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4.1 Climate Action (TCFD)

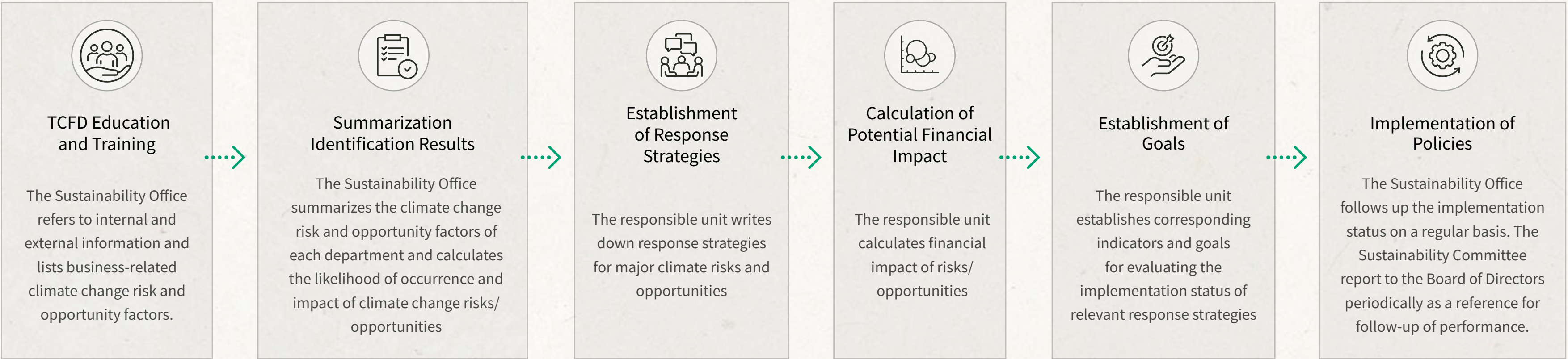
Climate-Related Financial Disclosures (TCFD) Governance

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.

Management of Climate Change Related Risks and Opportunities



1 Identification Process of Climate Change Related Risks and Opportunities



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2 Identification Results of Climate Change Risks and Opportunities

(1) Climate Change Related Risk Type For the risk component, Rexion 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:

The scatter plot displays the Degree of Operational Impact (Y-axis) against the Significance of Impact Events (X-axis). The risks are plotted as follows:

- Increase in raw material costs (High Impact, High Significance)
- Cost expenditures for low-carbon transition (High Impact, High Significance)
- Greenhouse gas reduction regulations (High Impact, High Significance)
- Changes in consumer preferences (High Impact, Medium Significance)
- Carbon pricing mechanism (High Impact, Medium Significance)
- Increase in the frequency and intensity of typhoons (High Impact, Medium Significance)
- Increase in extreme rainfall events (High Impact, Medium Significance)
- Decline in brand reputation (High Impact, Medium Significance)
- Water shortage or water rationing (Low Impact, Low Significance)

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, Rexion 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:

The scatter plot displays the Degree of Operational Impact (Y-axis) against the Significance of Impact Events (X-axis). The opportunities are plotted as follows:

- Develop or expand low-carbon products and services (High Impact, High Significance)
- Develop renewable energy projects and adopt energy-saving measures (High Impact, High Significance)
- Business growth opportunities from new markets (High Impact, Medium Significance)
- Transition toward more efficient processes (High Impact, Medium Significance)
- Use low-carbon energy (High Impact, Medium Significance)
- Increase brand customers' willingness to place orders (Low Impact, Low Significance)

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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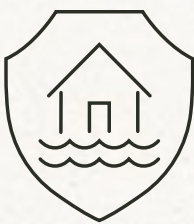
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Scenario Assessment of Key Climate Risks

