National Hsiluo Agricultural Industrial Vocational High School
- International students from Chaoyang University of Technology
- National Formosa University
- Doctoral Program in Intelligent Engineering, National Taichung University of Science and Technology
- EMBA, National Taipei University of Technology

Tangible Results

Through exchanges with senior high and vocational schools, colleges, and universities (including international students), the Company promotes mutual understanding between industry and academia regarding industry trends, technology applications, and practical needs. These exchanges strengthen the connection between academic learning and practical application, broaden international perspectives, and provide students and continuing education participants with opportunities to gain a first-hand understanding of corporate operating models, technology development, and job content, helping them establish sound career awareness and development directions. A total of 299 participants took part in the related exchange activities. These activities serve as a front-end engagement platform for corporate talent outreach and the cultivation of diverse potential talent, helping enhance the Company’ s employer brand image and expand future domestic and international talent sources. Through two-way exchanges, the Company also collects suggestions from academia as an important reference for talent deployment planning.



Department of Electrical Engineering, Wufeng Agricultural and Industrial Vocational High School



National Formosa University



International students from Chaoyang University of Technology



Department of Electrical Engineering, National Hsiluo Agricultural Industrial Vocational High School

3. Scholarship Subsidy
(Rexon Industrial)

Project Details

- Hsiuping University of Science and Technology

Tangible Results

Through scholarship subsidies, the Company supports students of Hsiuping University of Science and Technology in pursuing their studies with greater stability and engaging in professional learning, thereby strengthening industry-academia links and the foundation for talent cultivation. In 2025, the Company subsidized three students, with total subsidies amounting to NTD 51,000. This supported students' stable learning and development, while enhancing the Company's visibility on campus and the effectiveness of future talent transition.

4. Cooperative Education Program
(Rexon Industrial)

Project Details

- In 2024, the Company implemented a cooperative education program with the Department of Electrical Engineering of I-Ning High School.

Tangible Results

The cooperative education contract expired in June 2025. Among the students cultivated during the program, three students continued to stay with the Company, helping establish a stable mechanism for campus talent cultivation and industry transition.

5. Training Subsidy
(Rexon Technology)

Project Details

- Enterprise Human Resources Enhancement Plan

Tangible Results

Through the training courses under this plan, participants achieved significant growth in both professional concepts and practical skills, effectively supporting the timely achievement of multiple training and improvement plans. In 2025, a total of 18 training classes were approved, of which 12 were actually held. The overall training course achievement rate was 74.4%, and the subsidy received from the Ministry of Labor amounted to NTD 199,350. This demonstrates the Company's concrete and stable performance in human resources development and training implementation.

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Employee Training Categories, Gender, and Average Training Hours

Year		2024			2025		
Category / Gender		Total Number A (non-training employees)	Total Training Hours B	Average training hours (B/A)	Total Number A (non-training employees)	Total Training Hours B	Average training hours (B/A)
Senior Executives	Male	12	367.10	30.59	13	464.80	35.75
	Female	2	130.50	65.25	2	155.75	77.88
Mid-level and Front-line Supervisors	Male	86	5,279.00	61.38	88	3,833.00	43.55
	Female	19	2,403.30	126.49	21	949.70	45.22
General Staff	Male	402	5,934.25	14.76	376	4,283.25	11.13
	Female	246	6,617.30	26.90	238	3,613.20	15.18
Non-employee workers	Male	0	0.00	0.00	0	0.00	0.00
	Female	0	0.00	0.00	0	0.00	0.00

Average Training Hours and Expenses for Employees

Year	2024		2025	
Item	Total Training Cost (NTD)	Average Training Cost (NTD)	Total Training Cost (NTD)	Average Training Cost (NTD)
Male	2,489,140	4,978.28	2,987,724	6,263.57
Female	1,873,746	7,017.78	1,640,945	6,287.14

Calculation formula: Average training hours by gender = Total training hours by gender for the year / Total headcount by gender for the year (not the number of training participants).

Learning and Development Objectives

Building on the “education for all” learning philosophy adopted in 2024, Rexon further expanded and deepened its talent development framework in 2025. On the existing foundation, the Company added five new academies, formally establishing a learning system comprising nine academies. Through a systematic academy structure, Rexon helps employees more quickly understand its corporate culture, operational direction, and career development pathways, while creating a learning environment that is accessible to all employees and supports continuous improvement. In 2025, the Company's talent development strategy continued to center on “education for all” and “tailored development.” Based on the learning needs of different job functions, job levels, and professional fields, the Company provides diverse and tiered development platforms. Through more structured course planning and learning resource allocation, Rexon promotes the simultaneous growth of employees' professional capabilities and management competencies, building a key human capital foundation that supports the organization's sustainable development.

Cross-Disciplinary Learning to Inspire Leadership Potential: Corporate Guest Lectures by Industry Experts

At Rexon, we continue to embed corporate culture and core values into day-to-day operations through diverse learning formats. In 2025, the Company held 11 guest lectures, inviting experts and practitioners from different fields. Topics covered AI and digital transformation, business management and risk management, sustainability governance, communication and coordination, problem-solving capabilities, and employee physical and mental health and workplace safety. Through the sharing of practical cases and cross-disciplinary perspectives, the lectures guided colleagues to think about decisions and actions in work and life from diverse viewpoints, cultivate cross-disciplinary integration and continuous improvement capabilities, and support mutual growth between individual development and corporate advancement.



Corporate Guest Lectures by Industry Experts



Role-Specific Training Programs

Deepening International Deployment and Cultivating Key Overseas Talent

In response to the Company's overseas operational deployment and cross-border management needs, Rexon launched an overseas talent development program in 2025. The Company systematically planned 17 dedicated training courses focusing on core topics such as cross-cultural management, overseas operational practices, organizational leadership, and risk response. The courses were delivered by senior executives with practical internal experience. Through real-world case sharing and experience transfer, the program helped the participants deepen their understanding of the operating models and management challenges of overseas sites.

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5.4 Benefits and Rights

Collective Agreement

The Company maintains smooth communication with the labor union, and all labor relations and related matters are implemented and carried out in accordance with the applicable laws and regulations. The Company has established an enterprise union, which convened one union meeting in 2025. To date, the union has not requested collective bargaining with the Company; therefore, no collective bargaining agreement has been signed. Rexon values employees' rights, interests, and opinions, and it convenes labor-management meetings on a quarterly basis in accordance with the law. In the event of major matters, the Company also conducts full communication through labor-management meetings. In 2025, Rexon Industrial and Rexon Technology each convened four labor-management meetings. All discussion items were fully expressed and resolved by representatives of both labor and management, and they were successfully closed. In addition, Rexon Technology has not established an enterprise union and therefore has not signed a collective bargaining agreement.

Welfare System

Rexon has long been deeply engaged in the R&D and manufacturing of fitness equipment and benchtop woodworking machines. We firmly believe that products designed to get people moving should also bring vitality to people's lives, and that craftsmanship created by hand should also take root and flourish in the workplace. Accordingly, Rexon's employee benefits are not merely a list of entitlements, but an extension of the Company's core values — health, family, and sustainability — which together form the three pillars of a happy workplace. In 2025, the Employee Welfare Committee was composed of 22 representatives from both labor and management. Total welfare expenditures for the year amounted to NTD 5,125,062, covering a wide range of subsidies, activities, and facilities, with the aim of ensuring that every colleague can feel the warmth of the Company.

Retirement Pension Allocation

With the aim of caring for employees, the Company promoted a settlement project for the old labor pension system in 2025. The project was designed to help employees with service years under the old pension system receive pension payments in advance, allowing them to accumulate more retirement funds before retirement and have more time to plan their post-retirement finances and living arrangements. Accordingly, the Company held five briefing sessions to explain the rights and obligations of employees under the old pension system. In addition, eligible employees received an additional two pension base units on top of their original service-year base units under the old pension system, while retaining their existing special leave days and service award benefits. A total of 139 employees were eligible under the old system, and all 139 employees applied for the settlement based on their individual willingness, achieving a completion rate of 100%.

Total welfare expenditures

NTD 5,125,062

(covering a wide range of subsidies activities, and facilities)





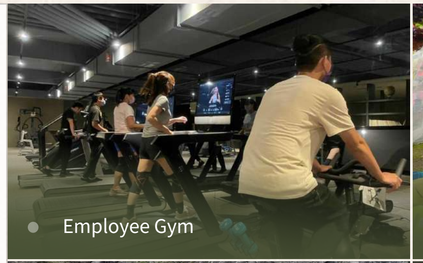
▲ Extension of the Company's core values — health, family, and sustainability — which together form the three pillars of a happy workplace.

Limitless Energy and Health First

"We manufacture equipment that gets people moving, and we also empower our employees to be active."

Rexon Industrial specializes in the manufacturing of fitness equipment, with products marketed worldwide to support healthy lifestyles for sports enthusiasts around the globe. Although the Company primarily operates under an OEM model, it has always adopted the user's perspective and integrated the concept of "physical health" into product manufacturing and corporate culture, extending it to employees' daily work and lives. The Company has established a dedicated employee gym to encourage colleagues to develop regular exercise habits outside of work. Employees are also encouraged to experience products from the "user's perspective," deepening their understanding of quality and functionality. In this way, what Rexon manufactures is not only equipment but also the practice of a healthy lifestyle.

In addition, the Company actively promotes diverse employee clubs. Nine clubs have been established to date, including the hiking club, badminton club, and yoga club, all of which are closely related to sports and health. The hiking club and badminton club hold regular activities and competitions each year to increase employee participation and team cohesion. The yoga club helps colleagues relieve stress and strengthen physical and mental balance through regular classes. Through the operation of these clubs, health promotion extends from institutional measures into daily life, shaping a positive, energetic, and cohesive workplace culture.



Employee Gym



Slow Travel Club



Mountaineering Club



Badminton Club

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Family Warmth

"One event, one memory, one lasting connection"

Rexon has long valued the connection between employees and their families. More than 30 years ago, Rexon began organizing Employee Family Day activities, allowing colleagues to bring their families into the Company and share time together. This activity is not merely a gathering. Over time, it has become a cherished shared memory for many employees and their families, and it has shaped a uniquely warm corporate culture. As the pandemic gradually eased, Rexon continued this tradition by restarting Family Day activities, bringing people closer together once again. Over the past four years, 484 cumulative participants have continued to take part for three years or more, with an overall engagement rate of 81%. This not only reflects the sustained appeal of the activity, but also symbolizes employees' recognition of and sense of belonging to the Company.



Employee Family Day



Employee Family Day

Financial Protection and Secure Planning

"Creating quality products requires long-term planning, and employees' futures also deserve steady protection"

The employee stock ownership trust system encourages colleagues to accumulate wealth through regular contributions, share in the results of corporate growth, and build their own long-term financial safety net.In 2025, the Company proactively promoted the settlement project for the old labor pension system, helping employees with service years under the old system receive retirement funds in advance and allowing them to have more time to plan their post-retirement lives.

- The Company arranged five dedicated briefing sessions to ensure that every employee fully understood their rights and interests.
- Eligible employees were entitled to an additional two pension base units on top of their original pension service-year base units.
- After the settlement, employees retained their original special leave days and service award benefits.
- A total of 139 employees were eligible to participate, and the application completion rate reached 100%.

This project demonstrates Rexon's sincere care for employees' retirement planning, enabling colleagues to continue dedicating themselves to their work while steadily planning for the future, building their dreams with confidence and moving forward with peace of mind.

Sustainable Practice and Collaborative Actions

"We care not only about our employees and the Company but also about the land we all share"

Rexon integrates sustainability concepts into various employee activities, allowing colleagues to practice their responsibility to the environment and society through participation. During hiking activities, the Company combines hiking with mountain clean-up initiatives, calling on employees to protect the natural environment together. This transforms "walking into the mountains" into "protecting the mountains," making every step more meaningful.

