

Proxene®
The one and whole.



伯鑫工具股份有限公司

永續報告書

2025



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Chairman's Message

Facing challenges from global industrial competition, supply chain restructuring, and sustainability issues, Proxene Tools centers its strategy on long-term management. Grounded in its core manufacturing expertise, the company continues to develop group-wide integration capabilities, progressively building a "Hand Tool Fleet" that encompasses manufacturing, branding, and distribution to enhance overall competitiveness and operational resilience.

With decades of deep cultivation in the hand tool industry, Proxene has established a robust foundation in R&D, manufacturing processes, and quality management. By combining strategic investment with industrial integration, we have extended our manufacturing prowess into branding and distribution channels. We are systematically constructing a group architecture rooted in manufacturing and driven by R&D and management excellence. Through resource optimization and the replication of successful experiences, we aim to enhance operational efficiency and amplify the overall value of the industry.

In terms of sustainable development, Proxene integrates environmental protection, talent cultivation, and corporate governance into the core of our operations. We are committed to advancing energy conservation, carbon reduction, process optimization, and the enhancement of organizational capabilities. By progressively embedding sustainable thinking into our group management and operations, we ensure that our corporate growth and social responsibility move forward in perfect harmony.

Looking toward the future, Proxene remains committed to our core principles: R&D as our engine, Quality as our foundation, and Sustainability as our guide. By building upon our established manufacturing excellence, we will further enhance our technological depth and industrial synergy to ensure robust growth. We envision Proxene not only as a reliable partner in hand tool manufacturing but as a sustainable enterprise that embodies enduring value and unwavering commitment to the environment and the community.

We are deeply grateful for the trust and support of our shareholders, team members, and partners. Proxene remains committed to taking practical and deliberate steps in response to sustainability challenges. Together, we will build an industry future defined by both competitive excellence and a profound sense of responsibility.

Chairman: Chiang, Chin-Sheng



About This Report

The 2025 Sustainability Report (hereinafter referred to as the "Report") is the first "Sustainability Report" issued by Proxene Tools Co., Ltd. (hereinafter referred to as Proxene or the Company). It discloses Proxene's achievements and future plans in 2025 in the economic, environmental, social, and corporate governance aspects. Through a materiality assessment process, this report identifies major topics applicable to Proxene, creating the greatest synergy for all stakeholders and implementing corporate sustainable development.

Principles and Guidelines

This report is compiled in accordance with the 2021 edition of the GRI Standards published by the Global Reporting Initiative (GRI) as the primary disclosure framework. Furthermore, to fully disclose relevant and reliable sustainability-related information, it also references internationally accepted standards such as the TCFD and SASB, and aligns with the United Nations Sustainable Development Goals (SDGs) to meet the disclosure needs of diverse stakeholders. The relevant international standards are as follows:

- ◆ GRI Standards 2021: Common and theme criteria for sustainability reporting.
- ◆ TCFD: Financial Disclosures Related to Climate Change.
- ◆ SASB: Sustainability Accounting Standards Board standards (Appliance Manufacturing).
- ◆ SDGs : United Nations Sustainable Development Goals.
- ◆ Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies (Revised on September, 2025)
- ◆ Preparation and Filing of Sustainability Reports by OTC Companies (Revised on May, 2025)

Reporting period, boundaries and data

The scope of this report covers:

- ◆ Headquarters: No. 9-2, Lane 893, Zhongshan Road, Beizhuang Village, Shengang District, Taichung City
- ◆ Factory 2: No. 35, Lane 28, Lane 360, Zhongshan Road, Shengang District, Taichung City

The financial information in this report has been audited by a certified public accountant. The coverage is consistent with the individual financial statements certified by a certified public accountant. The discrepancy with the consolidated financial statements is due to the fact that this report does not currently disclose information about domestic and overseas subsidiaries. To enhance the comparability and completeness of this information, this report is compiled based on the principle of disclosing three years of data.

Report Management

This report is compiled with input from various responsible departments within Proxene. Each department reviews the accuracy of each chapter, and after review by the Sustainability and Nomination Committee, the company reports annual sustainability performance to the Board of Directors. The Chinese version of this report will be published on the company's official website and public information platform.

Reporting period and publication frequency

Proxene regularly publishes a perpetual report every year. The information disclosed in this report is the management and performance of various major topics from January 1, 2025 to December 31, 2025. The reporting period and frequency are consistent with the annual financial report.

- ◆ Previous issue: 2024 ESG Sustainability Report, to be issued in August 2025
- ◆ Current issue: 2025 ESG Sustainability Report, to be issued in August 2026
- ◆ Next issue: 2026 ESG Sustainability Report, scheduled to be issued in August 2027

•Changes in reporting

There are no restatements of information in this report.

•Ensure the accuracy of public information

Given that ESG-related information disclosed by companies will have a significant impact on stakeholders, Proxene attaches importance to every detail of the report to ensure the rationality, accuracy and completeness of the disclosed information, comply with the provisions of the disclosure principles and guidelines, and respect the right of stakeholders to know.

◆ Internal confirmation:

1. Unless otherwise specified, all currency units in this report are in New Taiwan Dollars (financial data are described in thousands of New Taiwan Dollars), and numerical values are rounded to the second decimal place.
2. information disclosed in this report has been documented, confirmed and verified by the heads of relevant departments, and reviewed by the top management.

◆ External Confirmation and Verification :

1. Financial data: Individual financial report for the year 2025 certified by **PricewaterhouseCoopers** .
2. ESG Sustainability Report: No external verification has been conducted yet. In the future, the company will plan for third-party verification depending on the circumstances.

•Contact

If you have any suggestions on this report or the Company's sustainable development, you are sincerely welcome to contact us.

Contact : Head of Corporate Governance

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Official website: <https://www.proxene.com.tw/>

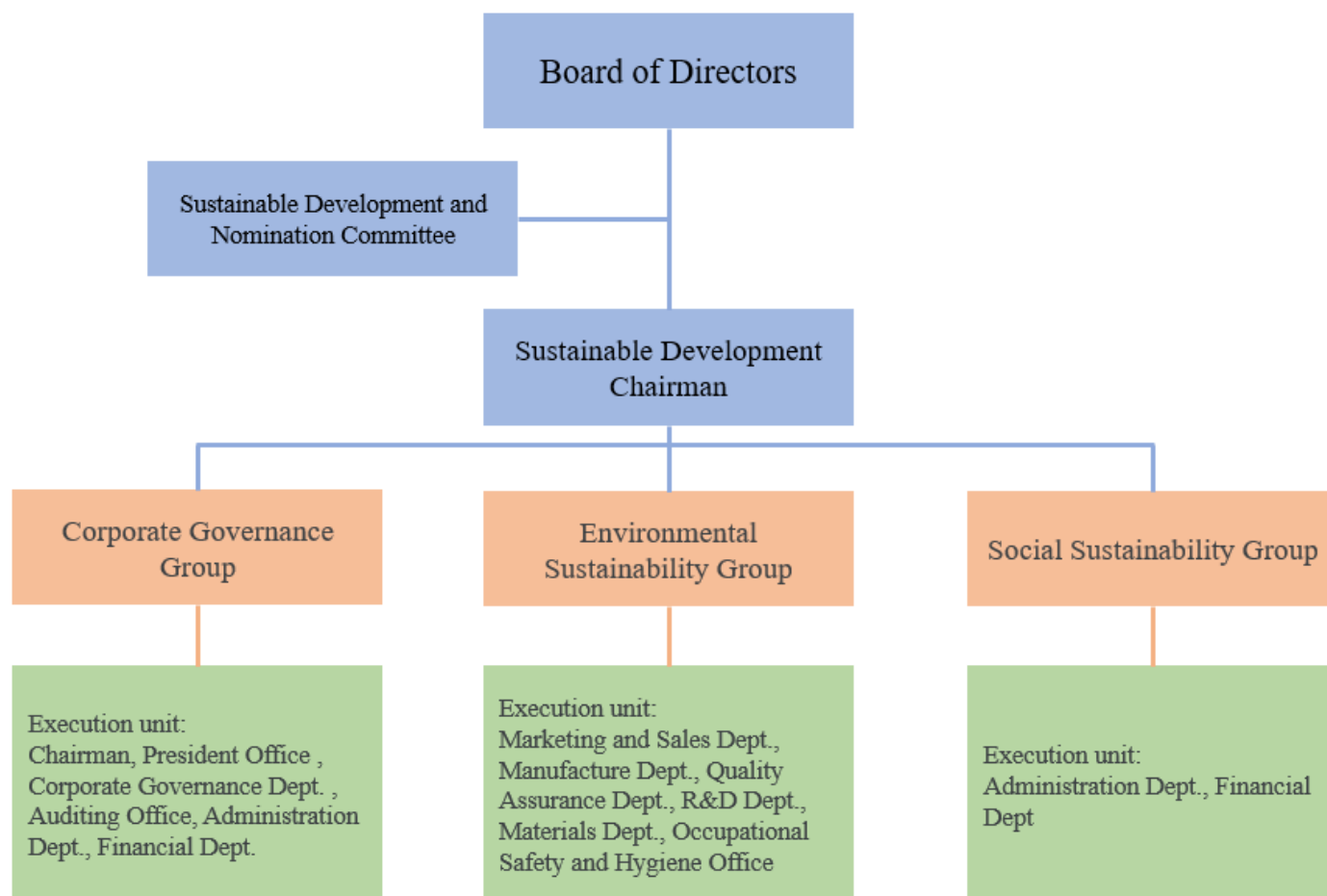
1. Practice sustainable management

1.1 Responsibilities and identification of stakeholders

1.1.1 Sustainable Development Committee

Proxene stipulates in Article 9 of the Sustainable Development Code of Practice that in order to improve the management of sustainable development, it is advisable to establish a governance structure to promote sustainable development. In December 2022, the Sustainable Development Committee was established, and in March 2023, the position of Corporate Governance Director was added. The Corporate Governance Director serves as the general convener of the Sustainable Development Working Group, bringing together senior cadres from various units to be responsible for the proposal and implementation of sustainable development policies, systems or related management guidelines and specific promotion plans. If necessary, a task preparation team will be established to implement and promote sustainable development and related matters of the company's sustainable management. In addition, in March 2024, a Sustainable Development and Nomination Committee was established under the Board of Directors. The business report of the Sustainable Development Working Group is regularly reported to the Board of Directors by the Corporate Governance Director. For more information, please refer to the Corporate Sustainability Zone of the official website .