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

2030

...>

Medium Term

2030 — 2040

...>

Long Term

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		

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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, Rxon 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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							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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							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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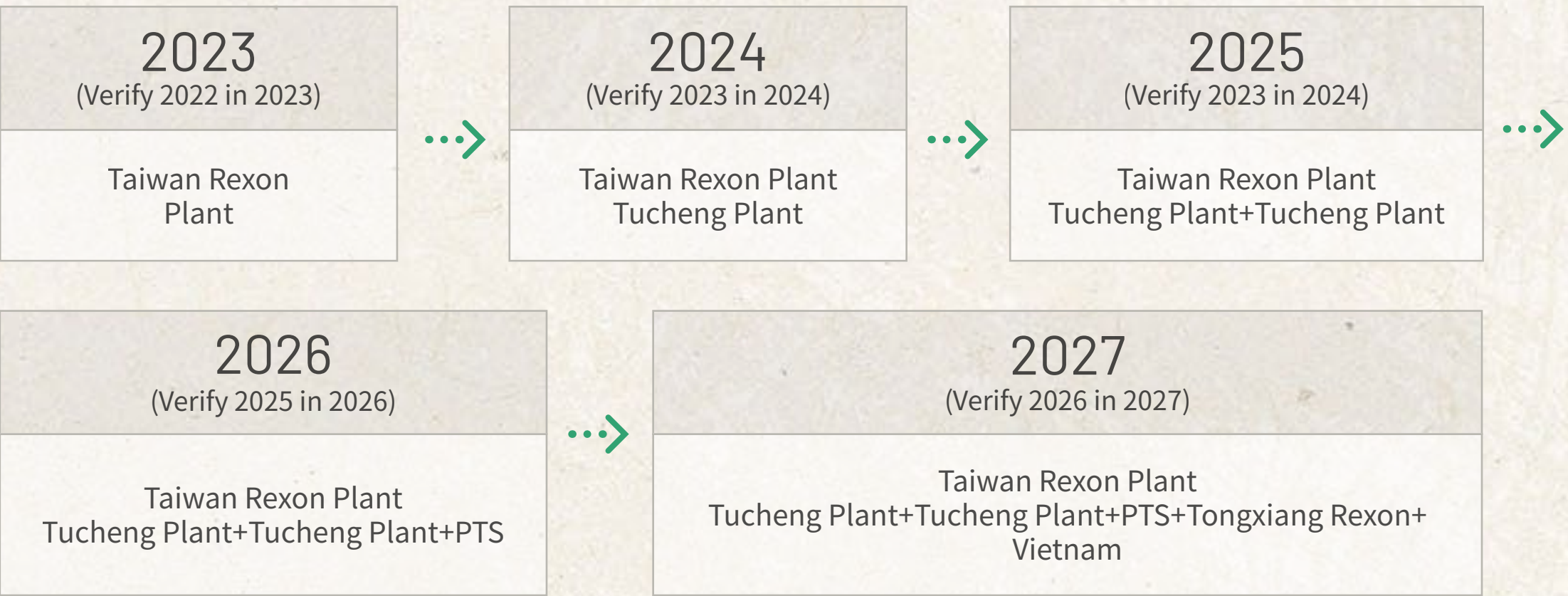
4.2 Greenhouse Gas Management

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.

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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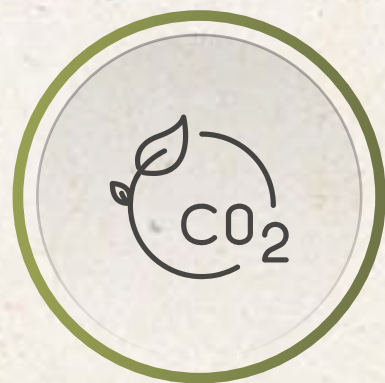
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Greenhouse Gas



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Climate Change Management
(Greenhouse Gases)



Description of Positive Benefits
(Actual and Potential)

Actual positive:

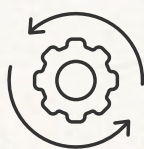
1. We increase the proportion of green energy usage, reduce carbon footprint, promote energy self-sufficiency, improve corporate energy efficiency, reduce electricity consumption, and reduce carbon emissions. These initiatives support our commitment to ESG (environmental, social, and governance) sustainability 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 tCO₂e/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 tCO₂e, 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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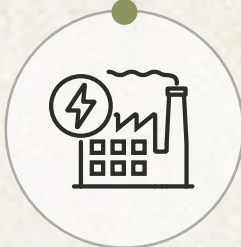
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Greenhouse Gas Emissions Management



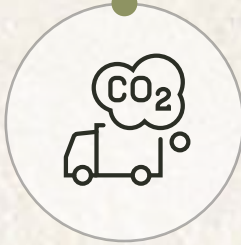
1 Direct (Scope 1) Greenhouse Gas Emissions

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 (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). 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.