In addition, through the Craft and Landscape Club, Rexon, together with the Furniture Design Department of Tungshih Industrial High School and the Rexon Foundation, organizes a youth woodworking experience camp. Using woodworking machines manufactured by the Company and the woodworking classroom, participants complete a three-day course covering design, production, and final work completion, creating their own woodworking pieces by hand. Throughout the process, participants not only learn technical skills, but also develop patience, focus, and creativity. Through team interaction, they also build confidence and a sense of achievement. During the activities, professional teachers and teaching assistants not only provide professional skills training, but also emphasize safety education and practical guidance, ensuring that learning takes place in a safe environment. Every completed work is a testament to the participants' efforts and growth, and it symbolizes the continued spirit of "inheritance, growth, cultivation, and sharing." Rexon believes that sustainability is not merely a system or slogan. Rather, through one meaningful and warm action after another, employees, society, and the environment can grow together and move toward a better future.



A woodworking journey of youth creation and self-affirmation through hands-on craftsmanship

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Parental Leave

Three-Year Statistics on Parental Leave Applications (Rexon + Rexon Technology + PTS presented on a consolidated basis)

Year	2024			2025		
Category/ Gender	Male	Female	Total	Male	Female	Total
Number of eligible individuals for maternity leave A	44	31	75	32	28	60
Number of actual maternity leave applications in the current year B	2	6	8	3	8	11
Number of individuals expected to return to work after maternity leave in the current year C	1	8	9	2	6	8
Number of individuals who actually returned to work after maternity leave in the current year D	0	3	3	0	3	3
Number of individuals who returned to work after maternity leave in the previous year E	2	10	12	0	3	3
Number of individuals who continued working for one year after returning from maternity leave in the previous year F	1	8	9	0	2	2
Maternity leave return rate in the current year % (D/C)	0%	38%	33%	0%	50%	38%
Maternity leave retention rate in the current year % (F/E)	50%	80%	75%	0%	67%	67%

Note:
1. Application eligibility: Based on the number of the employees who applied for maternity leave and paternity leave within three years calculated backward from the current year. (1/1/2021 - 12/31/2025)
2. Calculation basis for actual applications: Effective from 1/1/2025 to 12/31/2025

Minimum Notice Period for Operational Changes

Significant operational changes at the Company such as layoffs, reorganization, outsourcing, plant closure, expansion, new business opening, acquisition, sale of the entire or partial organization, merger, etc., are executed in accordance with all applicable laws and regulations. The Company follows the statutory notification procedures and stipulates the following notice periods for terminating labor contracts:

- For employees who have worked for less than one year but more than three months, a 10-day advance notice is required.
- For employees who have worked for more than one year but less than three years, a 20-day advance notice is required.
- For employees who have worked for more than three years, a 30-day advance notice is required.



5.5 Workplace Health and Safety

Rexon Industrial upholds the philosophy of “zero accidents and health first” and is committed to providing employees with a safe and healthy work environment. We believe that comprehensive occupational health and safety management not only reduces the incidence of accidents, but also enhances employee well-being, thereby strengthening the Company's sustainable competitiveness. In 2025, Rexon continued to protect the safety and health of all employees and partners through systematic management, risk identification, education and training, and health promotion measures.



Occupational Safety Training

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Occupational Health and Safety

Description of Positive Benefits (Actual and Potential)

1. The Company continues to promote occupational health and safety education and training, internal audits, inspections, and improvement programs, while implementing risk identification and control measures to effectively reduce the risks of operational accidents and occupational incidents.
2. These efforts promote employee health and a sense of safety, improve job satisfaction and production efficiency, and further strengthen organizational resilience and stability.
3. Through contractor management, safety reviews, and change management processes, the Company enhances the safety awareness of internal and external partners and ensures that all construction and operating activities comply with the same safety standards.
4. A comprehensive occupational health and safety management system helps strengthen risk identification and control capabilities, protect the safety and health of all workers, and fulfill the Company's responsibility for sustainable corporate development.

Description of Negative Benefits (Actual and Potential)

1. If contractors fail to properly implement hazard communication, construction discipline, and on-site safety measures, occupational safety incidents may occur, potentially causing injuries or affecting operations.
2. If procurement or change management processes do not incorporate safety reviews, new equipment, construction methods, or operating processes may introduce potential hazards and increase operational risks.
3. If high-risk operating units continue to record a relatively high disabling injury frequency rate (FR), this may affect the Company's overall occupational health and safety performance and increase uncertainty in insurance costs and operational risk assessments.

Management Mechanisms/ Measures

1. Regularly conduct plant inspections, internal audits, risk identification, and operational hazard assessments, and implement deficiency improvements and follow-up tracking.
2. Establish mechanisms for contractor qualification review, hazard communication, and on-site work supervision to ensure that outsourced operations comply with the Company's occupational health and safety requirements.
3. Incorporate occupational health and safety requirements into procurement and change management processes to ensure that safety reviews are conducted in accordance with regulations for engineering, equipment, and process changes.
4. The annual education and training and emergency response drill achievement rates reached 100%, continuously enhancing employees' safety knowledge and emergency response capabilities.

Complaint/ Communication Channels

The Company provides anonymous, confidential, and traceable feedback and grievance channels to ensure that occupational health and safety-related suggestions or incidents can be responded to and handled in a timely manner.
Internal complaint channel: Rexon Whisper Message Zone (https://www.tovery.net/guestbook.asp?user=rexon_hr&page=1)
External complaint: invest@rexon.com.tw

2025 Action Plan Implementation Results

Action Plan

1. Operating environment monitoring.
2. Safety and Health Committee.
3. Occupational safety management system audit.
4. Process change: introduction of lead-free solder.
5. Fire prevention and oil fume improvement for the third-floor kitchen.
6. Safety education and training.

Implementation Results

1. Third-party testing was commissioned in accordance with the annual plan, and the improvement results were tracked regularly.
2. Supervisors and labor representatives jointly participated in the process, regularly compiling incident information, promoting improvements, and supervising implementation progress.
3. Internal and external audits, deficiency improvements, and document verification were completed to ensure the stable operation of the management system.
4. Materials were updated and the air quality was monitored, effectively reducing the risk of lead exposure.
5. Fire prevention and oil fume treatment equipment was planned, installed, and optimized to ensure the normal facility operation.
6. Courses were arranged in accordance with the annual plan and delivered by diverse instructors to comprehensively improve safety knowledge and capabilities.

Achievement status of 2025 Goals

Goals

1. Complete operating environment monitoring every six months and comply with regulatory standards.
2. Convene occupational health and safety meetings every quarter and track improvements.
3. Pass the third-party occupational safety management system verification.
4. Reduce the risk of personnel exposure to lead.
5. Establish fire prevention and oil fume treatment equipment.
6. Complete the annual safety training for all employees.

Achievement Status

Goals achieved

1. All operating environment monitoring was completed regularly in accordance with the applicable requirements, and all monitoring results complied with relevant regulations and standards.
2. Occupational health and safety meetings were convened quarterly in accordance with the regulations, and all improvement measures were properly tracked and completed.
3. The Company successfully passed the annual third-party verification of its occupational health and safety management system, with the management system operating normally.
4. The plant has fully adopted the lead-free soldering process, and monitoring results for lead concentrations in the operating environment were below statutory limits, effectively reducing the risk of personnel exposure.
5. The installation of automatic fire suppression systems and electrostatic/oil fume treatment equipment was completed, enhancing overall fire prevention and operational safety.
6. Training targets were achieved for all employees, with a clear improvement in safety awareness.

Short/Medium/ Long-term Goals

Short-Term Goals (2026-2027 years)

1. **Strengthen the effectiveness of the occupational safety management system:** Promote a professional development system for internal auditors and cultivate audit talent across multiple fields.
2. **Continue to reduce the disabling injury frequency rate (FR):** Using 2025 as the base year, set an improvement target of reducing the rate by 1% each year.

Medium-Term and Long-Term Goals
(2028-2032years)

1. **Establish a zero-incident culture:** Promote an autonomous safety culture, encouraging employees to shift from passive compliance to active participation.
2. **Achieve the long-term target of no major occupational accidents:** Reduce the number of occupational accidents year by year and move toward the vision of zero accidents.

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1 Management Scope and Organizational Coverage

Rexon Industrial's occupational health and safety management system covers all workers and non-workers across the entire plant area, and it also extends to Rexon Technology, an affiliated company located within the plant area. As Rexon Technology is located within Rexon Industrial's plant area, its work environment and activities are included in the Company's occupational health and safety management scope and managed under a consistent mechanism. Guided by the core principle of "prevention first and continuous improvement," the Company ensures that every person entering the plant is subject to comprehensive risk control and safety protection.

Classification	Number of Persons in 2025	Scope of Management Coverage	Description
Workers	654	Fully covered	Comprehensive management is implemented in accordance with occupational health and safety procedures, including education and training, hazard communication, risk identification, and work permits.
Non-Workers	187	Coordinated management (implemented in phases)	At the initial stage, management focuses on engineering contractors, including reviews, education and training, hazard communication, and on-site accompaniment. The scope will subsequently be expanded to customers, logistics personnel, and other external personnel.

- **Scope of Worker Management:** The scope covers all full-time employees, who are classified and managed based on the nature of their work, with corresponding risk controls implemented. In accordance with Article 18 of the Occupational Safety and Health Act, employees are also protected in exercising their right to withdraw when they discover an immediate danger. The Company continues to communicate these rights and response mechanisms through new employee orientation and on-the-job training to strengthen employees' self-protection awareness and risk identification capabilities.
- **Scope of Non-Worker Management:** In addition to internal workers, the Company has established a phased management system for non-workers entering and exiting the plant area. At the initial stage, engineering contractors are the main focus of management. Through contractor qualification reviews, work permit systems, hazard communication, and site entry education and training, the Company strengthens risk control during construction. As the system gradually matures, the management scope is further expanded to customers, logistics personnel, and other external vendors to ensure that all persons entering the plant comply with occupational health and safety management requirements.

In addition, to strengthen communication and continuous improvement mechanisms, the Company has established comprehensive grievance and feedback channels, providing anonymous, confidential, and traceable reporting mechanisms. This allows employees and stakeholders to promptly raise occupational health and safety-related suggestions or incidents, which are then handled and responded to by the responsible unit:

Internal complaint channel:
Rexon Whisper Message Zone
Grievance channel email:
invest@rexon.com.tw

Through the above comprehensive and tiered management approach, Rexon Industrial ensures that all workers and non-workers within the plant area receive appropriate protection, effectively reducing accident risks and continuously improving occupational health and safety management performance as an important foundation for sustainable corporate development.

To strengthen overall plant safety management, Rexon adopts an "implementation in phases" strategy for non-worker management:



Through the above phased management approach, the Company effectively enhances its plant safety management capabilities and ensures that all workers and non-workers entering the plant can operate or move within a safe and healthy environment, thereby strengthening the Company's resilience for sustainable operations.