Proxene Annual Sustainable Development and Nomination Committee Organization Chart



Main Responsibilities:

1. Promote sustainable information management decisions of the board of directors or functional

- committees related to sustainable development.
2. Formulate sustainable information management operating standards and management policies for major sustainable issues, including the operating procedures for compiling sustainable information and indicators.
 3. Integrate corporate risk assessment and conduct relevant risk management operations on sustainable development issues.
 4. Assist and supervise the implementation of internal control of each sustainable information management responsible unit.
 5. Coordinate the interaction and communication among the responsible units for sustainable information management.
 6. Regularly evaluate reliance on third-party sustainability information.
 7. Plan and organize sustainable information management related training to enhance corporate sustainable information management awareness and culture.
 8. Plan and implement annual identification of major sustainable development issues.
 9. Evaluate whether to adopt or apply the sustainability reporting framework or standards, including implementing impact assessments and progress, including promoting the introduction of IFRS sustainability disclosure standards, and reporting the timeline and progress to the Board of Directors and the Sustainability and Nomination Committee or other functional committees.

1.1.2 Stakeholder Identification

Based on six key screening criteria—responsibility, influence, proximity, dependence, representativeness, and policy and strategic intent—Proxene identified six stakeholders during its Sustainability and Nomination Committee meetings. These stakeholders include investors (shareholders), suppliers, government agencies, employees, customers, and community members.

Through various communication channels, we listen to stakeholders' voices, gather their concerns about the company, and address and respond to their expectations.



1.2 Discussion /communication channels for issues of concern to stakeholders

1.2.1 Stakeholder Negotiation

Stakeholders	What it means to Proxene	Focus on major issues	Communication Channels	Frequency of communication	2025 Communication/ Negotiation	Responsible unit
Shareholder/ Investors	Shareholders and investors are important capital for the company's operation and development. We will enhance the transparency of the company's operation in order to gain the trust and long-term support of shareholders and investors .	Economic performance Occupational Safety and Health	Public Information Observatory	Regular/ Irregular	1. Revenue announcement on the 10th of each month (12 times) 2. Quarterly financial report announcement (4 times) 3. 49 important information announcements 4. The shareholders' meeting was held on 2025/6/19 5. Hold a legal briefing once	Spokesman / Finance Dept. / Corporate Governance Dept.
			Financial Information	Regularly (monthly/quarterly)		
			Shareholders' meeting/shareholders' meeting annual report	At least once per year		
			Legal Seminar	At least once per year		
			Company website - Investor area	Regularly (monthly/quarterly)		
			Spokesperson contact window and mailbox	Immediate		
			Stock agency and internal contact window	Immediate		
Suppliers/ partners	Suppliers are important partners and good communication channels for the company to practice sustainable development , and abide by the sustainable development , provide better quality products to customers and achieve sustainable growth goals	Economic performance Occupational Safety and Health	Supplier Evaluation	End of each year	1. Supplier evaluation, scoring at the end of each year based on cooperation, quality, delivery delay , etc. 2. When abnormal situations occur in daily life, communicate and improve them immediately by phone, LINE or MAIL	Administration Dept.
			Communication with key suppliers (Depending on transaction status)	Irregular		

Stake-holders	What it means to Proxene	Focus on major issues	Communication Channels	Frequency of communication	2025 Communication/ Negotiation	Responsible unit
			On-site inspection of waste removal companies	Irregular	Confirm that the removal companies have obtained relevant handling licenses and contracts	Administration Dept. / Manufacture Dept.
Government agencies	Comply with relevant laws and regulations formulated by the competent authorities and maintain good communication channels to fulfill the responsibility of corporate sustainable development.	Waste Management and Recycling	Government agency seminars and workshops	Irregular	1. Incorporate into ISO regulatory identification system 2. Related information and correspondence are compiled and listed	Auditing Office / Finance Dept / Corporate Governance Dept.
			Establish a system to identify changes in regulations	Immediate		
			Cooperate with official documents and government orders	Immediate		
			Online Application	Regularly (monthly/quarterly)	Establish a real-time tracking system by email A K-CARS	
			Corporate Governance Assessment	Each Year		
			Cooperate with competent authorities in inspections	Irregular		
			Staff	Employees are the most important key to a company's stable growth. We provide an employee - friendly and diverse workplace environment, respond to issues that employees care about,	Occupational Safety and Health	
Work safety meeting	Quarterly					
Department Meeting	Irregular					
announcement	Irregular					
Internal staff communication electronic platform (internal website)	Immediate					
Employee feedback channel (Phone/Email)	Immediate					
Employee Benefits (Year-end party and department dinner)	Regular					

Stakeholders	What it means to Proxene	Focus on major issues	Communication Channels	Frequency of communication	2025 Communication/ Negotiation	Responsible unit
	and jointly enhance the company's sustainable competitiveness.		On-site health services	At least once per year	4. Annual fixed amount of employee travel allowance will be issued every six months	
Customer /Buyer	Customers are the main source of the company's operating income. Continuous communication with customers, understanding their needs and satisfying them are the foundation of the company's sustainable development.	Occupational Safety and Health	Marketing Customer Service Hotline	Immediate	1. Participated in 4 related marketing exhibitions at home and abroad 2. The client entrusts a third-party notary public to conduct an on-site audit once 3. The annual customer satisfaction survey was completed on 2025/4/24.	Marketing and Sales Dept.
			Company website mailbox and business contact mailbox chiao@proxene.com.tw	Immediate		
			Customer satisfaction survey	At least once per year		
			Customer Interview	At least once per year		
			Participate in relevant marketing exhibitions at home and abroad	Irregular		
Community Neighborhood	The community is a supporting force for the company's stable operation and one of the sources of employees. We actively and continuously participate in public welfare activities of the community and non-profit organizations in order to achieve common prosperity and	Occupational Safety and Health	Participate in/sponsor community events	Irregular	1. Donations to communities and public welfare associations totaling 15 2. Sponsored community disaster prevention signage and provided financial support for local schools. 3. Helping disadvantaged families in Taichung City	Administration Dept.
			Charity	Irregular		
			Company official website mailbox	Immediate		

Stakeholders	What it means to Proxene	Focus on major issues	Communication Channels	Frequency of communication	2025 Communication/ Negotiation	Responsible unit
	well-being of the society .				4. Install solar power generation equipment on the factory roof, which has generated 1,034,000 kWh of electricity as of 2025/12/31 .	

1.2.2 Stakeholder Communication and Complaint Channels

Proxene has set up a stakeholder area on the company's official website and a physical mailbox to understand the needs of stakeholders and their expectations of the company through various means and communication channels.

Communication Channels	- In addition to maintaining interactions with stakeholders in various forms in daily business, we also set up relevant contact windows on Proxene's official website. - Stakeholder contact window Frank Wu - Executive Vice President E-mail: sp@proxene.com.tw Tel: 04-25627786 Fax: 04-25628308 - For other information, please visit Proxene's official website https://www.proxene.com.tw
Complaints Mechanism	Report illegal and unethical behavior: Tel: 04-25627786, Audit Supervisor E-mail: sp@proxene.com.tw Address: No. 9-2 , Lane 893, Zhongshan Road, Beizhuang Village, Shengang District , Taichung City

1.3 Identification and generation process of major issues

Proxene collects sustainable development issues every year and selects key sustainable development issues through discussions with the Sustainable Development Working Group. After group evaluation and internal and external questionnaire survey results, it analyzes and selects major issues, confirms the boundaries of major issues, and formulates relevant thematic strategies and performance.

Identification

- **Identify stakeholders:** Follow the AA1000SES Stakeholder Engagement Standard and identify the 6 major stakeholders for communication.
- **Collecting sustainable development issues:** Based on the GRI 2021 General Criteria, and taking into account international sustainability standards and specifications, industry characteristics, company development goals, and stakeholder consultation processes, 15 key sustainable development issues were selected through discussions by the Sustainable Development Working Group .

Evaluation and Investigation

- **Sustainability impact:** We distribute impact assessment questionnaires to department heads to assess the impact of key sustainability issues and their impact on the company's sustainable operations. In 2024 , we received 15 valid questionnaire responses.
- **Stakeholders' level of concern:** We surveyed stakeholders' level of concern about various issues through internal and external questionnaires. In fiscal 2024 , we received a total of 120 valid questionnaire responses.

Analysis and sorting

- Based on the questionnaire results, we analyzed stakeholders' concerns about various issues and their impact on the company's sustainable operations, and identified and ranked 3 **major issues** .

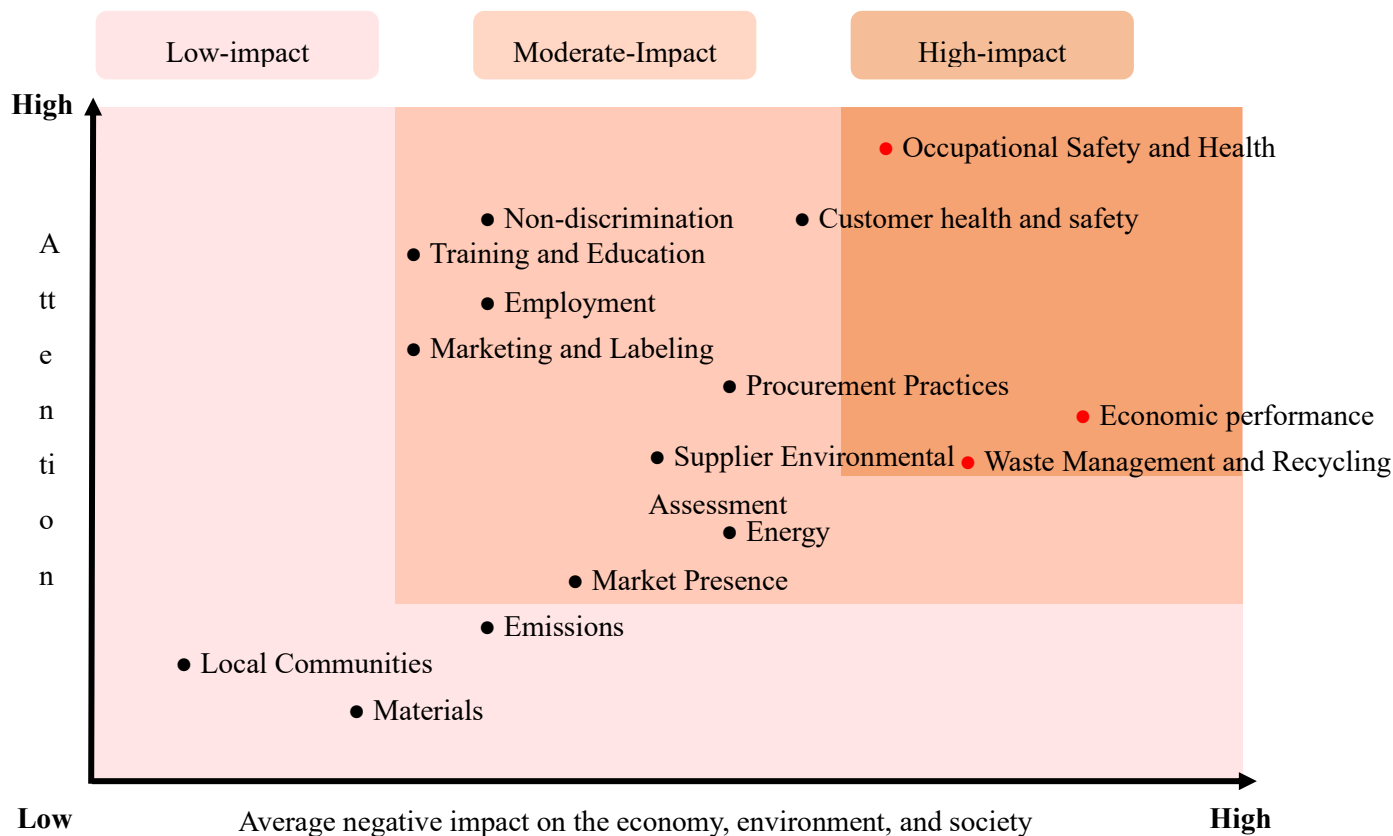
Confirm

- identifying the 3 major issues, the proposals were submitted to the Sustainability and Nomination Committee for review and confirmation, and further assessment of the major issues' consideration boundaries within and outside the organization to ensure that important sustainability information has been fully disclosed in the report.