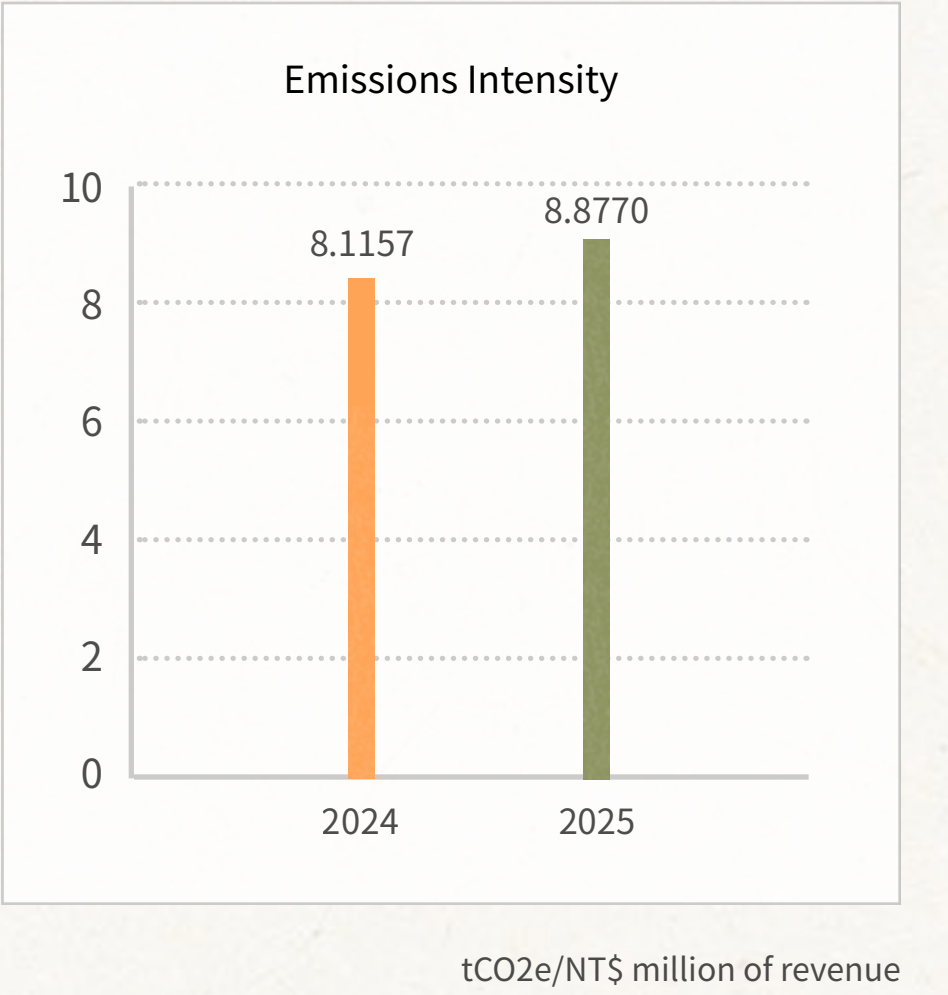
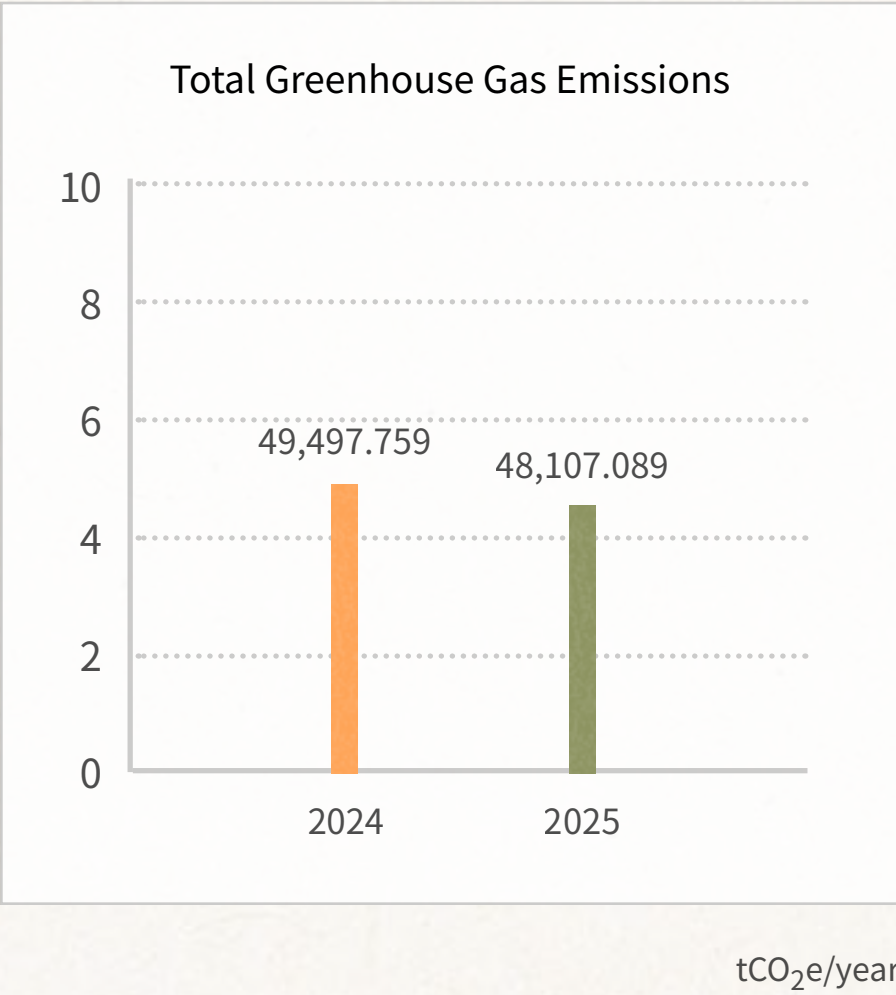


4 Total Greenhouse Gas Emissions and Emissions Intensity

The 2025 internal inventory results show that total greenhouse gas emissions amounted to 48,107.089 tCO₂e/year. The relevant data will be subject to third-party verification in April 2026. Total emissions in 2025 were 48,107.089 tCO₂e/year, representing a decrease of 1,390.670 tCO₂e/year compared with total emissions of 49,497.759 tCO₂e/year in 2024, showing a slight downward trend. If measured by emission intensity (tCO₂e/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.