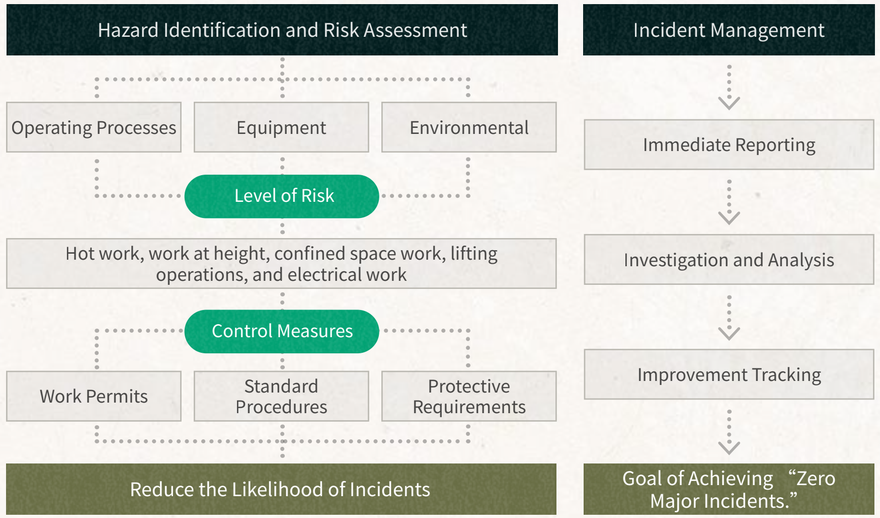
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2 Hazard Identification, Risk Assessment, and Incident Management

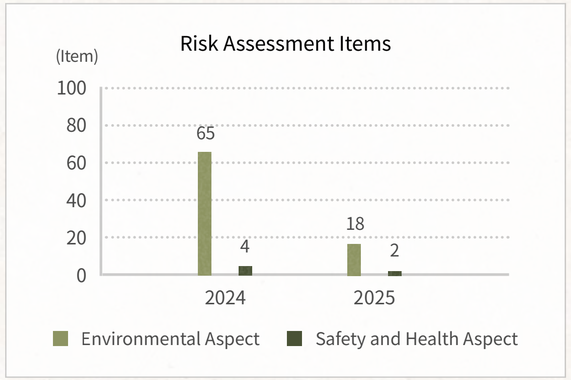
Guided by the principles of "prevention first and continuous improvement," Rexon promotes systematic hazard identification, risk assessment, and incident management to ensure that all work activities are carried out under safe and controlled conditions. The management scope covers all employees, contractors, and plant visitors.

- **Hazard Identification and Risk Assessment:** The Company conducts comprehensive hazard identification each year and performs risk grading based on operating processes, equipment, and environmental conditions. Control measures are then established according to the level of risk. Hot work, work at height, confined space work, lifting operations, and electrical work are all classified as high-risk operations and must be carried out in accordance with work permits, standard procedures, and protective requirements to reduce the likelihood of incidents.
- **Incident Management:** Rexon adopts mechanisms for immediate reporting, investigation and analysis, and improvement tracking, with the goal of achieving "zero major incidents." All incidents are handled in accordance with established procedures, including site isolation, preliminary investigation, incident cause analysis, and the formulation and tracking of corrective measures, ensuring that every incident is properly handled and reviewed.

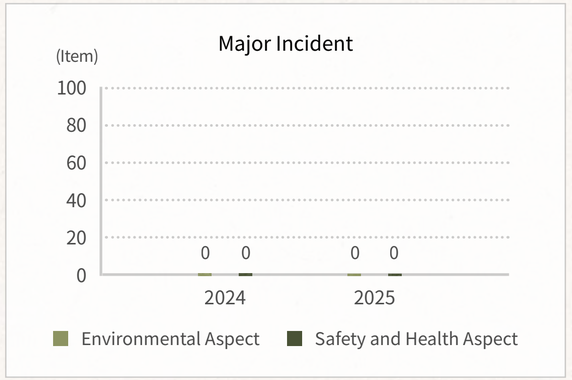
After an incident occurs, in addition to immediately implementing improvements, the Company also incorporates the incident issue into the annual risk assessment and re-examines the sources of hazards, control measures, and residual risks of the relevant operations. This ensures that lessons learned from incidents are reflected in future system revisions and risk controls. This approach enables incident information to be effectively fed back into the risk management process, forming a cycle of continuous improvement.



Management Performance (2024–2025)



1. Environment: risk assessments scoring 75 points or above, or items classified as emergency incidents.
2. Safety and health: assessments rated Level 4 or above are included for improvement.



1. Incidents involving one or more fatalities; fatal occupational incidents (life-threatening serious injuries).
2. Incidents involving three or more persons affected at the same time (injured, ill, or disabled).



In accordance with the requirements of the Occupational Safety and Health Act, supervisors and business units regularly inspect workplaces to ensure that operating procedures, the environment, and equipment comply with occupational health and safety regulations.

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3 Employee Health Services and Health Promotion

The Company regularly provides health examinations, individual case follow-up, and on-site nurse consultations, and promotes various health promotion programs, including weight management, stress management, and follow-up for high-risk personnel.



Regularly provides health examinations

Type	Contents	Description
Medical Check-Ups	Annual regular health examinations and special operation health examinations	Completed by 617 employees
Case Follow-Up	Individual care for employees with abnormal health examination results	66 cumulative cases
Promotion of Health	Weight management, smoking cessation classes, and stress management	8 courses / 932 cumulative participations
High-Risk Personnel	Continuous monitoring and health assessment	6 cumulative cases

4 Employee Participation and Safety Communication

The Company provides diverse occupational health and safety communication and participation channels, enabling employees to effectively express their opinions and participate in occupational health and safety-related decision-making. The feedback mechanisms of the Safety and Health Committee, departmental meetings, and various emergency response drills all provide formal channels for employees to submit suggestions regarding the work environment, safety systems, and improvement needs, allowing their feedback to be translated into practical management measures.

Channel	Participation Method	Frequency
Safety and Health Committee	Participation by 4 labor representatives	Quarterly
On-Site Inspections	Discussions with supervisors and employees	Monthly
Departmental Safety Meetings	Joint discussions between supervisors and operators	Monthly
Emergency Drills	Employee feedback	After each drill



Fire Drill

In accordance with the Occupational Safety and Health Act, the Safety and Health Committee is responsible for providing recommendations on the safety and health policies proposed by the employer, and for reviewing, coordinating, and advising on occupational health and safety-related matters. Rexon Industrial’ s Safety and Health Committee is composed of department heads, labor representatives, and occupational health and safety professionals. The Committee regularly collects opinions from worksites, contractors, and other stakeholders, covering topics such as operational improvements, risk prevention, health needs, and the optimization of controlled operation procedures. After consolidating all recommendations, the Committee proposes specific measures and submits them to the employer for review and decision-making, ensuring that relevant improvement measures receive sufficient resources and are effectively implemented.

5 Safety Education and Training

- Rexon values employees' occupational safety and health, and plans comprehensive and ongoing safety education and training courses for high-risk operations, machinery and equipment operation, emergency response, and first-aid skills. Through systematic planning of training content and implementation schedules, the Company enhances employees' safety awareness and risk identification capabilities, reduces operational risks, and gradually builds a workplace culture in which all employees value safety.
- Training courses are planned based on the risk attributes of different operations, including orientation training for new employees, regular training for existing employees, and professional training for specific operations.
- Training topics cover risk operation safety, machinery and equipment operation management, and first aid and emergency response.
- Training effectiveness is tracked through attendance records, post-course tests, and training records to ensure that education and training are properly implemented.

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Compared with 2024, the number of courses, cumulative training participations, and training hours all increased significantly in 2025, demonstrating the Company’ s continued expansion of its investment in safety education and training, as well as higher employee participation. The implementation of safety education and training is tracked through training attendance records, course completion status, and annual statistical data, which serve as references for subsequent training planning and content adjustments. Going forward, the Company will continue to strengthen training related to high-risk operations based on operational risks and practical needs, and to enhance the actual effectiveness of education and training through optimized course content and diverse learning methods.

Training Indicator	2024	2025	Description
Number of Courses	13 courses	22 courses	Total number of safety education and training courses implemented during the year
Cumulative Training Participations	881 cumulative participations	2,002 cumulative participations	Cumulative number of participations in occupational health and safety training
Training Hours	9 hours	16 hours	Total hours of occupational health and safety education and training during the year

6 Work-Related Injuries and Ill Health

Rexon values employees' occupational safety and health, and it continues to reduce the likelihood of work-related injuries and ill health through risk prevention and management measures.

Type	Item	2023		2024		2025	
	Safety and Health Management Scope	Workers	Non-Workers	Workers	Non-Workers	Workers	Non-Workers
Number of fatalities as a result of work-related injuries	Number of female fatalities	0.00	0.00	0.00	0.00	0.00	0.00
	Number of male fatalities	0.00	0.00	0.00	0.00	0.00	0.00
	Total number of fatalities	0.00	0.00	0.00	0.00	0.00	0.00
Rate of fatalities as a result of work-related injuries	Rate of female fatalities as a result of work-related injuries	0.00	0.00	0.00	0.00	0.00	0.00
	Rate of male fatalities as a result of work-related injuries	0.00	0.00	0.00	0.00	0.00	0.00
	Rate of total fatalities as a result of work-related injuries	0.00	0.00	0.00	0.00	0.00	0.00
Number of serious work-related injuries (excluding fatalities)	Total number of high-consequence work-related injuries for females	0.00	0.00	0.00	0.00	0.00	0.00
	Total number of high-consequence work-related injuries for males	0.00	0.00	0.00	0.00	0.00	0.00
	Total number of high-consequence work-related injuries	0.00	0.00	0.00	0.00	0.00	0.00
Rate of high-consequence work-related injuries	Total high-consequence work-related injury rate for females	0.00	0.00	0.00	0.00	0.00	0.00
	Total high-consequence work-related injury rate for males	0.00	0.00	0.00	0.00	0.00	0.00
	Total high-consequence work-related injury rate	0.00	0.00	0.00	0.00	0.00	0.00
Number of recordable work-related injuries	Total number of recorded occupational injuries for females	4.00	0.00	1.00	0.00	5.00	0.00
	Total number of recorded occupational injuries for males	11.00	0.00	7.00	0.00	15.00	0.00
	Total number of recorded occupational injuries	15.00	0.00	8.00	0.00	20	0.00
Recordable work-related injury rate	Total recordable work-related injury rate for females	1.83	0.00	0.50	0.00	2.27	0.00
	Total recordable work-related injury rate for males	2.40	0.00	1.65	0.00	3.19	0.00
	Total recordable incident rate	2.22	0.00	1.28	0.00	2.90	0.00

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Type	Item	2023		2024		2025	
	Safety and Health Management Scope	Workers	Non-Workers	Workers	Non-Workers	Workers	Non-Workers
Disabling injury frequency rate (FR)	Total disabling injuries frequency rate for females	9.13	0	2.51	0	11.36	0
	Total disabling injuries frequency rate for males	12.01	0	8.23	0	15.98	0
	Total disabling injuries frequency rate	11.07	0	6.40	0	14.51	0
Total working hours	Total working hours for female employees	438334.18	0.00	397909.00	0.00	439969.00	0.00
	Total working hours for male employees	915894.82	0.00	850947.00	0.00	938104.00	221232.00
	Total working hours for all employees	1354229.00	0.00	1248856.00	0.00	1378073.00	221232.00

1. Fatality rate as a result of work-related injuries = number of fatalities as a result of work-related injuries / hours worked × 1,000,000.
2. Disabling injury frequency rate (FR) = (total number of disabling injuries x 1,000,000) / total hours worked.
3. Total recordable incident rate (TRIR) = (Number of recordable work-related injuries / total hours worked) x 200,000.
4. Recordable work-related injuries refer to the number of work-related injuries subject to statutory reporting to the Occupational Safety and Health Administration.

Going forward, the Company will continue to refine its safety management practices through operational improvements, education and training, and management system optimization, with the aim of providing employees with a safe and healthy work environment.

7 Safety Environment Improvements and Risk Control

Rexon regards employee safety and health as an important foundation for sustainable corporate development. Through institutionalized management, risk control, and continuous improvement, the Company reduces risks in the work environment that may lead to occupational injuries or health hazards. The Company's management approach is centered on "risk prevention first and continuous improvement." By integrating employee participation with education and training, Rexon continues to strengthen its safety culture and move toward the long-term goals of continuously reducing incident risks and preventing occupational diseases. Based on operational characteristics and the results of historical risk analyses, Rexon Industrial has identified the following areas as key management priorities for safety environment improvements and risk control:

Improvement Area	Major Risk	2025 Improvement Measures	Implementation Method	Execution Frequency
Noise Management	Long-term noise exposure	Strengthened sound insulation facilities and improved noise sources	Engineering improvements and regular measurements	• Measurement: twice a year
Machinery and Equipment Safety	Entrapment, pinching, and impact	Updated safety protection devices and conducted regular maintenance	Equipment improvements, inspections, and maintenance	• Maintenance: quarterly • Inspection: daily
Fire Protection	Fire and explosion	Added fire extinguishing equipment and strengthened drills	Equipment installation and emergency response drills	• Drills: four times a year • Equipment inspection: monthly

The above risks are managed through engineering improvements, operational management, education and training, and regular reviews to reduce their impact on employee safety and health.
All safety environment improvement measures are implemented at frequencies planned according to the level of risk, with the relevant units regularly recording and reviewing the implementation status.
Improvement results are evaluated through the internal review mechanism. For any deficiencies identified, improvement actions are proposed immediately, and the implementation results are continuously tracked to ensure that risk control measures are effectively implemented.