Disclosure and Review

- The Sustainability Working Group conducts a final review and submits it to the Sustainability and Nomination Committee for review to ensure that sustainability information and performance are appropriately expressed in the sustainability report.

1.3.1 Materiality Analysis Matrix



Based on the results of stakeholder identification, Proxene convened a meeting of the Sustainable Development Working Group to discuss stakeholder concerns in the 2025 ESG Sustainability Report. Based on the degree of stakeholder concern and the positive or negative impact on the economy, environment and society, a total of 15 major and minor issues were listed, and a meeting record was made, which was submitted to the Sustainability and Nomination Committee for approval on November 11, 2025.

2025, **3 major issues** and **12 minor issues** were disclosed, totaling 11 items, as follows:

3 major issues

Economic Performance-G	Waste Management and Recycling-E	Occupational Safety and Health -S
------------------------	----------------------------------	-----------------------------------

12 minor issues

Material-E	Energy-E	Emissions-E
Supplier Environmental Assessment-E	Employment-S	Training and Education-S
Non-discrimination-S	Local Communities-S	Customer Health and Safety-S
Marketing and Labeling-S	Market Presence-G	Procurement Practices-G

1.3.2 Major issues and impact on the value chain

Major issues	Impact Description	GRI Guidelines	Compliance with SDGs	Corresponding chapter
Economic Performance	We will continue to improve operational efficiency and competitiveness, strengthen corporate governance, and create substantial economic value through outstanding market performance. We will create wealth for stakeholders through the creation of direct economic value, distribution of economic value, and retirement contributions, and thus make a positive contribution to the economy.	GRI 201	SDGs 8	3.1 Operational Performance and Challenges
Waste Management and Recycling	Proxene's product manufacturing process may cause potential negative impacts on the environment and related stakeholders. In order to fulfill its corporate social responsibility, the company not only strictly abides by environmental laws and regulations, but also builds a good management system, seeks to improve energy efficiency, and continuously invests in environmental protection to minimize potential impacts.	GRI 306	SDGs 6	6.6 Waste Management
Occupational Safety and Health	Proxene is committed to providing a friendly working environment, implementing hazard identification and risk assessment to reduce potential dangerous events, and actively promoting physical and mental balance among employees through health checks and health promotion activities, so as to create the best quality products for customers in a safe and healthy working environment.	GRI 403	SDGs 8	7.6 Occupational Safety and Health

1.3.3 Responses to major and minor issues

3 major issues and 12 minor issues were identified in 2025, totaling 15 issues. Their importance and related measures are as follows:

Project (GRI Guidelines)	Impact Direction			Importance of Proxene Tools	Promote Relevant Measures
	econ omy	envir onm ent	socie ty		
Corporate Governance /Economics					
Economic Performance (GRI 201)	●			Business performance is achieved through continuous profitability to achieve the goal of sustainable operation, develop new customers and increase market share, and create new job opportunities and attract excellent key talents.	Keep abreast of economic conditions and increase capital expenditures when appropriate. Expand customer base and market share. Control costs and expenses .
Customer Health Safety (GRI 416-2)			◎	Customer satisfaction with product services is an important factor in building trust, good relationships and reputation with customers .	Conduct regular annual customer satisfaction surveys and require responsible units to make improvements within a specified period of time in response to customer complaints.
Supplier Environmental Assessment (GRI 308-1)		◎		Proxene needs to establish a good partnership with suppliers, and each supplier must comply with environmental and social responsibility regulations.	Formulate a "supplier management procedure" to establish a trusting and stable partnership with suppliers and grow together.
Local Communities (GRI 413)			●	Building good community relations is one of the keys to smooth and successful operations .	Effectively establish a good community relationship management system and implement it.

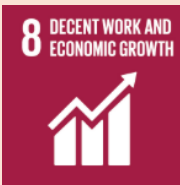
Project (GRI Guidelines)	Impact Direction			Importance of Proxene Tools	Promote Relevant Measures
	econ omy	envir onm ent	socie ty		
Environmental					
Emissions (GRI 3 0 5- 1,2)		◎		In response to global environmental trends and in line with the country's overall greenhouse gas reduction strategy, the company's energy conservation and greenhouse gas emissions are under control.	Reduce oil and electricity consumption to reduce greenhouse gas emissions.
Energy (GRI302)		◎		In response to global environmental trends and in line with the country's overall greenhouse gas reduction	Manage energy efficiently and reduce greenhouse gas emissions.

Project (GRI Guidelines)	Impact Direction			Importance of Proxene Tools	Promote Relevant Measures
	econ omy	envir onm ent	socie ty		
				strategy, we will master the company's effective energy conservation.	
Materials (GRI301)		◎		Purchasing raw materials is very important. Good raw materials without harmful substances are crucial in selecting manufacturers and raw materials.	Establish a "supplier management procedure" to ensure the quality level of incoming materials.
Waste Management and Recycling (GRI306)		◎		Waste violates environmental regulations and if fined, it will affect the company's reputation and image.	According to the "Waste Management Regulations", waste should be classified and handled in accordance with the law.
Social Aspects					
Occupational Safety health (GRI403)			◎	Comply with the Occupational Safety and Health Act and provide employees with a safe, healthy, high-quality and friendly workplace.	Formulate a "Safety and Health Work Code" and set up an industrial safety office to assist in identifying work hazards and establish safe work standards.
Training and Education (GRI404)			●	The company regards employees as the most important partners and resources, and provides good training and development systems and courses to cultivate employees into excellent talents.	Establish "Education and Training Management Measures" and link them with the employee promotion system to cultivate and develop key qualified talents
Employment (GRI401)			●	The company regards its employees as its most important partners and hopes to create a harmonious, sustainable learning and growth working environment.	We provide an overall salary and benefits system that is competitive in the industry, as well as a harmonious working environment to build the cohesion of our employees.
Market Presence (GRI402)	●			The product positioning in the market indicates that the company's products are upper-middle and high-end products, and customers will accept higher prices.	Provide an industry-competitive overall compensation system and recruit local employees as middle and senior managers.
Non- discrimination (GRI406)			◎	Comply with relevant laws and regulations such as the Labor Standards Act and the Gender Equality in Employment Act to protect their labor human rights	Formulate regulations such as "Work Rules", "Complaint and Punishment Measures for Prevention and Control of Sexual Harassment in the Workplace", and "Complaint Management Measures".
Marketing and Labeling (GRI417)			◎	Products are correctly labeled when they are shipped, providing customers with exactly what they need.	Continuously improve the effectiveness of quality management through quality policy, quality objectives, audit

Project (GRI Guidelines)	Impact Direction			Importance of Proxene Tools	Promote Relevant Measures
	econ omy	envir onm ent	socie ty		
					results, data analysis, corrective and preventive measures, management review objectives and reviews.
Procurement Practices (GRI204&414)			●	The product procurement policy is mainly based on manufacturers in Taiwan, and the selection of new manufacturers should comply with environmental protection and social responsibility regulations .	We have established a " Supplier Social Responsibility Code of Conduct " and required major suppliers to sign " Human Rights, Integrity and Environmental Sustainability Commitment ", " Business Ethics Policy " and " Human Rights Policy " and other statements, and to conduct supplier evaluations.

● Positive impact; © Negative impact

1.4 Implementing the United Nations Sustainable Development Goals (SDGs)

	Plans and achievements in response to SDGs	Corresponding Chapter
	Goal 3 Good health and well-being Proxene is committed to providing a good working environment, providing reasonable wages and related benefits in accordance with the law. We occasionally participate in government research subsidy programs to promote the company's development.	7.4 Salary and Benefits 7.6 Occupational Safety and Health
	Goal 4 Quality Education Proxene arranges functional training for employees with different business attributes to ensure that every colleague has the opportunity to receive professional training, thereby strengthening professional training and improving skills.	7.3 Talent cultivation and development
	Goal 5 Gender equality Proxene continues to promote the establishment of gender awareness and consideration of gender sensitivity, and encourages women to fully participate in the decision-making process. In 2024, the proportion of women in Proxene's supervisory positions will be 26.7%.	7. 2 Human Resources Structure 7.3 Talent cultivation and development
	Goal 6 Clean water and sanitation Proxene purchased a low-temperature vacuum distillation machine to significantly reduce wastewater output and recycle 80-85% of process water to reduce environmental impact.	6.6 Waste Management
	Goal 7 Affordable and clean energy Proxene has installed solar power generation on the rooftop of its main factory, which is used for its own use and sold in bulk with surplus electricity. Proxene recycles and reuses delivery packaging, such as cardboard boxes, and also recommends customers to simplify packaging, focusing on practicality.	5 Sustainable supply chain management 6 Sustainable Environment
	Goal 8 Decent work and economic growth Proxene is committed to maintaining good operating performance and providing a good working environment, providing reasonable wages and related benefits in accordance with the law. We occasionally participate in government research subsidy programs to promote the company's development.	3.1 Operational Performance and Challenges 7.4 Salary and Benefits 7.6 Occupational Safety and Health
	Goal 9 Industry, Innovation and Infrastructure Proxene promotes sustainable economic growth by improving processes, increasing resource utilization, saving energy and reducing carbon emissions, implementing environmental protection and social	6 Sustainable Environment

	Plans and achievements in response to SDGs	Corresponding Chapter
	responsibilities, and promoting sustainable production and consumption models.	
	Goal 12 Responsible consumption and production Proxene continues to develop material-saving processes to reduce the generation of waste materials, improve the process by purchasing cement grinding dust filters, significantly reduce sludge waste, and recycle process water for reuse.	6 Sustainable Environment
	Goal 13 Climate Action In response to real risks such as floods, typhoons, power outages and rising temperatures, we develop adaptation policies and solutions, actively implement relevant response measures, and ensure that operations can be quickly resumed after a disaster occurs.	6.1 Climate related information