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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 ₂ e)	Percentage (%)	Greenhouse Gas Emissions Intensity (tCO ₂ e/NT\$ million)	Total Emissions (tCO ₂ e)	Percentage (%)	Greenhouse Gas Emissions Intensity (tCO ₂ e/NT\$ million)	Total Emissions (tCO ₂ e)	Percentage (%)	Greenhouse Gas Emissions Intensity (tCO ₂ e/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 tCO₂e 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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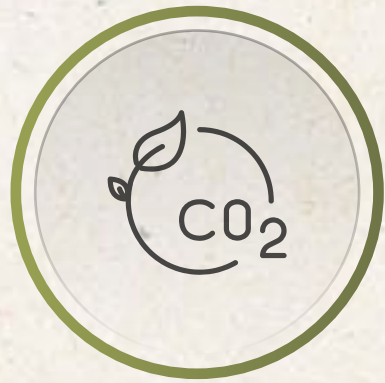
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4.3 Energy Management



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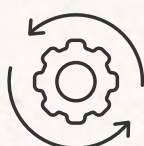
Climate Change Management (Energy Management)


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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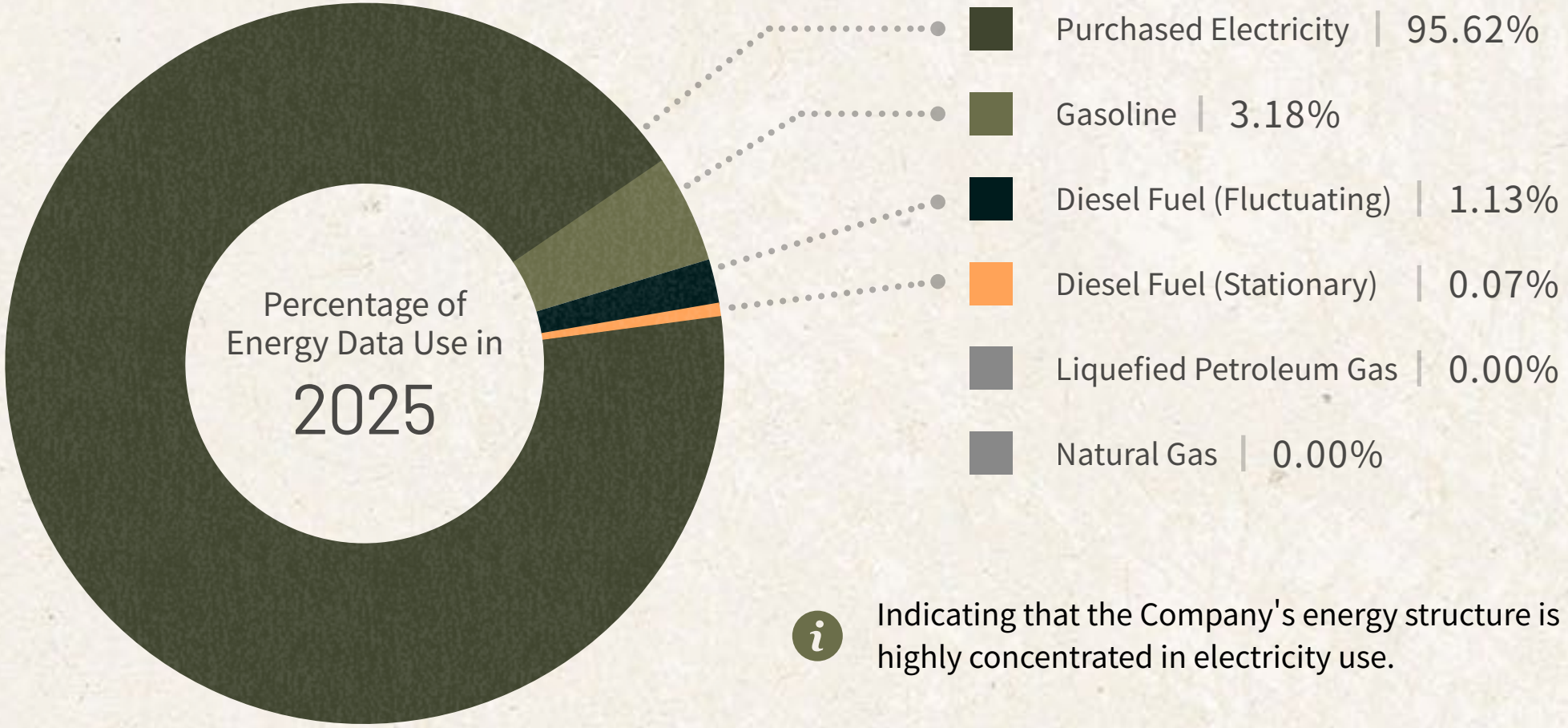
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Energy Consumption

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.