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6.1 Local Engagement

【Annual Social Welfare Highlights】Building a Better Future with Craftsmanship and Care

At Rexon Industrial, we firmly believe that the power of a company lies not only in manufacturing quality products, but also in delivering warmth and supporting dreams. In 2025, we continued to uphold our original commitment to "giving back to society what we have gained from society," transforming the Company's core capabilities and employees' passion into concrete action. From supporting young people's racing dreams and passing on woodworking craftsmanship to deepening community care, every moment of dedicated effort is a testament to our shared good with society.

Empowering the Future: Igniting Young People's Dreams and Skill

We care about the growth of the next generation. Through tool support and skills transfer, we help young people turn imagination into reality.

【Dream Accelerator】Sponsoring the Student Formula Racing Team of National Tsing Hua University, Hsinchu (May). At National Tsing Hua University in Hsinchu, a group of young racing enthusiasts are working day and night to race on the international stage. Rexon saw their dedication to pursuing their dreams, and we were honored to support these students by providing tools and equipment to help them build their race car. The band saw helped cut aluminum sheets; the vacuum cleaner helped students quickly and easily clean the dust generated inside the race car during production; the electric drill saved a significant amount of time in vehicle body assembly; and the die grinder enabled quick trimming and polishing of vehicle body edges and corners, enhancing the overall completeness of the car and making the race car building process more efficient. We did not simply provide tools; we helped accelerate their dreams. We look forward to seeing this race car, carrying the dedication and hard work of the students, continue to push beyond limits.

Date	Name of Public Welfare Activity	Amount
20250521	Machine sponsorship for National Tsing Hua University to build a student formula race car	NT$ 29,799



▲ 【Dream Accelerator】Sponsoring the Student Formula Racing Team of National Tsing Hua University, Hsinchu

【Passing on Craftsmanship】Rexon Industrial and the Rexon Foundation Join Hands with the Mustard Seed Mission to Organize a Woodworking Experience Camp (July). "Hands can not only create tangible works but also build confidence and change the future." Guided by this belief, Rexon transformed its 54 years of deep-rooted passion and expertise in woodworking into blessings for young people. We collaborated with the Mustard Seed Mission and drew on the teaching resources of Tungshih Industrial High School to organize a three-day woodworking camp. A total of 21 participants and 12 Rexon volunteers took part. Planning began at the end of 2024, and intensive preparations started in July 2025. The three-day event (July 23–25) totaled 288 hours, and including advance preparation time, exceeded 400 hours. Throughout the process, Rexon volunteers provided warm companionship and guidance, leading the young participants from unfamiliarity to the independent completion of their works. This was not only the transfer of skills, but also a way to help the children regain confidence through hands-on practice. The focused eyes of the participants and the smiles on their faces when they completed their works were the most moving rewards of the event.



▲ Rexon Industrial and the Rexon Foundation Join Hands with the Mustard Seed Mission to Organize a Woodworking Experience Camp

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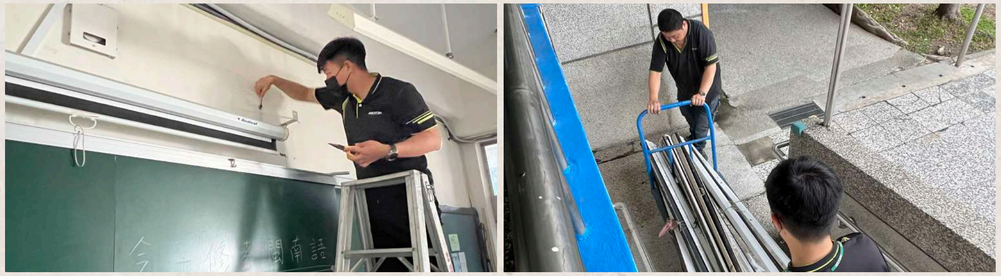
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Warmth and Shared Good: Practicing Community Care and Companionship

We step beyond the plant, into campuses and social welfare organizations, using our hands and dedication to become the warmest neighbor in the community.

【A Good Partner for the Campus】Volunteer Team Assists Dali Tucheng Elementary School with Environmental Cleanup (June). Even in the sweltering heat of June, Rexon colleagues spared no effort and became the strongest support for the campus. We dispatched a trained volunteer team of five members, who spent three days and contributed a total of 120 hours. The team assisted the school in removing classroom curtains and curtain frames. Through their hard work, they demonstrated dedication and strong teamwork; through their actions, they conveyed Rexon's care for the educational environment. This “wholehearted support” brought warmth and encouragement to the campus.

【Love Without Barriers】Mid-Autumn Warmth for Smiling Angels (September). On the eve of the Mid-Autumn Festival, Rexon took action to support the Taichung City Welfare Care Association for the Physically and Mentally Disabled (Dali Smiling Angels). We not only purchased public welfare gift boxes, but also called on colleagues to personally serve as packaging volunteers, packing every blessing by hand. A total of 27 volunteers participated voluntarily, contributing 344 service hours in total. This activity was not only material support but also a heartfelt exchange. We hope this small contribution can become a source of support, allowing more families to feel the kindness of society during a time of reunion.



▲【A Good Partner for the Campus】Volunteer Team Assists Dali Tucheng Elementary School with Environmental Cleanup



▲ Mid-Autumn Warmth for Smiling Angels

United by Passion: Demonstrating the Company's Collective Strength

The source of public welfare lies in the willingness of every Rexon employee to give.

【Supporting with Passion】Annual Blood Donation Campaigns (April and November). During these two months, Rexon was filled with “passion and warm blood!” We are grateful to every colleague who rolled up their sleeves to donate blood, especially those who found the courage to donate for the first time. Your bravery was truly moving. The warm and lively atmosphere on site even turned the waiting time into a food-sharing gathering among colleagues. Thanks to everyone's enthusiastic participation, the blood donation campaigns were not only successfully completed, but also especially heartwarming, truly bringing colleagues closer together. Across the two blood donation campaigns, a total of 195 participations were recorded, with 275 bags of blood donated. Each bag contained 250 cc, bringing the cumulative blood donation volume to 68,750 cc and providing precious life support to patients in need.

Supporting with Passion

Bringing the cumulative blood donation volume to

68,750cc

Across the two blood donation campaigns, a total of 195 participations were recorded with 275 bags of blood donated



▲【Supporting with Passion】Annual Blood Donation Campaigns

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6.2 Charity and Public Welfare

Since its establishment in February 2025, the Rexon Foundation has carried forward Rexon's philosophy of "caring for society and pursuing shared goodness and mutual benefit." Rexon donates NTD 1 million each year to support the Foundation's various social welfare initiatives. The Foundation focuses on children in remote areas, youth, families facing emergencies, and disadvantaged groups. Through educational assistance, child and youth welfare, emergency relief, and social welfare activities, the Foundation helps them receive more comprehensive support and care. From campus repairs to after-school tutoring, and from talent courses to maker education, every effort is made with the hope that children can build confidence, unlock their potential, and feel the warmth of society. The attached table presents the Foundation's public welfare programs and outcomes, demonstrating the concrete actions taken by Rexon and the Foundation to work together for shared goodness and mutual benefit.





財團法人臺中市
力山社會福利慈善基金
REXON Charity Foundation

NTD 1 million each year to support

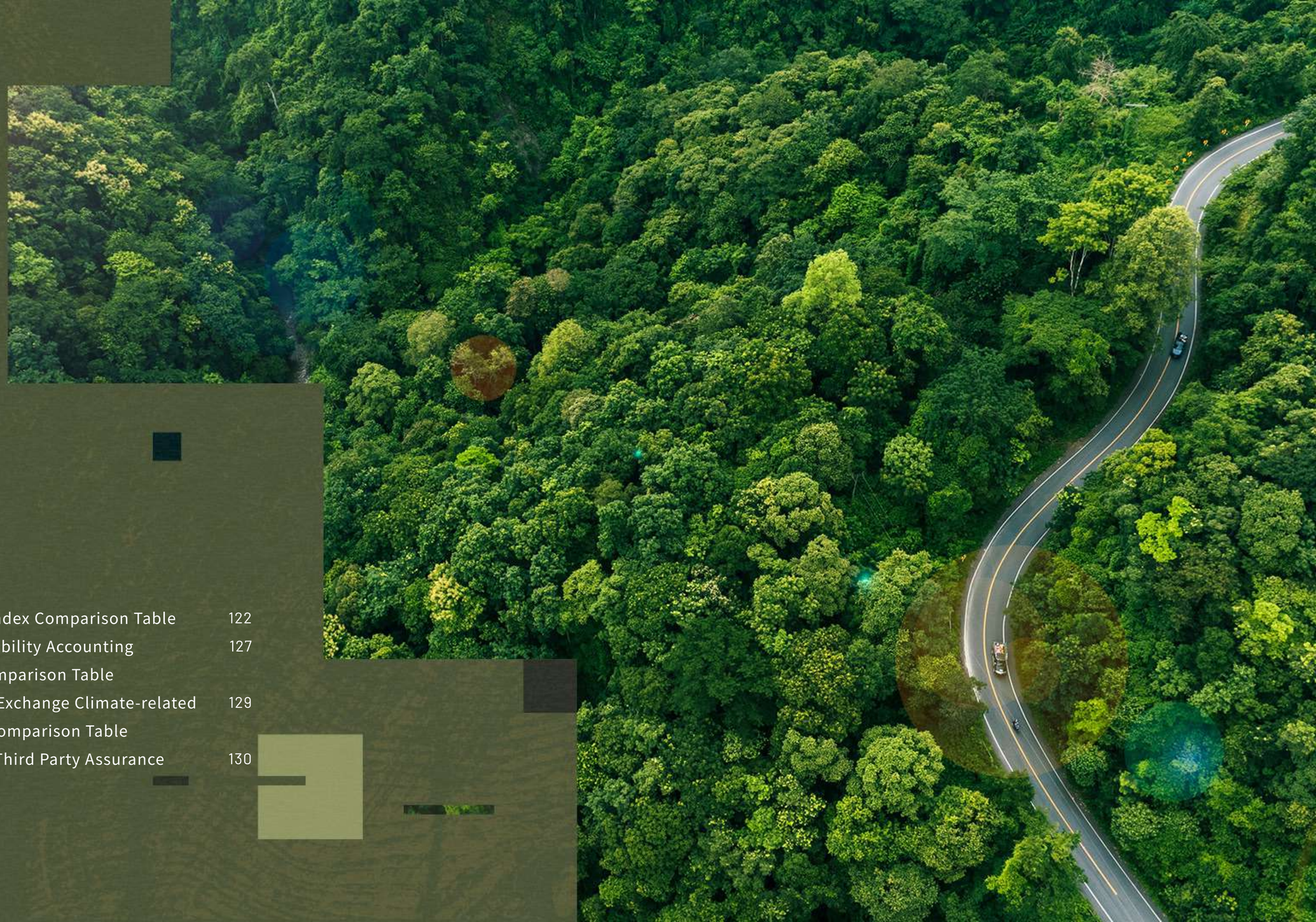
- Educational Assistance
- Child and Youth Welfare
- Emergency Relief
- Social Welfare Activities