2. Corporate governance and honest management

2.1 Company Profile

Date of Establishment	• April 24 , 1984
Company Name (Stock Code)	• Proxene Tools Co., Ltd. Stock Code : 6904
Industry	• Other
Chairman	• Fusheng Precision Co., Ltd. Rep.: Chiang, Chin-Sheng
Capital	• NT\$ 185 million
Headquarters Address	•No. 9-2, Lane 893, Zhongshan Road , Beizhuang Village, Shengang District , Taichung City
Main business items	• Manufacture and sale of adjustable wrenches and pliers
Number of Employees	• 141 (As of December 31, 2025)

Appearance of our main factory



Proxene was founded by General Manager Wu Chuanfu in 1984. It is a professional leading manufacturer of adjustable wrenches in Taiwan. It is committed to innovative research and development. Its products are used in professional high-end hand tool products such as water and electricity, machinery and construction. In recent years, it has also expanded to the high-end field of aerospace. Its products are sold in 51 countries around the world. Since its establishment, it has accumulated over 300 patents

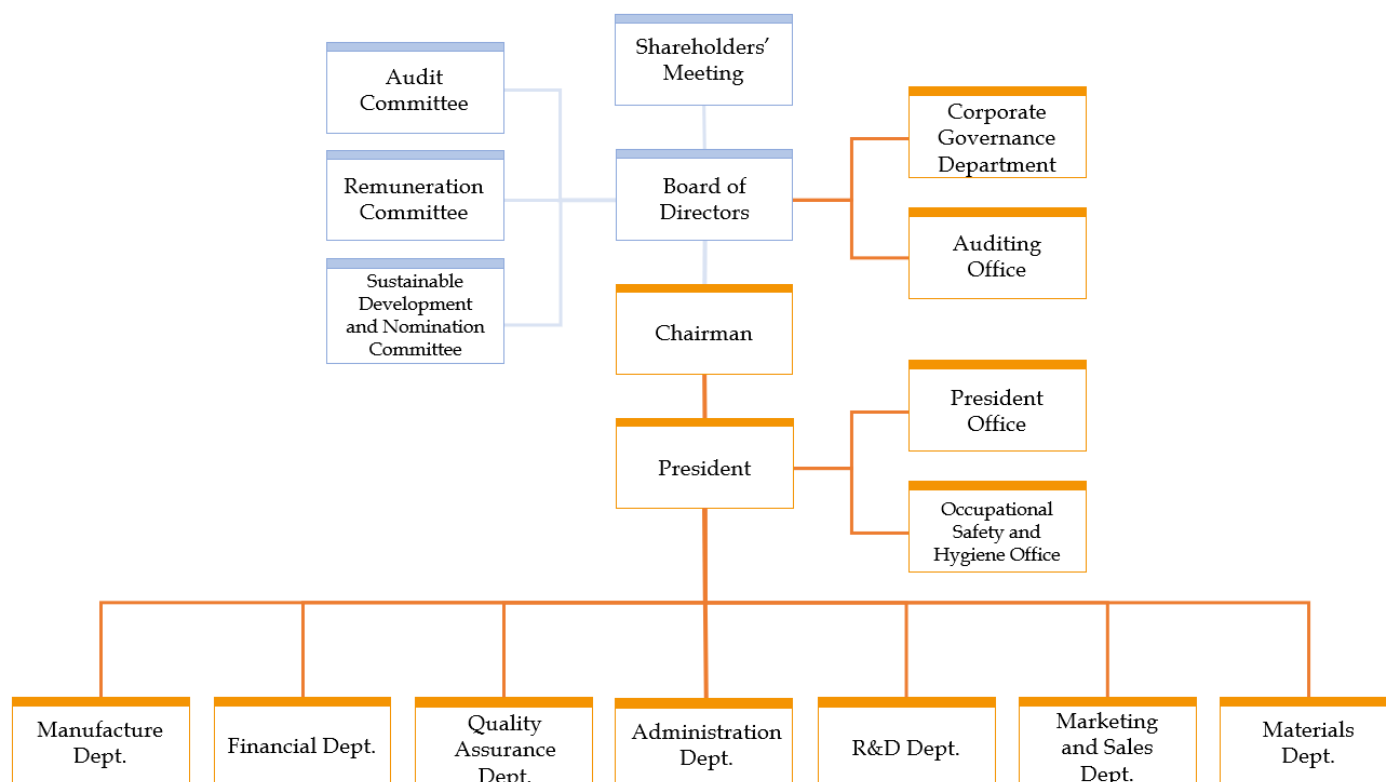
in various countries and has won many domestic and international awards such as Germany's IF, REDDOT, Japan's G-mark and Taiwan Excellence (gold and silver awards), etc. Proxene adheres to quality and integrity management, pays attention to corporate responsibility and sustainable development. In the future, it will continue to move towards technological innovation and smart manufacturing practices, transforming traditional production models into smart manufacturing, in order to create the brand image of a boutique factory, and is committed to promoting MIT's high quality to the world and becoming famous internationally.

2.1.1 Entrepreneurship and major events in the past decade

Year Spend	Entrepreneurship and major events in the past decade
1984	Proxene Tools Co., Ltd. was founded
2010	The QF series won the German Red Dot "REDDOT" design award.
2012	RW ratchet adjustable wrench won the German IF Design Award.
2013	Passed ISO 50001 energy management system certification.
2015	Selected as the 3th Taiwan Mittelstand Award.
2016	RW ratchet adjustable wrench won the Taiwan Excellence Silver Award.
2019	Import smart factories.
2020	In response to business growth, we expanded our production capacity and started building a new factory in the Shengang District, Taichung City.
2022	Proxene stocks are issued to the public for the first time and listed on the general board of emerging stocks.
2023	Officially moved to the new factory (main factory) and moved the company's business registration address to the new address. Won the 26th Rising Star Award and the 30th Taiwan SMEs Innovation Award. Approved by TPEx, Proxene was officially listed.
2024	Won the 23th Taichung City Golden Hand Award in 2024. Won the 33th National Award of Outstanding SMEs in 2024.
2025	2025 Taiwan M&A Awards Strategic Investment Project: Fusheng Precision Co., Ltd. and Proxene Tools Co., Ltd.

2.1.2 Organization and business responsibilities of each department

● Corporate governance organizational structure



● Responsibilities of each department

Department Name	Business Responsibilities
Auditing Office	1. Develop , plan and implement internal control and audit systems . 2. Submit audit reports and track improvement results. 3. Regularly track the improvement of audit deficiencies.
Corporate Governance Department	1. Assist directors to comply with laws and regulations. 2. Other matters stipulated in the company's articles of association or contract. 3. Supervise and improve the company's corporate governance implementation. 4. Internal education, promotion and training on corporate governance, business integrity, and fulfillment of corporate social responsibilities. 5. Promote the achievement of corporate governance indicators and review the scoring requirements of corporate governance evaluation indicators 6. Implementation of corporate governance indicator improvement projects. 7. Execution of other business related to corporate governance.
President Office	1. Promote and supervise the company's strategic planning. 2. Formulate the company's mid- and short-term business objectives, guidelines, and implementation policies.
Occupational Safety and Hygiene Office	1. Occupational safety and health management. 2. Management of environmental protection business such as air, water, waste, toxicity and noise. 3. Management of health care and medical facilities.

Department Name	Business Responsibilities
Marketing and Sales Dept.	1. Analysis and collection of market information, customer products and industry change data. 2. Formulate and implement sales plans, strategies and goals. 3. Customer relationship management, accounts receivable management, customer complaint tracking and order management. 4. Project progress planning tracking and manufacturing and delivery schedule control.
R&D Dept.	1. Formulate the process and progress of R&D plan, and research and develop new products. 2. Collect technical information and review and analyze the appropriateness of product specifications. 3. Assist other departments in testing and introducing new products. 4. Formulate R&D standard operations and work specifications. 5. Evaluation of manufacturing capabilities and production methods. 6. Make prototype samples and propose control plan and manufacturing process for prototype samples. 7. Equipment technology development.
Quality Assurance Dept.	1. Quality system planning and quality management plan formulation. 2. Quality inspection of production process.
Administration Dept.	1. Responsible for the formulation and implementation of the company's human resources development, employee welfare, general affairs and various management regulations. 2. Plan the company's education and training, and event management related matters. 3. Plan, build, develop and manage the company's various information operation systems and equipment. 4. Execute production scheduling and control of production process. 5. Carry out the management of all raw material procurement and outsourced processing operations of the company.
Financial Dept.	1. Annual budget preparation and execution analysis. 2. Preparation and analysis of various financial, accounting and cost statements. 3. Various tax declaration and investment deduction matters. 4. Raising and managing operating funds. 5. Plan and handle stock affairs, board of directors and shareholders' meetings. Announce and report matters to the public in accordance with various laws and regulations. 6. Supervision of each subsidiary company.
Manufacture Dept.	1. Execute production plan and control production progress. 2. Training and management of production personnel to improve production efficiency and reduce manufacturing costs. 3. Maintain work safety and environmental requirements at the production site. 4. Control and improve production progress and product quality. 5. Analyze and improve production process abnormalities and implement preventive measures. 6. Planning and implementation of standard operating procedures for product

Department Name	Business Responsibilities
	manufacturing processes.
Materials Dept.	1. Responsible for the scheduling of production raw materials and materials, including raw materials, materials management scheduling and other matters.

2.2 Corporate Governance

2.2.1 Board of Directors

The Board of Directors is the highest governance unit of the company. In order to strengthen the disclosure of the company's financial information, the performance and stability of managers, and the sustainable development of the enterprise, the Board of Directors has established an Audit Committee, a Remuneration Committee, and a Sustainability and Nomination Committee to implement corporate governance through top-down management and supervision.