- 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



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).

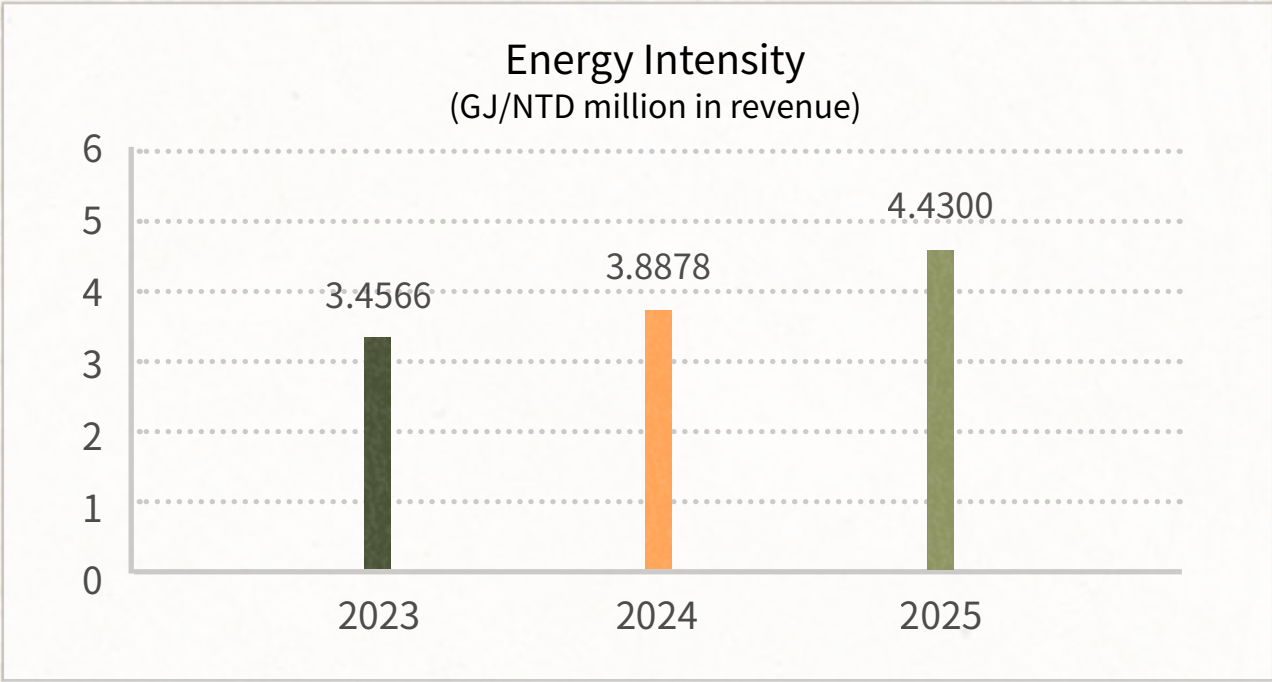
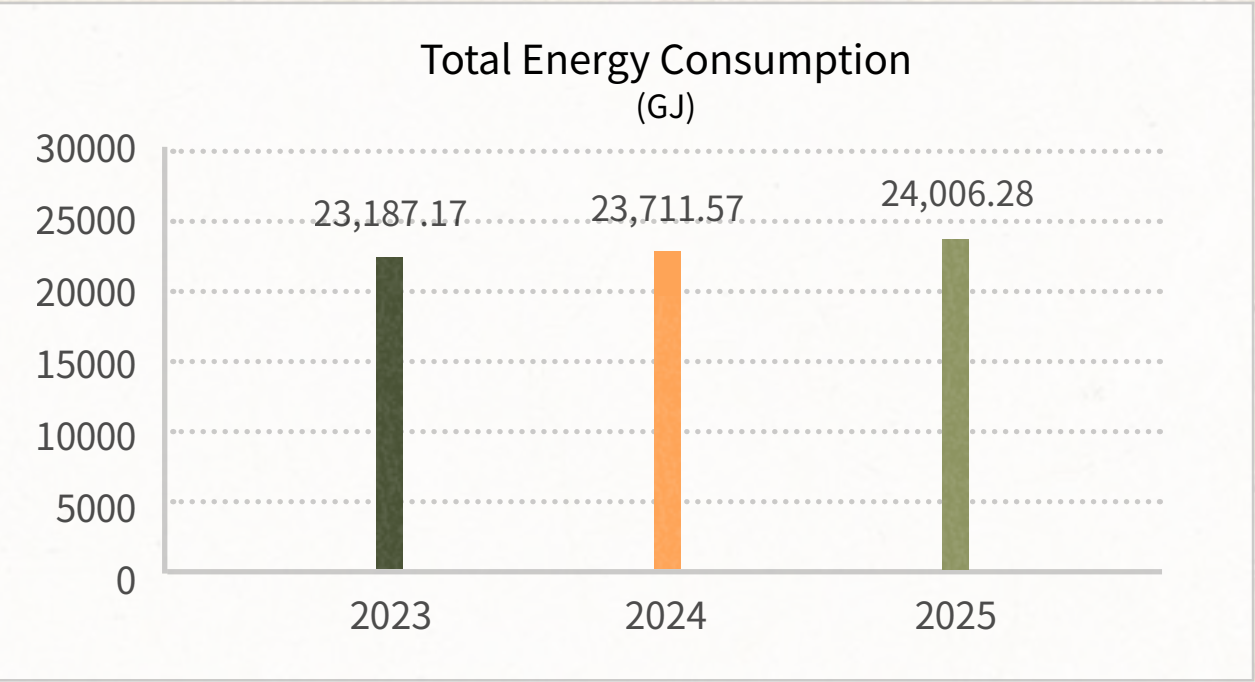
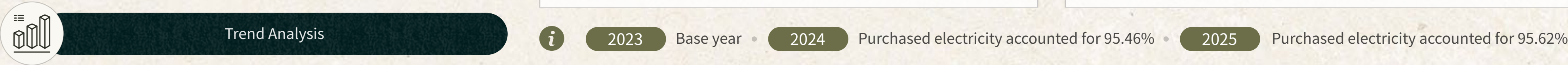
3. The conversion formula for heat value is: Original Usage Amount * Unit Conversion Coefficient * Heat Value Conversion Coefficient.