List of Results and Expenses of Public Welfare Activities Organized / Co-Organized by Taichung City Rexon Charity Foundation

Public Welfare Category	Work Item	Implementation Results	Implementation Expenses
Child Welfare Expenditures	Campus Repairs	Assisted an elementary school in a remote area with dismantling projectors and relocating equipment.	3,905
	Taichung Christian Herald Children's Home	Provided funding to arrange various talent courses for residents, helping them build self-confidence.	100,000
	DENER International Children's Association	Supported after-school tutoring expenses for elementary schools in remote areas and actively invested in children's educational development. Service recipients: Tieshan Elementary School in Waipu District, Taichung City, and Dongming Elementary School in Dajia District, Taichung City, covering after-school tutoring expenses for a total of 25 children in remote areas.	62,580
	Taichung Babies' Home	Provided subsidies for care services and integrated professional resources such as rehabilitation and education to help children receive more comprehensive support.	100,000
Emergency Relief Expenditures	Emergency Relief Fund	Provided emergency relief subsidies to 11 senior high school students.	220,000
Social Welfare Expenditures	Donations to Disadvantaged Groups	Donations to social welfare institutions: subsidized care expenditures of the Sfang Social Welfare Foundation.	200,000
	Blood Donation Campaigns	Across the two blood donation campaigns, a total of 195 participations were recorded, with 275 bags of blood donated. Each bag contained 250 cc, bringing the cumulative blood donation volume to 68,750 cc and providing precious life support to patients in need.	17,100
	Smile Angels Volunteers	Assisted the Smile Angels – Taichung City Welfare Association for the Physically and Mentally Disabled in packaging Mid-Autumn Festival gift boxes. The activity was carried out from the end of August to the end of September, lasting one month.	5,887
Youth Welfare Expenditures	Charitable Maker Education	Collaborated with the Mustard Seed Mission to organize a youth maker woodworking camp, enabling young people to create works by hand, build self-confidence and a sense of achievement, and support diverse development.	116,060
	Tsu-Hsin Children's Home	Provided subsidies to assist the institution in placing and caring for children and youth from dysfunctional families or those who have experienced abuse, helping them develop the ability to live independently.	200,000
Total			1,025,532

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2-4	Restatements of Information	About the Sustainability Report	3	
2-5	External Assurance/Confirmation	About the Sustainability Report	3	
2-6	Activities, Value Chain, and Other Business Relationships	1.1 Company Profile	19	
2-7	Employees	5.2 Employment and Retention	100	
2-8	Non-Employee Workers	5.2 Employment and Retention	100	
2-9	Governance Structure and Composition	2.1 Governance Structure	26	
2-10	Nomination and Selection of the Highest Governance Body	2.1 Governance Structure	26	
2-11	Chair of the Highest Governance Body	2.1 Governance Structure	26	
2-12	Role of the Highest Governance Body in Overseeing Impact Management	1.2 Sustainable Governance Structure	22	
2-13	Person Responsible for Impact Management	1.2 Sustainable Governance Structure	22	
2-14	Role of the Highest Governance Body in Sustainability Reporting	1.2 Sustainable Governance Structure	22	
2-15	Conflict of Interests	2.1 Governance Structure	26	
2-16	Communication of Key Significant Events	2.1 Governance Structure	26	
2-17	Collective Intelligence of the Highest Governance Body	2.1 Governance Structure	26	
2-18	Performance Evaluation of the Highest Governance Body	2.1 Governance Structure	26	
2-19	Remuneration Policy	2.1 Governance Structure	26	
2-20	Remuneration Policies	2.1 Governance Structure	26	
2-21	Total Annual Remuneration Ratio	5.2 Employment and Retention	100	
2-22	Sustainable Development Strategy Statement	Rexon's Commitment to Sustainable Operations	6	
2-23	Policy Commitment	Material Topics Identification 5.1 Human Rights Management	8、97	
2-24	Incorporation of Policy Commitments	3.3 Supply Chain Collaboration 5.1 Human Rights Management	51、97	

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Standards	Disclosure Items	Corresponding Section	Page	Remarks
2-25	Procedures for Remedying Negative Impacts	2.4 Risk management 2.5 Integrity and Ethics	34、37	
2-26	Mechanisms for Seeking Advice and Raising Concerns	2.5 Integrity and Ethics	37	
2-27	Compliance with Laws and Regulations	2.5 Integrity and Ethics	37	
2-28	Membership in Public Associations	2.1 Governance Structure	26	
2-29	Stakeholder Engagement Policy	Material Topics Identification	8	
2-30	Collective Agreement	5.4 Benefits and Rights	108	

Material Topic Disclosure

"★" indicates a company-specific topic.

Material Topic		Disclosure Items	Corresponding Section	Page	Remarks
3-1		Process for Determining Material Topics	Material Topics Identification	8	
3-2		List of Material Topics	Material Topics Identification	8	
Financial Performance					
3-3		Management of Material Topics	03 Innovation - Sustainable Products	46	
201	Financial performance 2016	201-1 Direct Economic Value Generated and Distributed by the Organization	2.2 Operational Performance	30	
		201-4 Financial Assistance Received from the Government	2.2 Operational Performance	30	
207	Tax 2019	207-1 Tax Policy	2.3 Tax Policy	33	
		207-2 Tax Governance, Controls, and Risk Management	2.3 Tax Policy	33	
		207-3 Stakeholder Engagement and Management of Tax-related Issues	2.3 Tax Policy	33	
Research and Development (R&D) and Innovation ★					
3-3		Management of Material Topics	03 Innovation - Sustainable Products	46	
Customer Relationship Management					
3-3		Management of Material Topics	2.4 Customer relationship management	34	
418	Customer Privacy 2016	418-1 Complaints Substantiated for Invasion of Customer Privacy or Loss of Customer Data	2.4 Customer relationship management	34	
Product Health and Safety					
3-3		Management of Material Topics	3.4 Product Quality and Responsibility	54	
416	Customer Health and Safety 2016	416-1 Assessment of the Impacts of Products and Services on Health and Safety	3.4 Product Quality and Responsibility	54	
		416-2 Incidents of Non-compliance with Health and Safety Regulations for Products and Services			None

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Product Health and Safety					
417	Marketing and Labeling 2016	417-1 Requirements for Product and Service Information and Labeling	3.4 Product Quality and Responsibility	54	
		417-2 Incidents of Non-compliance with Regulations for Product and Service Information and Labeling			None
		417-3 Incidents of Non-compliance with Marketing and Labeling Regulations			None
Sustainable Supply Chain Management					
3-3		Management of Material Topics	3.3 Supply Chain Collaboration	51	
204	Procurement Practices 2016	204-1 Percentage of Procurement Expenditure from Local Suppliers	3.3 Supply Chain Collaboration	51	
308	Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	3.3 Supply Chain Collaboration	51	
		308-2: Negative environmental impacts in the supply chain and actions taken	3.3 Supply Chain Collaboration	51	
414	Supplier Social Assessment 2016	414-1 Use of Social Standards to Screen New Suppliers	3.3 Supply Chain Collaboration	51	
		414-2 Negative social impacts in the supply chain and actions taken	3.3 Supply Chain Collaboration	51	
Ethical Corporate Management					
3-3		Management of Material Topics	2.7 Integrity and Ethics	41	
2-25		Procedures for Remedying Negative Impacts	2.7 Integrity and Ethics	41	
2-26		Mechanisms for Seeking Advice and Raising Concerns	2.7 Integrity and Ethics	41	
2-27		Regulatory Compliance	2.7 Integrity and Ethics	41	
205	Anti-Corruption	205-1 Operating Locations where Corruption Risks have been Assessed	2.7 Integrity and Ethics	41	
		205-2 Communication and Training on Anti-Corruption Policies and Procedures	2.7 Integrity and Ethics	41	
		205-3 Incidents of Corruption Identified and Actions Taken	2.7 Integrity and Ethics	41	
206	Anti-Competitive Behavior 2016	206-1Legal Actions Regarding Anti-Competitive, Anti-Trust, and Monopolistic Behavior	2.7 Integrity and Ethics	41	
Information Security ★					
3-3		Management of Material Topics	2.6 Information Security	38	
Occupational Health and Safety					
3-3		Management of Material Topics	5.5 Workplace Health and Safety	110	
403	Occupational health and safety 2018	403-1 Occupational Safety and Health Management System	5.5 Workplace Health and Safety	110	
		403-2 Hazard Identification, Risk Assessment, and Incident Investigation	5.5 Workplace Health and Safety	110	
		403-3 Occupational Health Services	5.5 Workplace Health and Safety	110	
		403-4 Worker Participation, Consultation, and Communication on Occupational Safety and Health	5.5 Workplace Health and Safety	110	
		403-5 Training for Occupational Safety and Health	5.5 Workplace Health and Safety	110	

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Occupational Health and Safety					
403	Occupational health and safety 2018	403-6 Worker Health Promotion	5.5 Workplace Health and Safety	110	
		403-7 Prevention and Mitigation of Occupational Safety and Health Impacts Directly Linked to Business	5.5 Workplace Health and Safety	110	
		403-8 Scope of Workers Covered by the Occupational Safety and Health Management System	5.5 Workplace Health and Safety	110	
		403-9 Occupational Injuries	5.5 Workplace Health and Safety	110	
		403-10 Occupational Diseases	5.5 Workplace Health and Safety	110	
Climate Change Management					
3-3		Management of Material Topics – Greenhouse Gas Management	4.2 Greenhouse Gas Managemen	81	
3-3		Management of Material Topics – Energy Management	4.3 Energy Management	85	
201	Financial performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	4.1 Climate Action (TCFD)	69	
302	Energy 2016	302-1 Internal Energy Consumption	4.3 Energy Management	85	
		302-3 Energy Intensity	4.3 Energy Management	85	
		302-4 Reduction of Energy Consumption	4.3 Energy Management	85	
305	Emissions 2016	305-1 Direct (Scope 1) Greenhouse Gas Emissions	4.2 Greenhouse Gas Management	81	
		305-2 Energy Indirect (Scope 2) Greenhouse Gas Emissions	4.2 Greenhouse Gas Management	81	
		305-3 Other Indirect (Scope 3) Greenhouse Gas Emissions	4.2 Greenhouse Gas Management	81	
		305-4 Greenhouse Gas Emissions Intensity	4.2 Greenhouse Gas Management	81	
		305-5 Greenhouse Gas Emissions Reduction	4.2 Greenhouse Gas Management	81	
Human Rights					
3-3		Management of Material Topics	5.1 Human Rights Management	97	
404	Training and Education (2016)	404-1 Average Hours of Training per Employee per Year	5.3 Career Development	104	
		404-2 Programs to Enhance Employee Skills and Transition Assistance	5.3 Career Development	104	
		404-3 Proportion of Employees Subject to Regular Performance and Career Development Reviews	5.2 Employment and Retention	100	
405	Diversity of Employees and Equal Opportunity 2016	405-1 Diversity of Governance Bodies and Employees	5.2 Employment and Retention	100	
406	Non-discrimination 2016	406-1 Discrimination Incidents and Actions Taken by the Organization to Address Them	5.1 Human Rights Management	97	
407	Freedom of Association and Collective Bargaining 2016	407-1 Operating Locations or Suppliers at Risk of Violating Freedom of Association and Collective Bargaining	5.1 Human Rights Management	97	
408	Child Labor 2016	408-1 Operations and Suppliers at Significant Risk for Incidents of Child Labor	5.1 Human Rights Management	97	None

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Human Rights					
409	Forced or Compulsory Labor 2016	409-1 Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor	5.1 Human Rights Management	97	None
410	Security Practices 2016	410-1 Security Personnel Trained on Human Rights Policies or Procedures	5.1 Human Rights Management	97	
411	Rights of Indigenous Peoples 2016	411-1 Incidents Involving Violations of Indigenous Peoples' Rights	5.1 Human Rights Management	97	None