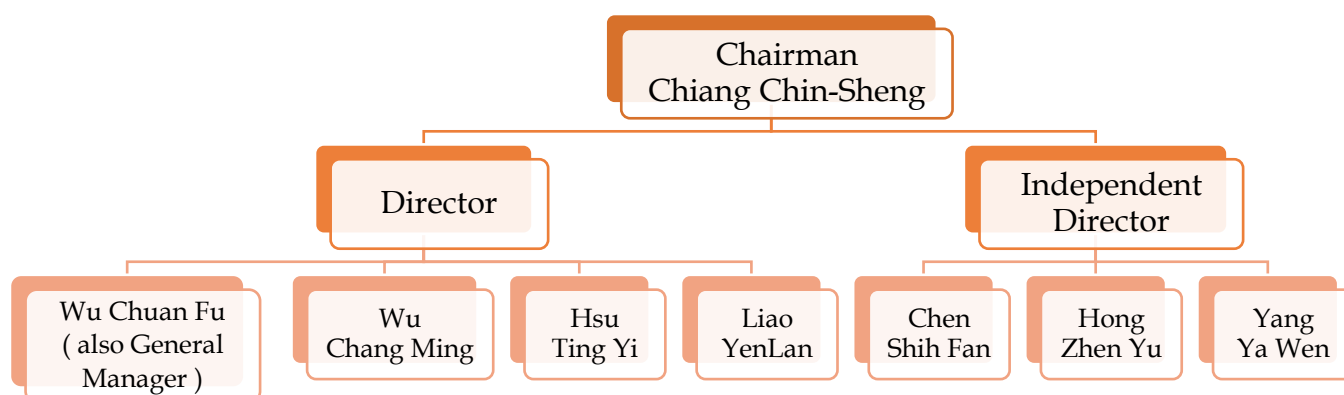
When setting up the board of directors, Proxene will consider the board members from many aspects. All appointments are based on the principle of employing people based on their talents, regardless of gender, age, or race. The company's articles of association set 5 to 11 directors, and their terms of office are all 3 years. Proxene currently has 8 board members, 1 of whom are women, 3 directors with employee status, and 3 independent directors, and the terms of office of the 2 independent directors are all less than 3 years. Proxene's board of directors adopts a candidate nomination system, and the chairman serves as chairman to execute and supervise the company's affairs. The chairman does not concurrently serve as the company's general manager.

Each director has the professional knowledge, skills and qualities required to perform business, and their professional fields include financial accounting, industrial manufacturing, marketing management, etc. Adhering to the spirit of independence, they exercise their powers in accordance with laws and regulations, the company's articles of association and the resolutions of the shareholders' meeting, and provide Proxene with opinions and consultation on operating policies, financial planning and professional and technical development. The composition of the board of directors and the detailed academic experience and concurrent positions of the board members can be found in the 2025 Annual Report of the Shareholders' Meeting.

The operation of the board of directors follows the "Board of Directors' Meeting Rules", and is held at least once a quarter. In 2025, a total of 7 meetings were held, with an attendance rate of 100% (98% in person, 2% by proxy). The important resolutions of the Proxene Board of Directors are immediately published on the public information observation station, which is truly disclosed. The operation of the board of directors, important resolutions and conflict of interest situations can be found in the 2025 Annual Report of the

Detailed information such as the powers of directors, board diversity and independence, introduction of board members and succession planning for board members and key management has been set up in the board section of the official website.

● Board of Directors and Structure



● Board Diversity and Collective Intelligence

Job Title	2023		2024		2025	
Distribution	Number	%	Number	%	Number	%
Director	5	56	5	56	5	63
Independent Director	4	44	4	44	3	37
Total	9	100	9	100	8	100

Gender	2023		2024		2025	
Distribution	Number	%	Number	%	Number	%
Male	7	78	7	78	7	88
Female	2	22	2	22	1	12
Total	9	100	9	100	8	100

Age	2023		2024		2025	
Distribution	Number of people	%	Number of people	%	Number of people	%
31-50 years old	6	67	6	67	4	50
Over 50 years old	3	33	3	33	4	50
Total	9	100	9	100	8	100

Director Name	Independent Director Term of Office	Professional Background			Capabilities						
	3 years	manage	Finance /Accounting	industry Manufacturing /Marketing	Operational judgment	Accounting and Financial Analysis	Business Management	Crisis Management	Industry knowledge	International Market Outlook	Leadership and decision- making skills
Fusheng Precision Co., Ltd. Rep.:Chiang Chin Sheng		●		●	●	●	●	●	●	●	●
Wu Chuan Fu		●		●	●	●	●	●	●	●	●
Fusheng Precision Co., Ltd. Rep.: Hsu Ting Yi		●	●	●	●	●	●	●	●	●	●
Fusheng Precision Co., Ltd. Rep.:Wu Chang Ming		●	●	●	●	●	●	●	●	●	●

Director Name	Independent Director Term of Office	Professional Background			Capabilities						
	3 years	manage	Finance /Accounting	industry Manufacturing /Marketing	Operational judgment	Accounting and Financial Analysis	Business Management	Crisis Management	Industry knowledge	International Market Outlook	Leadership and decision- making skills
Fusheng Precision Co., Ltd. Rep.: Liao Yen Lan		●		●	●	○	●	●	●	●	●
Chen Shih Fan	●	●		●	●	○	●	●	●	●	●
Yang Ya Wen	●	●	●		●	●	●	●	○	●	●
Hong Zhen Yu	Note2	●	●		●	●	●	●	○	●	●

Note : ● Possess the ability, ○ Possess some ability

Note2 : The Independent Director was initially appointed to the Board on July 6, 2022, and was re-elected following the board reshuffle on June 19, 2025.

Implementation focus	Implementation
Regularly arrange training for directors every year	In 2025, all directors completed the director training hours required by law, and the course content covered topics related to corporate governance.
Recusation of interest by board members	Directors will recuse themselves from discussing and voting on proposals that have a conflict of interest with the company. There were a total of three instances of conflict of interest in 2025.
Performance Evaluation and Compensation Disclosure	The 2025 performance has been processed in accordance with the Company's "Board of Directors Performance Evaluation Methods"; the 2025 directors' remuneration has been uploaded to the Public Information Observatory.
Directors and officers liability insurance	In 2025, we purchased directors, supervisors and key personnel liability insurance with Chubb Insurance (Taiwan), with a coverage amount of US\$10 million, and uploaded it to the public information observation station.
Directors' remuneration	The company's articles of association clearly stipulate that if there is a profit in the year, no more than 3% should be set aside as director remuneration. However, if the company still has accumulated losses, it should reserve the amount to make up for it in advance. In the corporate governance report, the remuneration of directors, general managers, deputy general managers and managers, and the link between performance evaluation and remuneration are detailed in the annual report of the shareholders' meeting.

2.2.2 Functional Committee

In order to improve the supervision function and strengthen the company's management function, Proxene has established an Audit Committee, a Remuneration Committee and a Sustainable Development and Nomination Committee to discuss the company's major proposals and sustainable issues. Please refer to the table below for the operation status, member composition and responsibilities of the committee in 2025. Relevant policies and operation status have been established in the corporate governance area and functional committee area on the official website.

For detailed information on important resolutions of the functional committees in 2025 and conflicts of interest, please refer to the 2025 Annual Report of the Shareholders' Meeting.

Audit Committee: Pages 22-24 of the Annual Report

Remuneration Committee: pages 35-37 of the Annual Report

Sustainability and Nomination Committee: Pages 37-38 of the Annual Report

Please refer to the table below for the operation status of the functional committees in 2025:

	Audit Committee	Remuneration Committee	Sustainability and Nomination Committee
Member	3 independent directors (Elected in 2025)	3 independent directors (Elected in 2025)	2 independent directors, 1 director (Elected in 2025)
Responsibilities	1. Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act . 2. Assessment of the effectiveness of the internal control system. 3. Establish or amend the procedures for handling major financial business activities such as acquiring or disposing of assets, engaging in derivative product transactions, lending funds to others, endorsing or providing guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act . 4. Matters involving the directors' personal interests. 5. Significant asset or derivative transactions. 6. Significant loan, endorsement or guarantee of funds. 7. Raising, issuing or privately placing equity securities. 8. Appointment, Dismissal, or Remuneration of certified public accountants. 9. Appointment and Dismissal of Financial, Accounting, or Internal Audit Executives. 10. Review the annual financial report and the second quarter financial report. 11. Other material matters as stipulated by law or the	1. Regularly review the organizational rules of the Remuneration Committee and make amendment recommendations 2. Establish and regularly review the performance evaluation standards, annual and long-term performance goals, and salary and remuneration policies, systems, standards and structures for the company's directors, supervisors and managers. 3. Regularly evaluate the achievement of performance targets of the company's directors, supervisors and managers, and determine the content and amount of their individual remuneration based on the evaluation results obtained in accordance with the performance evaluation standards.	1. Formulate the company's sustainable development policy. 2. Sustainable development of the company, including sustainable governance, integrity management, and formulation of environmental and social goals, strategies and implementation plans. 3. Review, track and revise the company's sustainable development implementation status and effectiveness, and report to the board of directors regularly. 4. Pay attention to the issues of concern to all stakeholders, including shareholders, customers, suppliers, employees, government, non-profit organizations, communities, and the media, and supervise communication plans. 5. Responsible for the nomination of directors including independent directors, and carefully evaluate the qualifications of the nominees and submit a list of recommended candidates to the board of directors. 6. Timely evaluate the appropriateness of the board structure, number of directors and professional background, and formulate and regularly review the directors' training

	Audit Committee	Remuneration Committee	Sustainability and Nomination Committee
	competent authorities.		plan. 7. Review the qualifications of members of each committee under the Board of Directors and submit them to the Board of Directors. 8. Other matters required by the Articles of Association, the Company's internal regulations, and the resolutions of the Board of Directors.
Frequency/ Attendance	A total of 5 meetings were held in 2025, with an attendance rate of 100%(94% in person, 6% by proxy)	A total of 5 meetings were held in 2025, with an attendance rate of 100%(93% in person, 7% by proxy)	A total of 5 meetings were held in 2025, with an attendance rate of 100%(93% in person, 7% by proxy)
Operation Status	● In 2025, the Company's Audit Committee had good communication with the certifying accountants, and the independent directors had no objections . ● In 2025, the independent directors communicated with the internal audit director/accountant a total of 4 times.	● In 2025, there were no circumstances in which the Board of Directors did not adopt or amend the Remuneration Committee's recommendations. ● No member expressed any objection or reservation regarding the resolutions of the Remuneration Committee in 2025 .	● In 2025, there was no situation where the Board of Directors did not adopt or revised the recommendations of the Sustainability and Nomination Committee . ● No member of the 2025 Sustainability and Nomination Committee had any objection or reservations on the resolutions.

2.2.3 Head of Corporate Governance

Proxene has established an effective governance structure in accordance with the "Corporate Governance Code of Practice". The board of directors appoints a corporate governance director to be responsible for executing and promoting corporate governance-related matters, assisting directors in complying with laws and regulations, providing directors with information required for business execution, and handling board meetings, shareholders meetings and other related matters in accordance with the law. The scope of authority is as follows:

1. Handle matters related to the meetings of the Board of Directors and the Shareholders in accordance with the law.
2. Prepare minutes of board of directors and shareholders meetings.
3. Assist directors in taking office and continuing their studies.
4. Provide information required by directors to perform their duties.

5. Assist directors to comply with laws and regulations.
6. Report to the Board of Directors on the results of its review of whether the qualifications of independent directors at the time of nomination, election and during their term of office comply with relevant laws and regulations.
7. Handle matters related to changes in directors.
8. Other matters stipulated in the company's articles of association or contract and amendments to laws and regulations related to corporate governance.