4. Only Tucheng Plant used natural gas in 2025.

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.



Total energy consumption

Energy intensity

2026 Outlook

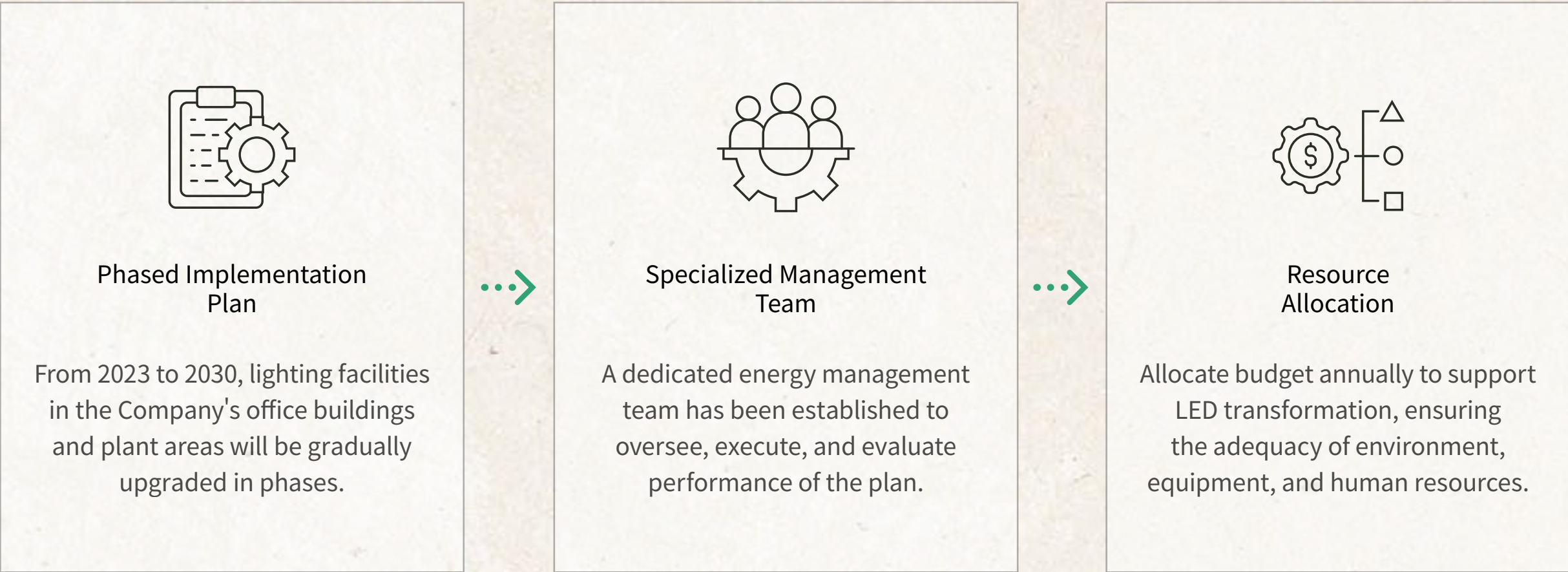
Total energy consumption increased slightly in 2025 compared with 2024, mainly because operating activities declined while fixed energy use remained unchanged.

Energy intensity showed an upward trend, reflecting the impact of lower revenue on energy consumption per unit of revenue.