Other Specific Topic Disclosure

Material Topic		Disclosure Items	Corresponding Section	Page	Remarks
200 Series (Economic)					
201	Financial performance 2016	201-3 Obligations for Pension Payments and Other Retirement Plans	5.4 Benefits and Rights	108	
202	Market Status 2016	202-1 Ratio of Standard Remuneration for Workers in Different Gender to Minimum Wage in Local Markets	5.2 Employment and Retention	100	
		202-2 Proportion of Local Residents Employed in Senior Management Positions	5.2 Employment and Retention	100	
203	Indirect Economic Impacts 2016	203-1 Infrastructure Investments and Services Supported	6.2 Charity and Public Welfare	120	
		203-2 Significant Indirect Economic Impacts	6.2 Charity and Public Welfare	120	
300 Series (Environmental)					
302	Energy 2016	302-5 Reductions in Energy Requirements of Products and Services	3.2 Research and Development / Manufacturing	49	
303	Water and Wastewater 2018	303-1 Interactions with Water as a Shared Resource	4.4 Water Resource Management	90	
		303-2 Management of Impacts Related to Water and Wastewater	4.4 Water Resource Management	90	
		303-3 Water Intake Volume	4.4 Water Resource Management	90	
		303-4 Wastewater Discharge Volume	4.4 Water Resource Management	90	
304	Biodiversity 2016	304-1 Operational sites owned, leased, or managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	4.6 Ecological and Biodiversity Management (TNFD)	93	
		304-2 Significant impacts of activities, products, and services on biodiversity	4.6 Ecological and Biodiversity Management (TNFD)	93	
		304-3 Habitats protected or restored	4.6 Ecological and Biodiversity Management (TNFD)	93	
		304-4 IUCN Red List species, and national conservation list species, with habitats in areas affected by operations	4.6 Ecological and Biodiversity Management (TNFD)	93	
306	Waste 2020	306-1 Waste Generation and Significant Waste-related Impacts	4.5 Waste Management	91	
		306-2 Management of Significant Impacts Related to Waste	4.5 Waste Management	91	
		306-3 Generation of Waste	4.5 Waste Management	91	
		306-4 Disposal and Transfer of Waste	4.5 Waste Management	91	

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300 Series (Environmental)					
306	Waste 2020	306-1 Waste Generation and Significant Waste-related Impacts	4.5 Waste Management	91	
		306-2 Management of Significant Impacts Related to Waste	4.5 Waste Management	91	
		306-3 Generation of Waste	4.5 Waste Management	91	
		306-4 Disposal and Transfer of Waste	4.5 Waste Management	91	
		306-5 Direct Disposal of Waste	4.5 Waste Management	91	
400 Series (Social)					
401	Employment and Labor Relations 2016	401-1 New Hires and Resignations	5.2 Employment and Retention	100	
402	Labor-management relationship 2016	402-1 Minimum Notice Period for Operational Changes	5.4 Benefits and Rights	108	
		401-2Benefits Provided to Full-time Employees (excluding Temporary or Part-time Employees)	5.4 Benefits and Rights	108	
		401-3 Maternity Leave	5.4 Benefits and Rights	108	
415	Public Policy 2016	415-1 Political Contributions	2.2 Operational Performance	30	

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Industry 1: Appliance Manufacturing

Metric No.	Disclosure Metrics	Nature	Unit	Report Content or Description
Product Safety				
CG-AM-250a.1	Number of recalls issued and total units recalled	Quantitative	Quantity	No product recalls occurred in 2025.
CG-AM-250a.2	Risk Identification and Management for Use of Products	Discussion and Analysis	N/A	The Company conducts random inspections in accordance with the quality management requirements of the "Regulations for Shipment and Return Inspections of Finished (Purchased) Products" to ensure the safety and reliability of products at the time of shipment.
CG-AM-250a.3	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	Currency	NTD 0 (No relevant incidents occurred in 2025.)
Product Lifecycle Environmental Impacts				
CG-AM-410a.1	Percentage of eligible products by revenue certified to the ENERGY STAR® program	Quantitative	Percentage of revenue (%)	Accounted for 0% of operating revenue (No eligible products certified under the ENERGY STAR® program)
CG-AM-410a.2	Percentage of eligible products certified to an Association of Home Appliance Manufacturers (AHAM) sustainability standard	Quantitative	Percentage of revenue (%)	Accounted for 0% of operating revenue (No eligible products certified under an Association of Home Appliance Manufacturers (AHAM) sustainability standard)

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Product Lifecycle Environmental Impacts				
CG-AM-250a.3	Description of efforts to manage products' end-of-life impacts	Discussion and Analysis	N/A	Rexon is primarily engaged in OEM and ODM, and waste generation is limited to the production process. The waste is disposed of in accordance with waste management regulations, and the disposal processes comply with environmental control standards.

Sector 2: Toys and Sporting Goods

Metric No.	Disclosure Metrics	Nature	Unit	Report Content or Description
Chemical & Safety Hazards of Products				
CG-TS-250a.1	(1) Number of recalls and (2) Number of total units recalled	Quantitative	Quantity	No product recalls occurred in 2025.
CG-TS-250a.3	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	Currency	NTD 0 (No relevant incidents occurred in 2025.)
CG-TS-250a.4	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	N/A	The Company is dedicated to complying with international regulations. Our products meet the requirements of RoHS, REACH, the Packaging Directive, the Battery Directive, and the Halogen-Free (HF) standard.
Labor Conditions in the Supply Chain				
CG-TS-430a.1	Number of facilities audited to a social responsibility code of conduct	Quantitative	Quantity	181 suppliers completed the self-assessment, representing 71% of the total procurement value.
CG-TS-430a.2	Direct suppliers' social responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) priority nonconformances and (b) other nonconformances	Quantitative	Quantity, percentage (%)	1. In 2025, there were 20 new suppliers, and the newly added ESG evaluation items all met the initial target score of 45 or above, with no suppliers rated as non-compliant. 2. A total of 181 suppliers completed self-assessments, accounting for 71% of the total procurement amount. The non-compliance rate was approximately 3%, and 50 on-site audits were conducted for high-risk suppliers.

Industry 3: Technology and Communications

Metric No.	Disclosure Metrics	Nature	Unit	Report Content or Description
Product Security				
TC-HW-230a.1	Approach to Identifying and Addressing Product Data Security Risks	Discussion and Analysis	N/A	No specific discussion or analysis is currently available.
Employee Diversity and Inclusion				
TC-HW-330a.1	Employee diversity and inclusion, including gender ratios and diverse group representation among: (a) senior management, (b) non-senior management, (c) technical employees, and (d) other employees.	Quantitative	Percentage (%)	5.2 Employment and Retention

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Product Lifecycle Management				
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage of revenue(%)	No relevant statistical data yet
TC-HW-410a.2	Percentage of products by revenue that meet EPEAT registration or equivalent standards	Quantitative	Percentage of revenue(%)	No relevant statistical data yet
TC-HW-410a.3	Percentage of products by revenue that are certified to energy efficiency standards	Quantitative	Percentage of revenue(%)	No relevant statistical data yet
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, and recovery rate	Quantitative	Percentage of revenue(%)	No relevant statistical data yet
Supply Chain Management				
TC-HW-430a.1	Percentage of Tier 1 supplier facilities participating in the RBA Validated Assessment Program (VAP) or equivalent standard audits, broken down by: (a) all facilities and (b) high-risk facilities	Quantitative	Percentage (%)	No relevant statistical data yet
TC-HW-430a.2	Non-compliance rate of Tier 1 suppliers under (1) RBA Validated Assessment Program (VAP) or equivalent standard audits, and (2) percentage of corrective actions for: (a) priority non-compliances and (b) other non-compliances	Quantitative	Ratio	No relevant statistical data yet
Materials Sourcing				
TC-HW-440a.1	Approach to Managing Risks Associated with the Use of Critical Materials	Discussion and Analysis	None	No specific discussion or analysis is currently available.

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Item	Implementation status
Description of the monitoring and governance that the Board of Directors and management perform with respect to the climate-related risks and opportunities	4.1 Climate Action (TCFD)
Description of how identified climate risks and opportunities impact the company's operations, strategies, and finances in the short-term, medium-term, and long-term	4.1 Climate Action (TCFD)
Description of the impact of extreme climate events and transformation actions on the finance	4.1 Climate Action (TCFD)
Description of how the climate risk identification, assessment and management processes are integrated in the overall risk management system	4.1 Climate Action (TCFD)
If scenario analysis is used to assess resilience to climate change risks, provide details on the scenarios, parameters, assumptions, analysis factors, and key financial impacts	4.1 Climate Action (TCFD)

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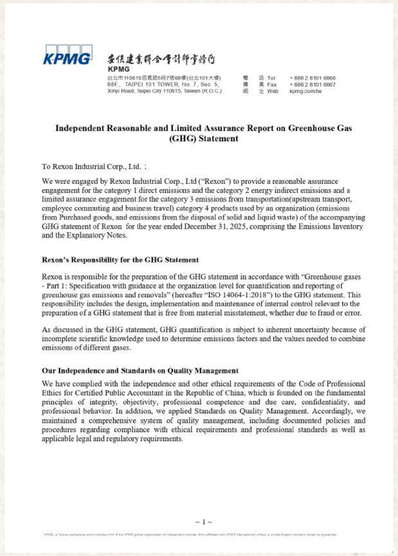
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If there are transition plans to manage climate-related risks, explain the contents of the plan and the indicators and targets used to identify and manage physical and transition risks	4.1 Climate Action (TCFD)
If internal carbon pricing is used as a planning tool, the pricing basis shall be specified	In 2026, the Company expects to establish a “shadow price” as its “internal carbon price” by referencing the Ministry of Environment’s Regulations Governing the Collection of Carbon Fees, as well as the carbon fee mechanisms of major economies such as the United States and the European Union, and then introduce an internal carbon pricing system.
If climate-related targets are set, provide information on the activities covered, scope of greenhouse gas emissions, planning timeline, and annual progress. If carbon offsetting or the use of Renewable Energy Certificates (RECs) is employed to achieve these targets, explain the source and quantity of carbon offset or the number of RECs utilized	4.2 Greenhouse Gas Management
Greenhouse Gas Inventory and Assurance Status, Reduction Targets, Strategies, and Specific Action Plans	· Rexon Industrial completed its 2025 greenhouse gas inventory in May 2025, continues to calculate greenhouse gas emissions annually, and passes third-party verification. · The inventory and verification plan for subsidiary companies will be conducted in accordance with the Financial Supervisory Commission's requirements and completed by 2029.

Appendix 4. Independent Third Party Assurance Statement

2025 PTS_Independent Reasonable and Limited Assurance Report on Greenhouse Gas (GHG) Statement (Rexon Industrial Co., Ltd.)



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Independent Reasonable and Limited Assurance Report on Greenhouse Gas (GHG) Statement

To Rexon Industrial Corp., Ltd. :

We were engaged by Rexon Industrial Corp., Ltd (“Rexon”) to provide a reasonable assurance engagement for the category 1 direct emissions and the category 2 energy indirect emissions and a limited assurance engagement for the category 3 emissions from transportation(upstream transport, employee commuting and business travel) category 4 products used by an organization (emissions from Purchased goods, and emissions from the disposal of solid and liquid waste) of the accompanying GHG statement of Rexon for the year ended December 31, 2025, comprising the Emissions Inventory and the Explanatory Notes.

Rexon’s Responsibility for the GHG Statement

Rexon is responsible for the preparation of the GHG statement in accordance with “Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals” (hereafter “ISO 14064-1:2018”) to the GHG statement. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a GHG statement that is free from material misstatement, whether due to fraud or error.