Please refer to the corporate governance section of the official website for relevant regulations such as corporate governance policies and operations, company articles of association, board meeting rules, director selection procedures, organizational rules of functional committees, corporate governance practice codes, integrity management code, integrity management operating procedures and behavioral guidelines, sustainable development practice codes and directors and managers ' code of ethical conduct.

Protecting

shareholders' rights

- ◆ Set up an investor zone on the official website
- ◆ Establish a spokesperson system
- ◆ Promote electronic voting, and the electronic voting rate will reach 86.11% in 2025.
- ◆ Stock affairs established by the Central Depository and Clearing Corporation to meet the digital needs of shareholders.

2.3 Integrity management and ethical standards, business philosophy and corporate culture

2.3.1 Integrity management

'Promote Integrity Management Report

Proxene 's operations are in compliance with the "Corporate Governance Code of Practice", "Integrity Management Code", "Integrity Management Operating Procedures and Behavior Guidelines", "Directors and Managers' Code of Ethics", "Fraud Reporting Management Measures" and "Prevention of Insider Trading and Internal Important Information Management Measures" approved by the Board of Directors, and we strengthen publicity to establish a consensus on integrity management among all employees and strengthen the effectiveness of implementation.

Proxene designates the corporate governance unit as a dedicated unit, which is affiliated to the board of directors and is equipped with sufficient resources and suitable personnel to promote the formulation and implementation of corporate integrity management operating procedures and behavioral guidelines. According to the work responsibilities and scope of each unit, it assists the board of directors and management in formulating integrity management policies and prevention plans and integrity policies. The corporate governance director reports the implementation of integrity management to the board of directors and management at least once a year to improve the management of integrity management. Proxene's integrity management policy and implementation status have been

reported to the board of directors on November 11, 2025, and the integrity management policy and implementation status report has been uploaded to the integrity management section of the official website. In order to implement integrity management, in addition to regularly promoting integrity management-related laws and regulations at supervisory meetings, colleagues are also encouraged to participate in internal and external education and training courses related to integrity management. Course topics cover information security, labor safety, compliance, auditing, etc. Furthermore, in December 2025, business ethics training was specifically conducted for Proxene's key internal executives to further strengthen their professional knowledge and awareness.

Promotion of preventing insider trading

Proxene has formulated the "Regulations on Preventing Insider Trading and Internal Important Information". Directors, managers and employees who are aware of the company's internal important information shall not disclose the internal important information they know to others. Starting from 2023, every quarter, all directors, major shareholders and relevant business undertakers will be informed of the relevant regulations and explanations of the relevant provisions of "Preventing Insider Trading" by email. The above management regulations have been disclosed in the official website's corporate governance area and public information observation station for internal and external stakeholders to review and follow. Its content is based on the provisions of Article 157-1, Paragraph 1 of the Securities and Exchange Act on the prevention of insider trading regulations. When the subject of the insider trading regulations learns that the company has news that has a significant impact on its stock price, it shall not buy or sell the company's listed or traded stocks or other equity securities traded at securities dealers' business places before or within 18 hours after the news is made public. Violators of this provision constitute insider trading and shall bear the penalties stipulated by the competent authority.

Complaint channels for violations of professional ethics

In order to prevent any illegal or unethical behavior and integrity management code from happening, Proxene provides a channel for reporting. In order to provide a basis for handling reported incidents, we have formulated the "Fraud Reporting Management Measures", which have been disclosed in the corporate governance section of the official website. Please refer to the management measures for details.

Reporting Channel:

- ◆ Tel: 04-25627786, Audit Supervisor.
- ◆ Email: sp@proxene.com.tw
- ◆ Address: No. 9-2, Lane 893, Zhongshan Road, Shengang District, Taichung City

Detailed information and related management methods such as the promotion of honest business reports, prevention of insider trading, and complaint channels for violations of professional ethics have been set up in the corporate governance area and the honest business area on the official website.

2.3.2 Business philosophy and corporate culture

【Excellence, Innovation, and Value】-The company's consistent business philosophy and the key success factors for the company

◆ Expertise

We specialize in the manufacture of adjustable wrenches. From the raw materials entering the factory to the final product shipment, except for heat treatment and electroplating, all other processes can be completed in the factory, with a self-production rate of more than 90% . The product testing standards also exceed the currently recognized standards in the world.

◆ Innovation in everything

In order to adapt to the market and cater to the needs of customers, we are constantly seeking innovation and change, including "product research and development, smart manufacturing, and management models."

◆ Great value for money

Let the adjustable wrench become the user's most valuable working partner. From the customer's perspective, create value for customers and provide a full range of value-for-money services .

We firmly believe that quality is the lifeblood of an enterprise and the key to success. With this belief , we will promote MIT's high quality to the world, make it famous internationally, and improve Taiwan's employment environment .

·Corporate Culture

For Proxene, the most important thing is "Integrity". In addition to providing high-quality products and being committed to the company's sustainable operation, we also need to maintain an altruistic spirit. "Integrity, altruism, teamwork, and innovation" are the corporate culture of Proxene Company that has been deeply rooted for many years. In terms of sustainable responsibility, we provide complete education and training, hoping that every colleague can learn, grow and realize their potential. We establish comprehensive employee benefits and comfortable and friendly working environment attract more high-quality talents. We are people-oriented, respect and tolerate multi-party communication, and achieve the goals pursued by the enterprise by jointly participating in value enhancement. In terms of environmental protection, beyond installing solar power facilities at our new plant, we have implemented high-efficiency, energy-saving equipment throughout our operations. By replacing traditional oil-fired furnaces with induction heating systems, we achieved a significant 43.36% reduction in total carbon emissions compared to the same period (with Scope 1 direct emissions dropping by over 85%). These substantial carbon reduction results demonstrate our steadfast commitment to sustainable management. At the same time, we actively participate in social donation activities to help disadvantaged groups, and continue to work with peers and suppliers with similar ideas to strengthen each other and jointly build a more competitive synergistic partner group in the world. We know that only

through mutual benefit and common prosperity can the industry flourish.

2.4 Compliance and Taxation

2.4.1 Regulatory Compliance

Proxene abides by the law and regularly collects and compiles business-related laws and regulations. If there are new additions or revisions, the responsible department will immediately review whether the current business model and behavior are in compliance, and assist in promoting government orders to various units.

Proxene 's important legal sources, internal methods or procedures for compliance with corporate governance, environmental, economic and social laws and regulations and whether any illegal incidents occurred in 2025 are as follows:

Category	Important legal sources in Taiwan	The Company's response methods or procedures	Will there be any illegal incidents in 2025 ?
Corporate Governance	Company Law, Corporate Governance Practice Guidelines, Code of Conduct for Listed Companies, Audit Committee Articles of Association, Compensation Committee Articles of Association	Articles of Association, Corporate Governance Practice Guidelines, Integrity Management Guidelines, Fraud Reporting Management Measures , Audit Committee Organizational Rules, Remuneration Committee Organizational Rules, Sustainable Development and Nomination Committee Organizational Rules , etc.	The Company has always acted in accordance with the law and has not been subject to any significant monetary or other non-monetary penalties.
Staff	Labor Standards Act, Employment Services Act, Gender Equality in Employment Act, Labor Insurance Act, Labor Pension Act, National Health Insurance Act, Employee Welfare Fund Act, Labor Leave Rules, Labor-Management Meeting Implementation Rules, etc.	Work rules, salary management methods, employee remuneration payment methods, absence management methods, employee stock subscription methods, (employee welfare fund) regulations , etc.	The Company complies with the relevant laws and regulations of the Labor Standards Act and has not been punished for violating the Labor Standards Act or labor-management disputes; at our operating locations or with our key suppliers.
	Occupational Safety and Health Act, Occupational Safety and Health Act Enforcement Rules,	Work rules, safety and health work rules	There was a total of one incident involving a penalty for non-compliance with the Occupational Safety and Health Act and related regulations.

Category	Important legal sources in Taiwan	The Company's response methods or procedures	Will there be any illegal incidents in 2025 ?
	Labor Health Protection Rules, Labor Safety and Health Facilities Rules, Labor Safety and Health Education and Training Rules , etc.		Please refer to the description below for details of the incident.
Environment	Basic Environmental Law, Climate Change Response Law, Waste Disposal Law, Resource Recycling Law, Air Pollution Control Law, Noise Control Law, Drinking Water Management Regulations, Discharge Water Standards, etc.	Waste disposal procedures, wastewater management procedures , etc.	The Company complies with environmental laws and regulations and has not been fined for violating environmental laws and regulations.
Economy	Fair Trade Law, Patent Law, Copyright Law, Intellectual Property Law, Trade Secret Protection Law, Computer Processing Personal Data Protection Law , etc.	Work rules, prevention of insider trading and internal major information management methods, personal data protection management methods , etc.	The Company has no record of violating economic and social regulations or being fined
Society	Civil Law, Infectious Disease Prevention and Control Law, Sexual Harassment Prevention and Control Law		

Incident Description	Improvement Measures and Corrective Actions	Penalty Amount
An occupational accident occurred due to the failure of the photoelectric sensor on a hot forging press. While an operator was performing trimming work on the	1. Immediate Equipment Inspection: The vendor was promptly commissioned to inspect and repair the light curtain safety	NT\$ 100,000

Incident Description	Improvement Measures and Corrective Actions	Penalty Amount
aforementioned machine, their right hand was accidentally injured by the descending upper die, resulting in a laceration to the fingers.	device. To prevent recurrence, the safety inspection frequency has been upgraded from monthly to weekly routine checks. 2. Pre-operational Verification: A mandatory pre-production protocol has been implemented, requiring the section or line chief to verify that the light curtain is functioning normally before any operations begin.	

In summary, aside from the single incident involving a penalty for non-compliance with the Occupational Safety and Health Act and related regulations in 2025, Proxene Tools recorded no other official penalties across the governance, environmental, economic, or social dimensions. Moving forward, we will intensify onsite inspections, increase the frequency of machinery maintenance, and reinforce standardized operational procedures and health and safety management. We remain committed to emphasizing the paramount importance of occupational safety through continuous employee training and internal communication.

2.4.2 Tax Policy

Proxene supports corporate product innovation and sustainable development tax policies, and is committed to controlling tax risks, pursuing sustainable development and fulfilling corporate social responsibility. Therefore, we promise:

- Operational activities are conducted in full compliance with relevant tax laws and regulations.
- Financial reporting information disclosure shall comply with relevant laws and regulations and standards.
- Transactions for the purpose of tax avoidance are prohibited.
- Establish a relationship of mutual respect with tax authorities based on the principles of mutual trust and integrity.
- Operational performance showed stability and growth.