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:



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 tCO₂e/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 tCO₂e/year



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

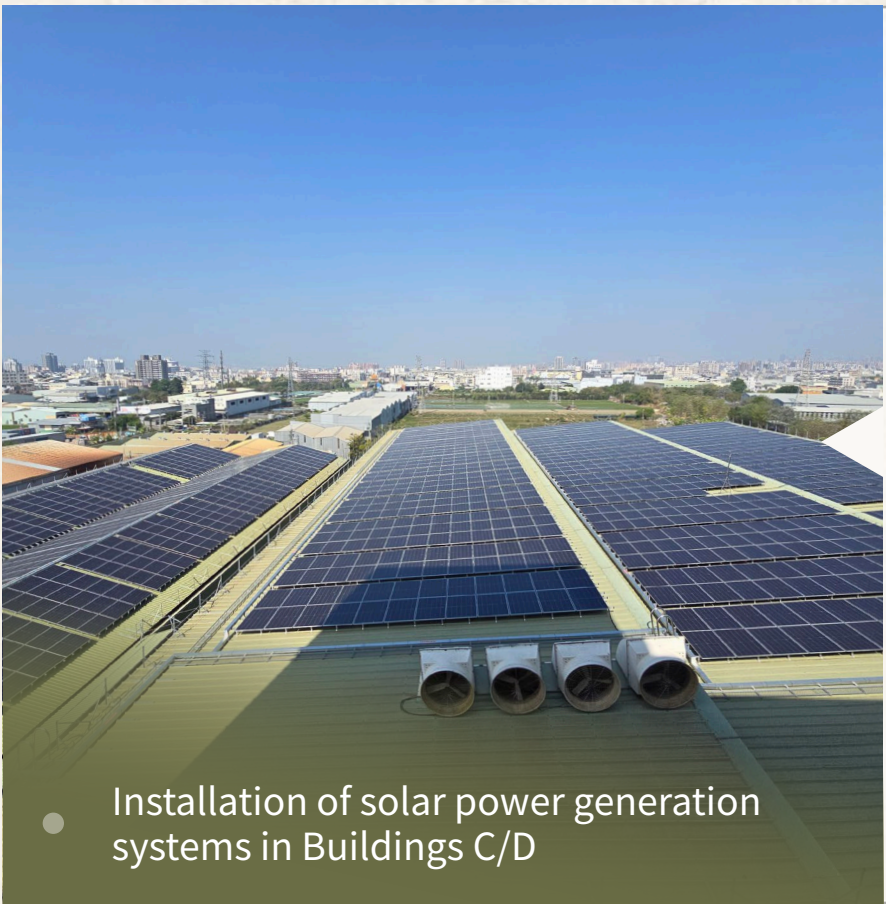
Replacement of traditional lighting with energy-saving LED tubes

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 tCO₂e/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 tCO₂e/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 tCO₂e/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 tCO₂e/year

Energy Conservation Measures

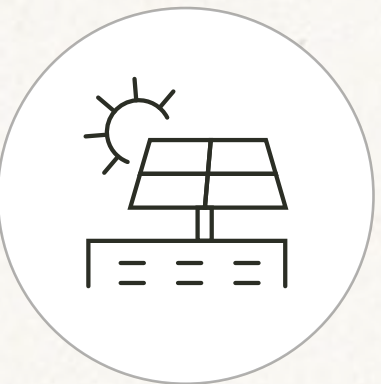
Energy-saving improvements were completed for 15 production line packaging machine conveyors, enabling automatic shutdown and standby mode to reduce electricity consumption.

- Power Saving 27,245 kWh/year
- Carbon Reduction 13.459 tCO₂e/year



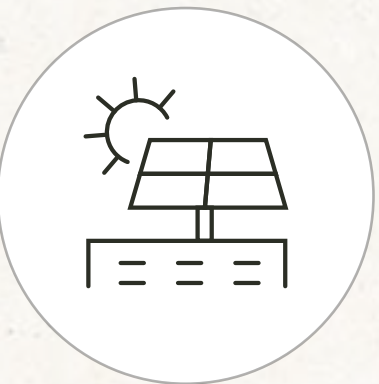
The Building B solar power system

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.

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.