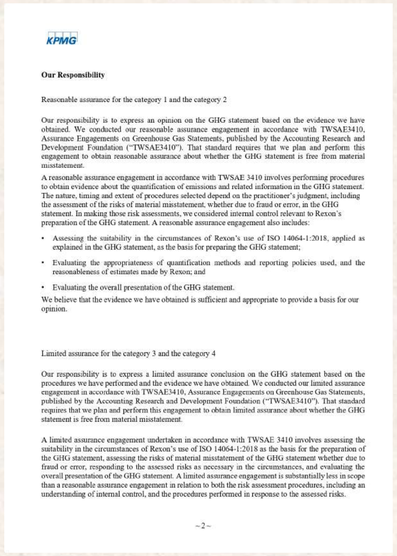
As discussed in the GHG statement, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

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Our Responsibility

Reasonable assurance for the category 1 and the category 2

Our responsibility is to express an opinion on the GHG statement based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with TWSAE3410, Assurance Engagements on Greenhouse Gas Statements, published by the Accounting Research and Development Foundation (“TWSAE3410”). That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the GHG statement is free from material misstatement.

A reasonable assurance engagement in accordance with TWSAE 3410 involves performing procedures to obtain evidence about the quantification of emissions and related information in the GHG statement. The nature, timing and extent of procedures selected depend on the practitioner’s judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the GHG statement. In making these risk assessments, we considered internal control relevant to Rexon’s preparation of the GHG statement. A reasonable assurance engagement also includes:

- Assessing the suitability in the circumstances of Rexon’s use of ISO 14064-1:2018, applied as explained in the GHG statement, as the basis for preparing the GHG statement;
- Evaluating the appropriateness of quantification methods and reporting policies used, and the reasonableness of estimates made by Rexon; and
- Evaluating the overall presentation of the GHG statement.

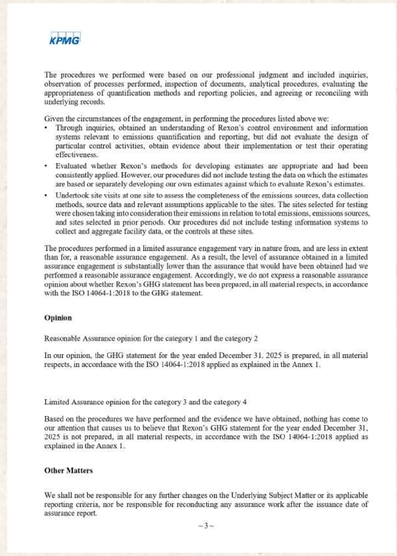
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Limited assurance for the category 3 and the category 4

Our responsibility is to express a limited assurance conclusion on the GHG statement based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with TWSAE3410, Assurance Engagements on Greenhouse Gas Statements, published by the Accounting Research and Development Foundation (“TWSAE3410”). That standard requires that we plan and perform this engagement to obtain limited assurance about whether the GHG statement is free from material misstatement.

A limited assurance engagement undertaken in accordance with TWSAE 3410 involves assessing the suitability in the circumstances of Rexon’s use of ISO 14064-1:2018 as the basis for the preparation of the GHG statement, assessing the risks of material misstatement of the GHG statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG statement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

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The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Through inquiries, obtained an understanding of Rexon’s control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether Rexon’s methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Rexon’s estimates.
- Undertook site visits at one site to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to the sites. The sites selected for testing were chosen taking into consideration their emissions in relation to total emissions, emissions sources, and sites selected in prior periods. Our procedures did not include testing information systems to collect and aggregate facility data, or the controls at these sites.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Rexon’s GHG statement has been prepared, in all material respects, in accordance with the ISO 14064-1:2018 to the GHG statement.

Opinion

Reasonable Assurance opinion for the category 1 and the category 2

In our opinion, the GHG statement for the year ended December 31, 2025 is prepared, in all material respects, in accordance with the ISO 14064-1:2018 applied as explained in the Annex 1.

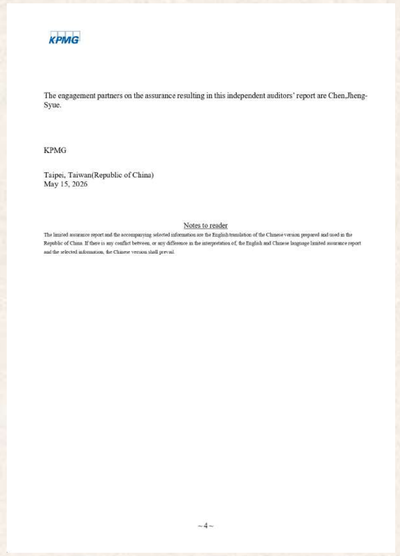
Limited Assurance opinion for the category 3 and the category 4

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Rexon’s GHG statement for the year ended December 31, 2025 is not prepared, in all material respects, in accordance with the ISO 14064-1:2018 applied as explained in the Annex 1.

Other Matters

We shall not be responsible for any further changes on the Underlying Subject Matter or its applicable reporting criteria, nor be responsible for reconducting any assurance work after the issuance date of assurance report.

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KPMG

The engagement partners on the assurance resulting in this independent auditors’ report are Chen,Jheng-Syue.

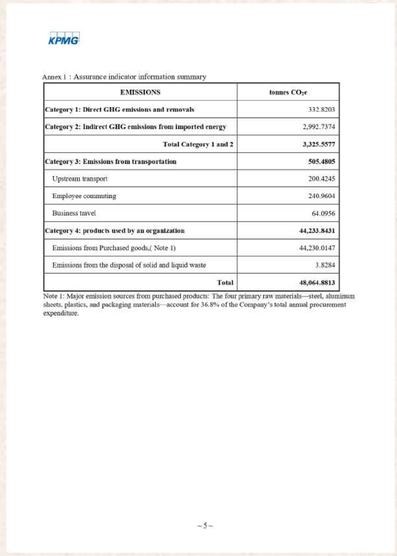
KPMG

Taipei, Taiwan(Republic of China)
May 15, 2026

Notes to reader

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.

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KPMG

Annex 1 : Assurance indicator information summary

EMISSIONS	tonnes CO_2e
Category 1: Direct GHG emissions and removals	332.8203
Category 2: Indirect GHG emissions from imported energy	2,992.7374
Total Category 1 and 2	**3,325.5577**
Category 3: Emissions from transportation	**505.4805**
Upstream transport	200.4245
Employee commuting	240.9604
Business travel	64.0956
Category 4: products used by an organization	**44,233.8431**
Emissions from Purchased goods,(Note 1)	44,230.0147
Emissions from the disposal of solid and liquid waste	3.8284
Total	**48,064.8813**

Note 1: Major emission sources from purchased products: The four primary raw materials—steel, aluminum sheets, plastics, and packaging materials—account for 36.8% of the Company’s total annual procurement expenditure.

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Introduction

Material Topics Identification

01 | About Rexon

02 | Governance · Integrity and Transparency

03 | Innovation · Sustainable Products

04 | Green · Environmental Sustainability

05 | Talent · People-centered

06 | Care · Goodness for All

Appendix

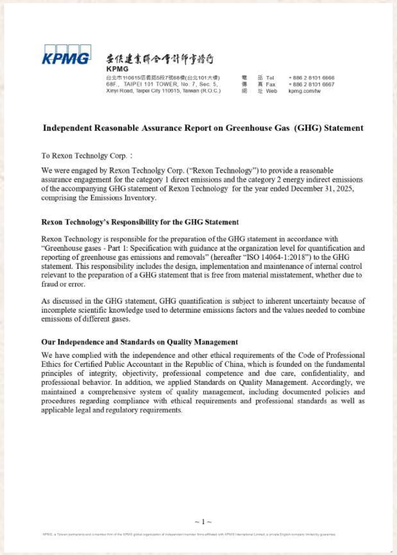
Appendix 1 | GRI Content Index Comparison Table

Appendix 2 | SASB Sustainability Accounting Standards Comparison Table

Appendix 3 | Taiwan Stock Exchange Climate-related Information Comparison Table

Appendix 4 | Independent Third Party Assurance Statement

- 2025 PTS_Independent Reasonable and Limited Assurance Report on Greenhouse Gas (GHG) Statement (Rexon Technology Corp.)



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傳 真 Fax + 886 2 8101 6667
網 址 Web kpmg.com/tw

Independent Reasonable Assurance Report on Greenhouse Gas (GHG) Statement

To Rexon Technolgy Corp. :

We were engaged by Rexon Technolgy Corp. ("Rexon Technology") to provide a reasonable assurance engagement for the category 1 direct emissions and the category 2 energy indirect emissions of the accompanying GHG statement of Rexon Technology for the year ended December 31, 2025, comprising the Emissions Inventory.

Rexon Technology's Responsibility for the GHG Statement

Rexon Technology is responsible for the preparation of the GHG statement in accordance with "Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals" (hereafter "ISO 14064-1:2018") to the GHG statement. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a GHG statement that is free from material misstatement, whether due to fraud or error.

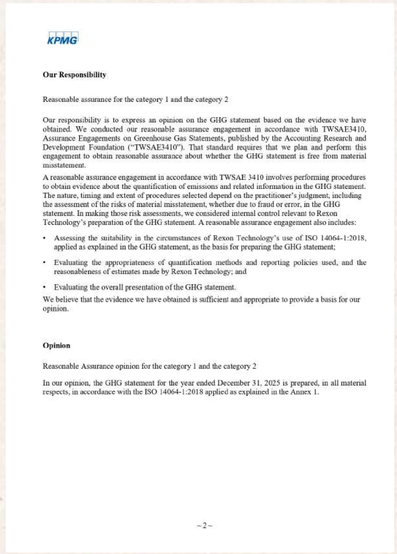
As discussed in the GHG statement, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

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Our Responsibility

Reasonable assurance for the category 1 and the category 2

Our responsibility is to express an opinion on the GHG statement based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with TWSAE3410, Assurance Engagements on Greenhouse Gas Statements, published by the Accounting Research and Development Foundation ("TWSAE3410"). That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the GHG statement is free from material misstatement.

A reasonable assurance engagement in accordance with TWSAE 3410 involves performing procedures to obtain evidence about the quantification of emissions and related information in the GHG statement. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the GHG statement. In making those risk assessments, we considered internal control relevant to Rexon Technology's preparation of the GHG statement. A reasonable assurance engagement also includes:

- Assessing the suitability in the circumstances of Rexon Technology's use of ISO 14064-1:2018, applied as explained in the GHG statement, as the basis for preparing the GHG statement;
- Evaluating the appropriateness of quantification methods and reporting policies used, and the reasonableness of estimates made by Rexon Technology; and
- Evaluating the overall presentation of the GHG statement.

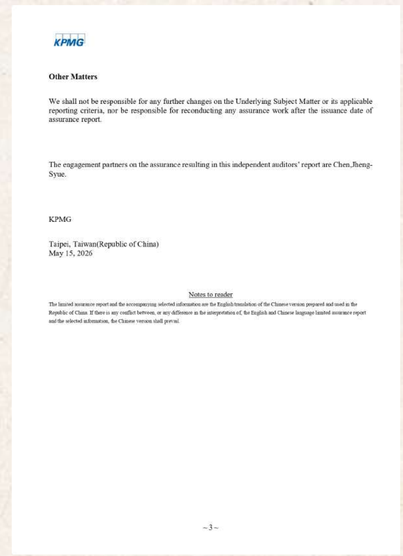
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Reasonable Assurance opinion for the category 1 and the category 2

In our opinion, the GHG statement for the year ended December 31, 2025 is prepared, in all material respects, in accordance with the ISO 14064-1:2018 applied as explained in the Annex 1.

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KPMG

Other Matters

We shall not be responsible for any further changes on the Underlying Subject Matter or its applicable reporting criteria, nor be responsible for reconducting any assurance work after the issuance date of assurance report.

The engagement partners on the assurance resulting in this independent auditors' report are Chen,Jheng-Syue.