2.5 Internal control mechanism and management system verification

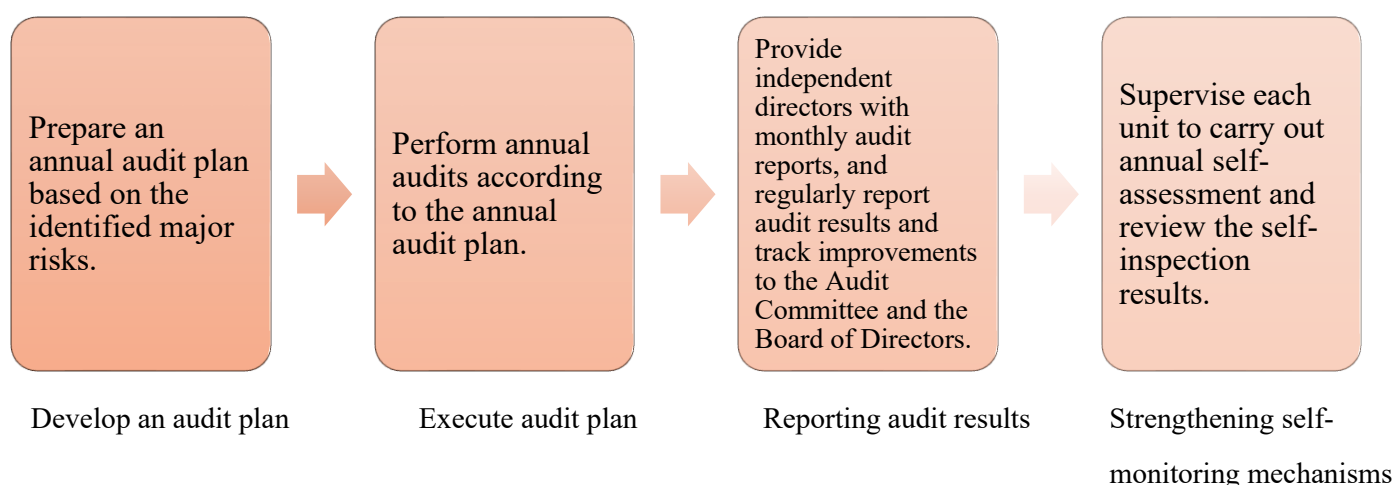
·Internal Control and Audit

Proxene 's internal audit unit is affiliated with the board of directors. The appointment and removal of the audit supervisor is reviewed by the audit committee and submitted to the board of directors for approval. In addition to reviewing the self-assessment results of the internal control system of each unit and subsidiary, the internal audit unit also evaluates the control operations of various operating activities in Proxene 's internal control system to measure the effectiveness, compliance and impact of internal control. The frequency and content of each cycle audit are determined in accordance with legal regulations and risk assessment results.

Internal Audit Operations

The internal audit work is mainly carried out according to the audit plan approved by the board of directors. The audit business is regularly reported to the audit committee and the attending board of directors. The audit report is delivered to the independent directors every month, and special audits are carried out as needed. In addition, each unit within Proxene is urged to regularly evaluate the effectiveness of the internal control system and review the results. Together with the above-mentioned internal audit results and improvements, they are provided to the board of directors and the general manager as a basis for evaluating the effectiveness of the overall internal control system and issuing an internal control system statement. This statement has been published in the annual report, stock public offering prospectus and public prospectus in accordance with regulations. The annual internal audit plan, audit plan execution status, internal control deficiencies and abnormal matters improvement status have all been completed in accordance with regulations. Report to the public information observation station and report to the board of directors. There are no major internal control deficiencies in 2025 , and the effective statement of the internal control system has been disclosed in the annual report this time.

Audit process



Internal management system

The board of directors and managers of the Company have established internal management systems in accordance with the "Guidelines for the Establishment of Internal Control Systems for Public Companies" and relevant laws and regulations to improve management efficiency and product quality.

The internal management system is mainly divided into the following three items:

(1) Internal control system

The internal control system covers all company operations, including the company's "management" functions such as planning, organization, and control, as well as the nine major cycle procedures and standard measures adopted in the business areas of sales, production, procurement, financing, wages , fixed assets, computer information, investment, and research and development. Its purpose is to promote the sound operation of the company to reasonably ensure the achievement of the following goals:

- ① Operational effectiveness and efficiency

- ② Reporting is reliable, timely, transparent and compliant
- ③ Compliance with laws and regulations

(2) ISO 9001 Management System

ISO management systems for production, quality, environment and other issues . Since its establishment, Proxene has passed the following ISO certifications: ISO 9001 quality and ISO 50001 energy management system certifications.

(3) Various management measures

For the control operations identified in each operating cycle, Proxene Company has established appropriate management methods, such as credit management operations and approval authority, to reduce operational risks.

The above internal control system is based on corporate culture, employee core values and professional ethics, so that these three management systems can operate effectively and continuously improve, and meet the requirements of Proxene's sustainable business philosophy, thereby improving business management results and product quality reliability, and achieving the company's sustainable business vision and mission.

The diagram of the internal control management system is as follows:



2.6 Information Security

According to the assessment of the Information Office, the responsible unit of Proxene, although the information security risk accounts for a relatively small proportion of the company's operating risks, as the network environment becomes increasingly complex, the relevant risks may increase year by year. Proxene has established an information security management framework, established a dedicated Information Technology (IT) department and formulated relevant information security management policies, assigned a dedicated information security supervisor and a dedicated information security personnel, formulated and

implemented specific information security management plans, and added an audit unit to conduct internal audits of management systems, information security prevention and crisis management and other monitoring operations. The audit supervisor will report the audit results to the board of directors regularly, and continuously improve internal abnormality detection and protection methods to reduce corporate information security risks.

At this stage, the Company implements information security risk management with the existing information security management procedures. The relevant specific implementation measures are as follows:

***Network Security Management**

- (1) Configure an enterprise-level firewall to prevent illegal intrusion by hackers.
- (2) SSL VPN is used to connect with branches and external locations , and data encryption is used to prevent illegal interception of data during transmission.
- (3) Configure an Internet behavior management system to control network access, block access to harmful or policy-unallowed websites and content, enhance network security and prevent bandwidth from being improperly occupied.

***System access control**

- (1) The use of various application systems within the company must go through the information service demand application process, and after approval by the responsible supervisor, the information unit must create an account and the system administrator must open permissions based on the functions applied for before use.
- (2) The password setting of the account must comply with the requirements for mixed characters and digits before it can be passed.
- (3) When colleagues go through the resignation procedures, they need to work with the information department to delete accounts in various systems.

***Implementing information security training**

- (1) We regularly conduct information security education and training for employees, and provide them with information security training from time to time to enhance their awareness of the importance of information security.
- (2) During each system operation, a pop-up window will appear to remind you to pay attention to information security issues.

***Virus protection and management**

- (1) The server and colleagues' computer equipment are all installed with endpoint protection software, and the virus code is automatically updated to ensure that the latest viruses can be blocked.
- (2) The email server is equipped with a spam filtering mechanism to prevent viruses or spam from entering the user's PC .

***Ensure system availability**

- (1) Build a backup management system to regularly back up daily data, with one copy kept in the computer room and the other stored off-site for mutual backup.
- (2) Conduct disaster recovery drills regularly, select a recovery base point, and restore the backup file to the system host.

***Computer equipment security management**

- (1) The company's computer host, application servers, etc. are all set up in a dedicated computer room. The computer room access control adopts inductive card swipe entry and exit, and records are kept for review.
- (2) The computer room is equipped with independent air conditioning and uninterruptible power supply system and generator to keep the computer equipment running at a suitable temperature, so that the operation of computer application systems will not be interrupted when the power is cut off.
- (3) When building a device management system, only mobile devices and devices that have been certified by the company can connect to the company's intranet and access data.

***Resources in information security management**

- (1) Use Veritas backup exec backup software
- (2) Adopting Sharetech Next Generation UTM defense management platform
- (3) Perform vulnerability scans on host systems and websites regularly

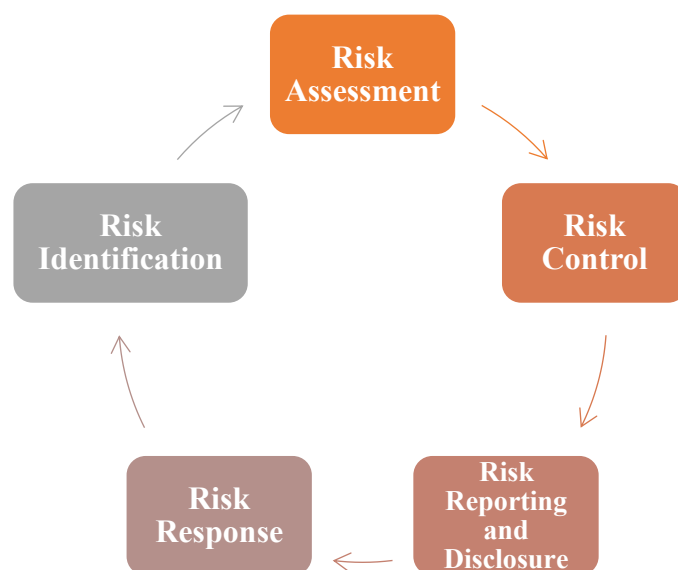
Cybersecurity incident prevention actions that Proxene has implemented in 2025 are as follows:

- (1) Disaster recovery drill 1 time
- (2) Vulnerability scan 1 time
- (3) Account permissions inventory 1 time
- (4) Operation system inventory 1 time
- (5) Information security education and training (all employees) 1 time

2.7 Risk Management

2.7.1 Risk Management Policies and Procedures

Proxene has established a "Risk Management Method" approved by the Board of Directors as the highest guiding principle for Proxene 's risk management, and the Audit Committee supervises risk management. The company regularly conducts risk identification and risk assessment every year to identify various risks that may affect business objectives, and decides on appropriate response measures after assessment to effectively reduce the company's operating risks. Proxene always pays attention to the development of domestic and international risk management, and reviews and improves the risk management system established by the company to improve the effectiveness of risk management. It reports risk management to the board of directors at least once a year. The 2025 operating status has been reported to the board of directors on March 9, 2026 , and the risk management operation status report has been uploaded to the risk management section of the official website.



2.7.2 Risk Management Organizational Structure

- The Board of Directors oversees the formulation of the Company's risk management policy, and the Audit Committee oversees risk management.
- The President Office is responsible for formulating risk management standards and ensuring the implementation of risk management standards approved by the Board of Directors.
- The audit unit performs audit work with an independent and detached spirit and provides improvement suggestions in a timely manner.
- Risk management is not just the responsibility of the company's risk management unit or a dedicated person. All functions/departments/units/business undertakers in the company have their corresponding responsibilities and matters that need to be coordinated to implement the company's overall risk management.