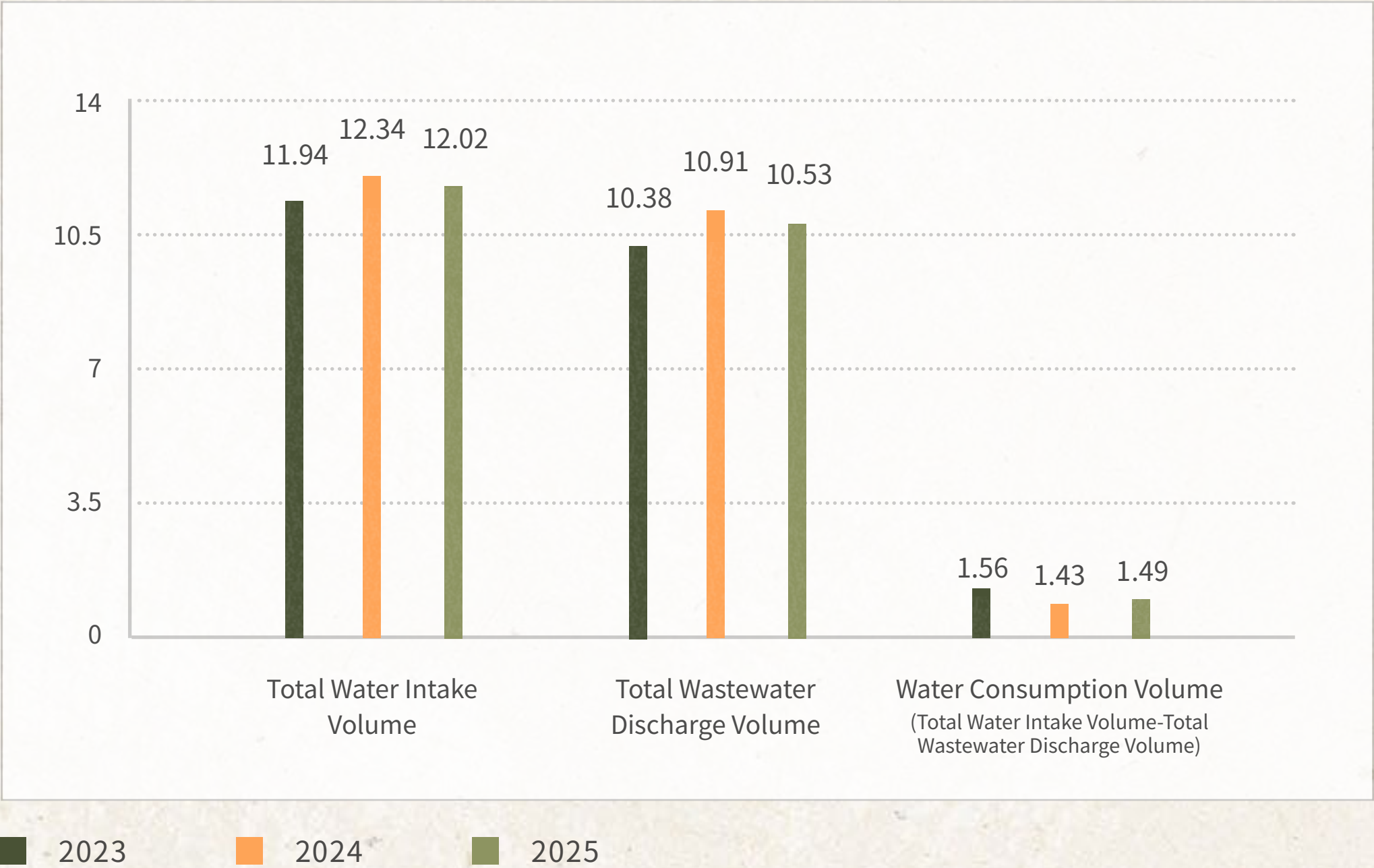
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4.4 Water Resource Management

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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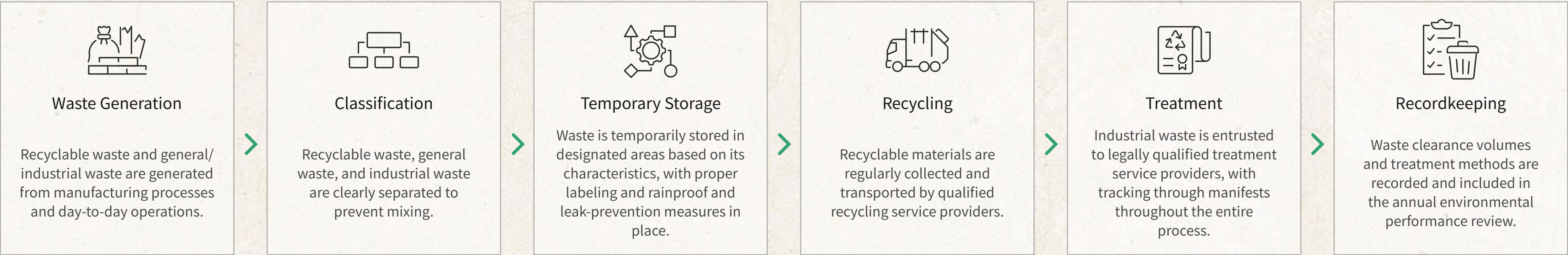
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Rexon Waste Management Process



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.			

Introduction

Material Topics Identification

01 | About REXON

02 | Governance · Integrity and Transparency

03 | Innovation · Sustainable Products

04 | Green · Environmental Sustainability

4.1 | Climate Action (TCFD)

4.2 | Greenhouse Gas Management

4.3 | Energy Management

4.4 | Water Resource Management

4.5 | Waste Management

4.6 | Ecological and Biodiversity Management (TNFD)

4.7 | Plant Environment Management

05 | Talent · People-centered

06 | Care · Goodness for All

Appendix

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.