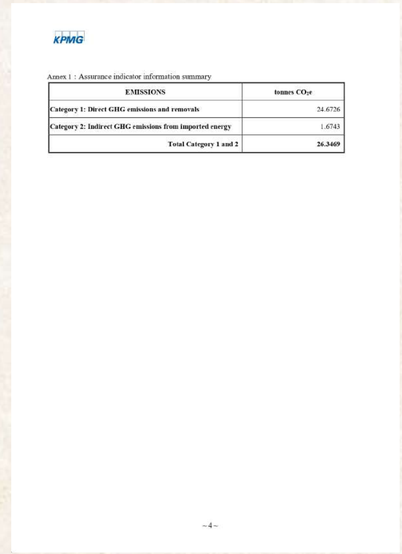
KPMG

Taipei, Taiwan(Republic of China)
May 15, 2026

Notes to reader

The limited assurance report and the accompanying selected information are for English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.

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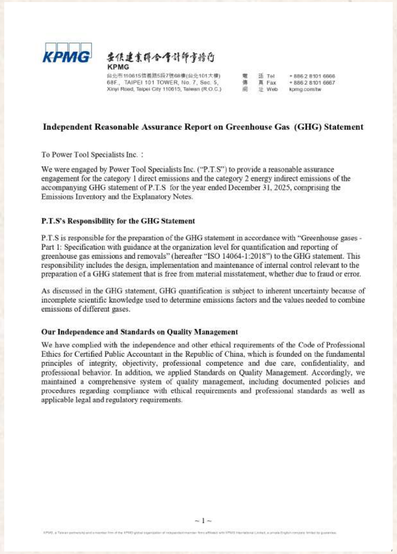
KPMG

Annex 1 : Assurance indicator information summary

EMISSIONS	tonnes CO_2e
Category 1: Direct GHG emissions and removals	24.6726
Category 2: Indirect GHG emissions from imported energy	1.6743
Total Category 1 and 2	**26.3469**

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- 2025 PTS_Independent Reasonable and Limited Assurance Report on Greenhouse Gas (GHG) Statement (Power Tool Specialists Inc.)



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Independent Reasonable Assurance Report on Greenhouse Gas (GHG) Statement

To Power Tool Specialists Inc. :

We were engaged by Power Tool Specialists Inc. ("P.T.S") to provide a reasonable assurance engagement for the category 1 direct emissions and the category 2 energy indirect emissions of the accompanying GHG statement of P.T.S for the year ended December 31, 2025, comprising the Emissions Inventory and the Explanatory Notes.

P.T.S's Responsibility for the GHG Statement

P.T.S is responsible for the preparation of the GHG statement in accordance with "Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals" (hereafter "ISO 14064-1:2018") to the GHG statement. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a GHG statement that is free from material misstatement, whether due to fraud or error.

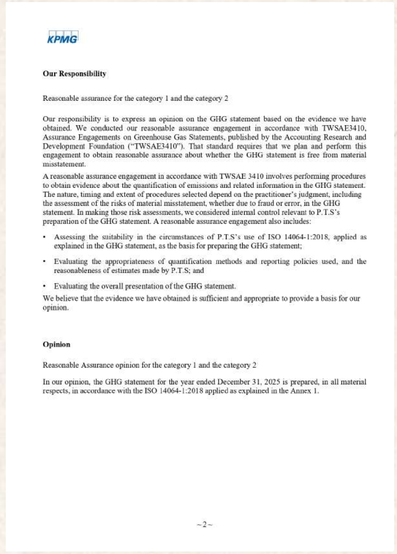
As discussed in the GHG statement, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

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Our Responsibility

Reasonable assurance for the category 1 and the category 2

Our responsibility is to express an opinion on the GHG statement based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with TWSAE3410, Assurance Engagements on Greenhouse Gas Statements, published by the Accounting Research and Development Foundation ("TWSAE3410"). That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the GHG statement is free from material misstatement.

A reasonable assurance engagement in accordance with TWSAE 3410 involves performing procedures to obtain evidence about the quantification of emissions and related information in the GHG statement. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the GHG statement. In making those risk assessments, we considered internal control relevant to P.T.S's preparation of the GHG statement. A reasonable assurance engagement also includes:

- Assessing the suitability in the circumstances of P.T.S's use of ISO 14064-1:2018, applied as explained in the GHG statement, as the basis for preparing the GHG statement;
- Evaluating the appropriateness of quantification methods and reporting policies used, and the reasonableness of estimates made by P.T.S; and
- Evaluating the overall presentation of the GHG statement.

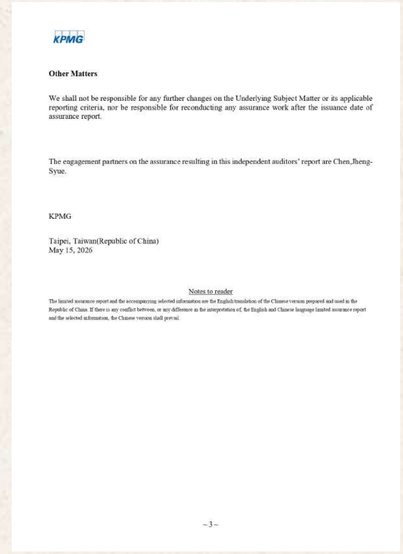
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Reasonable Assurance opinion for the category 1 and the category 2

In our opinion, the GHG statement for the year ended December 31, 2025 is prepared, in all material respects, in accordance with the ISO 14064-1:2018 applied as explained in the Annex 1.

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KPMG

Other Matters

We shall not be responsible for any further changes on the Underlying Subject Matter or its applicable reporting criteria, nor be responsible for reconducting any assurance work after the issuance date of assurance report.

The engagement partners on the assurance resulting in this independent auditors' report are Chen,Jheng-Syue.

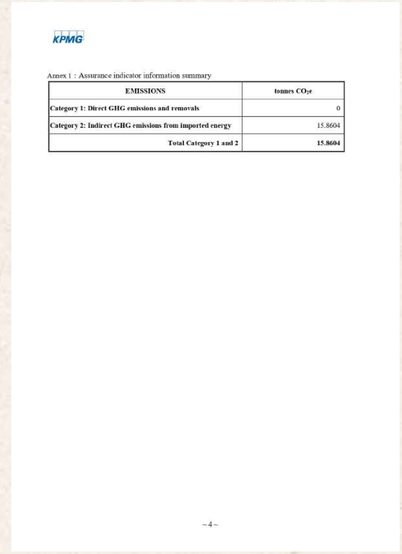
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Taipei, Taiwan(Republic of China)
May 15, 2026

Notes to reader

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KPMG

Annex 1 : Assurance indicator information summary

EMISSIONS	tonnes CO_2e
Category 1: Direct GHG emissions and removals	0
Category 2: Indirect GHG emissions from imported energy	15.8604
Total Category 1 and 2	**15.8604**

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Introduction

Material Topics Identification

01 | About Rexon

02 | Governance · Integrity and Transparency

03 | Innovation · Sustainable Products

04 | Green · Environmental Sustainability

05 | Talent · People-centered

06 | Care · Goodness for All

Appendix

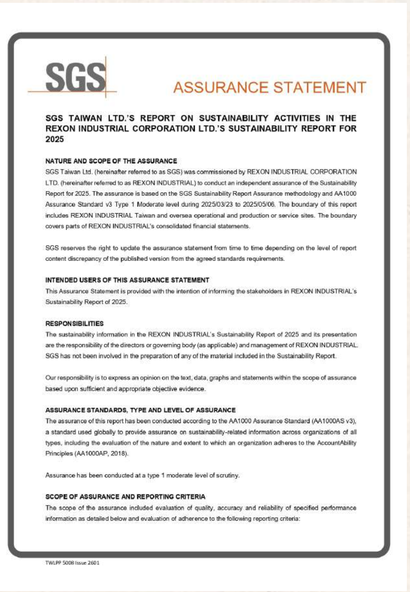
Appendix 1 | GRI Content Index Comparison Table

Appendix 2 | SASB Sustainability Accounting Standards Comparison Table

Appendix 3 | Taiwan Stock Exchange Climate-related Information Comparison Table

Appendix 4 | Independent Third Party Assurance Statement

■ 2025 AA1000 Assurance Statement (Rexon Industrial Co., Ltd.)



SGS ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE REXON INDUSTRIAL CORPORATION LTD.'S SUSTAINABILITY REPORT FOR 2025

NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by REXON INDUSTRIAL CORPORATION LTD. (hereinafter referred to as REXON INDUSTRIAL) to conduct an independent assurance of the Sustainability Report for 2025. The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 1 Moderate level during 2025/03/23 to 2025/05/06. The boundary of this report includes REXON INDUSTRIAL Taiwan and oversea operational and production or service sites. The boundary covers parts of REXON INDUSTRIAL's consolidated financial statements.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing the stakeholders in REXON INDUSTRIAL's Sustainability Report of 2025.

RESPONSIBILITIES

The sustainability information in the REXON INDUSTRIAL's Sustainability Report of 2025 and its presentation are the responsibility of the directors or governing body (as applicable) and management of REXON INDUSTRIAL. SGS has not been involved in the preparation of any of the material included in the Sustainability Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

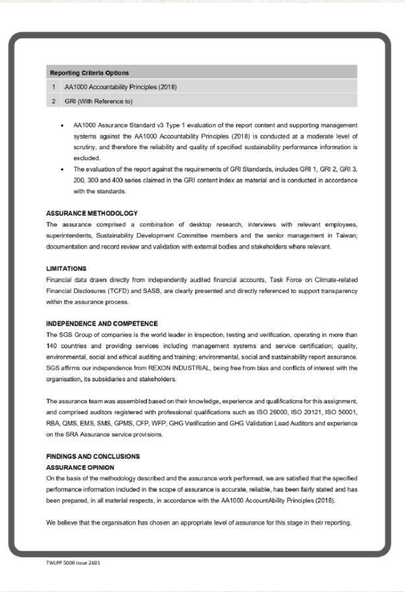
The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP, 2018).

Assurance has been conducted at a type 1 moderate level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

TWLPF 5008 Issue 2601



Reporting Criteria Options	
1	AA1000 Accountability Principles (2018)
2	GRI (With Reference to)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is excluded.
- The evaluation of the report against the requirements of GRI Standards, includes GRI 1, GRI 2, GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.

ASSURANCE METHODOLOGY

The assurance comprised a combination of desktop research, interviews with relevant employees, superintendents, Sustainability Development Committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and stakeholders where relevant.

LIMITATIONS

Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) and SASB, are clearly presented and directly referenced to support transparency within the assurance process.

INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirms our independence from REXON INDUSTRIAL, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with professional qualifications such as ISO 26000, ISO 20121, ISO 50001, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 AccountAbility Principles (2018).

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

TWLPF 5008 Issue 2601



ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

REXON INDUSTRIAL has demonstrated a commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns.

MATERIALITY

REXON INDUSTRIAL has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the sustainability report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

RESPONSIVENESS

This Sustainability report includes topics that are of concern to various stakeholders, provides responses to those topics, and discloses the channels through which those responses are communicated.

IMPACT

REXON INDUSTRIAL has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, decisions and products and services, as well as any related performance. Some impacts have already been managed and quantified through established targets. In the future, these impacts can be considered for conversion into financial indicators to strengthen the analysis of their overall effect on the REXON INDUSTRIAL's operations.

ADHERENCE TO GRI

The report, REXON INDUSTRIAL's Sustainability Report of 2025, is reporting with reference to the GRI Universal Standards 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topics 2021 and the relevant 200/300/400 series Topic Standards related to the material topics claimed in the GRI content index. The report has properly disclosed information related to REXON INDUSTRIAL's contributions to sustainability development.

For future reporting, REXON INDUSTRIAL may consider expanding the scope of information disclosure to progressively cover all operating locations included in the consolidated financial statements.

Signed:
For and on behalf of SGS Taiwan Ltd.

AA1000 Licensed Report 000-8/V3-FP0WN

Stephen Pao
Business Assurance Director
Taipei, Taiwan
27 May, 2026
WWW.SGS.COM

TWLPF 5008 Issue 2601



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