2.7.3 Risk management scope and control strategy

Economic aspects

Risk Category	Potential risks	Control strategies and practices	Responsible Unit
Supply Chain Risks	The shortage of imported raw materials caused the shutdown of production	- Develop two or more sources of key raw materials. - Establish safety stock.	Production Management/Manufacturing/R&D/Quality Assurance/Purchasing
	The raw material supply does not meet the factory specifications	- The company implements the principle of specialized factories for specialized products, and selects the most suitable suppliers for each item through the process of inquiry , comparison and negotiation to obtain the most competitive prices. - Establish clear raw material acceptance specifications. - Implement incoming material inspection. - Evaluate important raw material suppliers and require them to track improvements on items that perform poorly.	Production Management/Manufacturing/R&D/Quality Assurance/Purchasing
	Affected by the market boom, rising raw material prices have led to increased operating costs	For important raw materials, we strengthen research and analysis of domestic and international market trends, propose favorable procurement principles, reduce	Production Management/Manufacturing/R&D/Quality Assurance/Purchasing

Risk Category	Potential risks	Control strategies and practices	Responsible Unit
		expenditures and lower costs.	
Market/Credit risk	Customers' special specifications cannot be met	- Optimize the machine or build a new machine. - Increase exchanges with industry professionals.	Production Management/Manufacturing/R&D /Quality Assurance/Purchasing
	The production/inspection conditions do not meet customer requirements, resulting in product quality not meeting requirements	- Arrange annual calibration according to the equipment calibration period. - Arrange product/process audits regularly. - Regularly implement internal education and training and production meetings to discuss improvements immediately.	Production Management/Manufacturing/R&D /Quality Assurance/Purchasing
	The customer is unable to pay the goods on time	- Adjust the credit limit of existing customers based on past transaction records. - Modification of trading conditions for high-risk customers. - Conduct credit assessment for customers and make annual credit limit assessment and adjustments. - Regularly track accounts receivable and conduct effective financial planning and capital allocation.	Marketing and Sales /Finance
Liquidity Risk	The risk of incurring losses due to the inability to liquidate	The company strictly controls the payment cycle of suppliers and	Marketing and Sales /Purchasing/Finance

Risk Category	Potential risks	Control strategies and practices	Responsible Unit
	assets or obtain financing to provide flexible use of funds.	the payment cycle of customers. `Maintain good relationships with correspondent banks and sign short-term credit contracts to mobilize loans at any time .	
Overall Environmental Risk	Risk of rising interest rates leading to higher interest expenses	`Continue to pay close attention to changes in interest rates and global economic development trends. `In financing transactions with financial institutions, in addition to making good use of project loans, we actively seek to coordinate and reduce the increase in interest rates, and continue to repay some of the bank loans with higher interest rates at any time to reduce interest expenses.	Finance
	Exchange rate risk - the exchange rate of foreign exchange exposure is lower than the cost of opening an account	`Engage in derivative financial product transactions such as option trading to avoid risks arising from exchange rate fluctuations. `Prudently control foreign exchange rate risks for major capital expenditures and fund	Finance

Risk Category	Potential risks	Control strategies and practices	Responsible Unit
		transfers that cause significant changes in foreign exchange positions.	
	Price risk - financial losses due to a fall in the price of the underlying investment	· Diversify the investment portfolio in accordance with the limits set by the Company.	Finance
Compliance Risk	Tighter HR regulations increase labor costs	Comply with regulatory requirements.	President Office /HR/ Auditing Office/Corporate Governance
	Failure to promptly respond to changes in laws or contracts, resulting in financial losses due to non-compliance	· Pay close attention to the revision of relevant laws and regulations of the competent authorities and propose corresponding measures in a timely manner to meet operational needs. · Establish a contract control mechanism to review and examine the signed contracts according to procedures to safeguard the company's rights and interests. · Sign a legal advisor. · In order to comply with laws and regulations and prevent insider trading and related regulations for insiders, we regularly strengthen publicity and reminders to	President Office /Auditing Office /Corporate Governance

Risk Category	Potential risks	Control strategies and practices	Responsible Unit
		directors and senior executives through electronic documents.	
	Hackers intrude and disrupt information systems, causing computer equipment failures, data loss, and reduced operational efficiency	·Install endpoint protection software ·The email server is equipped with a spam filtering mechanism ·Account authority management. ·Establish a backup management system to regularly back up daily data to a remote location. ·Perform disaster recovery drills regularly.	President Office /Information
Information Security Risks	The company was fined under the Personal Information Protection Law due to the unauthorized malicious or negligent disclosure of personal information in the information system	·Perform regular web and system vulnerability scans and penetration tests. ·Implement system authority control.	President Office /Information
	Hackers use deceptive means to make employees hand over useful information and then invade information systems or defraud improper benefits, causing financial losses to the company.	·Perform social engineering drills regularly. ·Improve employees' information security awareness through education and training . ·Configure enterprise-level firewall and SPAM.	President Office /Information

Risk Category	Potential risks	Control strategies and practices	Responsible Unit
	Employees secretly downloaded and installed unauthorized software, causing the company to be fined for software infringement	- Strengthen information security promotion and enhance employees' information security awareness. - Control network access and block access to harmful or policy-unallowed websites and content	President Office /Information
	The data transmission process was illegally intercepted when using SSL VPN to connect to branches and external sites	Use data encryption method	President Office/Information

Environmental aspects

Risk Category	Potential risks	Control strategies and practices	Responsible unit
Disaster Risk	Earthquakes and floods	- Hold evacuation drills. - Regularly inspect rainwater drains and regularly desilt ditches.	President Office/Production Management/Manufacturing / R&D/Quality Assurance/Purchasing
Climate Change Risks	Carbon emission-related charging mechanisms are implemented in various countries	- Use clean energy fuel. - Investigate the sources of carbon emissions in each product production process . - Confirm the data format required by the EU carbon border adjustment mechanism and provide relevant carbon emission data to avoid the impact of subsequent inability to export to EU countries. - Continue to pay attention to international climate change trends and requirements, and disclose climate change response information	

Risk Category	Potential risks	Control strategies and practices	Responsible unit
		in accordance with legal regulations and schedules. ·Continue to plan, promote and implement water conservation, energy conservation and carbon reduction actions, and improve resource utilization efficiency.	

·Social aspects

Risk Category	Potential risks	Control strategies and practices	Responsible unit
Risk of Brain Drain	Employee welfare policies such as promotion channels and salary policies are not better than those of local industries, resulting in high staff turnover and failure to retain outstanding talents	·Transparent promotion channels allow employees to anticipate career development and, through education and training courses, inherit corporate culture and team integration to reduce staff turnover. ·Develop diverse recruitment channels, such as social media and staffing companies, to make up for the shortage of manpower. ·Implement the employee health care system, provide on-site services by contracted professional medical staff (monthly), conduct employee health examinations in accordance with laws and regulations, care about the health of colleagues, and provide a friendly workplace. ·Provide benefits such as three festival bonuses, year-end bonuses, employee dividends, birthday gifts,	President Office /HR

Risk Category	Potential risks	Control strategies and practices	Responsible unit
		health checks, labor insurance, national health insurance, and labor pensions.	
Operational Management Risks	A large number of grassroots operators resigned within one month	- Understand the intentions and job description before transfer. - Various recruitment packages, introduction bonuses, transportation allowances, etc. - Improve salary structure and increase monthly income.	Production Management/Manufacturing/R&D/Quality Assurance/HR
Occupational Safety Risk	Work safety accidents occur when workers suffer catastrophic injuries that cause the factory to shut down in whole or in part. Fire risk	- New employees should read the SOP carefully before officially taking up their posts. - Implement occupational health and safety training, and reinforce the promotion of correct workflows and hazard prevention measures. - Irregular on-site inspections lead to lack of improvement. - Emergency response drills. - Installation of additional protective facilities. - Fire drill. - Perform regular fire safety inspections and building public safety inspections.	President Office /HR

2.8 Intellectual Property Management Plan

Our company has been deeply rooted in the industrial and professional-grade adjustable wrench domain for over 40 years, gaining a strong reputation in the industry through innovative design and precision manufacturing. To continually reinforce our industry-leading position and safeguard our hard-won advanced technological achievements, we have formulated an Intellectual Property (IP) management strategy that integrates our operational goals with R&D resources. This plan aims to protect the core value and goodwill of our brand, while simultaneously consolidating our market competitiveness and enhancing brand value. It not

only ensures our freedom to operate but also serves to increase the company's profitability

2.8.1 Intellectual Property Management Plan

***Patents**

Inventions or creations by the company that require intellectual property rights protection shall be immediately submitted for application through a professional patent firm. The R&D unit shall assist in completing related procedures, such as application and defense. Before the patent is approved, reports or records of the R&D process for the intellectual property shall be properly preserved to serve as evidence for the IP application. Through effective maintenance and utilization of patent portfolios in various countries, the company's competitive advantage in the global market is strengthened, and patent resources that align with environmental and social sustainability goals are created, thereby protecting the company's R&D achievements and technological leadership.

***Trademarks**

The company employs professional trademark firms to manage trademark applications and maintain a comprehensive system for trademarks. This process includes risk assessment, strategic layout, usage compliance, and infringement control to protect the company's rights globally and enhance market recognition and competitiveness.

***Trade Secret Protection and Management**

Protecting trade secrets is vital for maintaining the company's competitive edge. Employees must sign confidentiality agreements. Failure to comply can result in serious consequences, including termination and legal action.

2.8.2 Implementation Status

- (1) The Company's intellectual property-related matters were reported to the Board of Directors on November 11, 2025.
- (2) 2025 Management Plan and Implementation Status
 - 1.Total cumulative patents granted: 104
Applications filed in 2025: 48
Patents granted/effective in 2025: 6
 - 2.Total cumulative trademarks granted: 34
Applications filed in 2025: 8
Trademarks granted/effective in 2025: 4
 - 3.Ongoing internal education and communication are conducted to strengthen employee awareness of IP and trade secret protection.In 2025, confidentiality regulations were introduced to 5 new employees.Regular monthly reminders/notifications were sent 12 times.

2.9 Personal Data Protection Act

2.9.1 Purpose

To ensure that all business operations comply with the Personal Data Protection Act and relevant regulations, the Company has defined clear objectives for personal data protection. We collect, process, and utilize personal data only within a reasonable scope, establishing a robust framework for managing the data of customers and employees. By doing so, we mitigate potential legal risks for the Company and its staff, safeguard customer rights, and uphold our corporate reputation. Our relevant policies and regulations are summarized in the table below:

Scope of Application and Coverage	1.Applicable Personnel This policy covers all personnel within the Company, including dispatched personnel from temporary staffing agencies, and vendors or consultants with whom the Company conducts business (including their employees or temporary staff). 2.Scope of Protection The scope of protection of this policy covers personal data protected by the Personal Data Protection Act (PDPA). Relevant regulations are established for the collection, processing, use, and international transmission of personal data to ensure the security of personal data.
Definitions of Terms	1.Personal Data Management System (PDMS) A system based on business risk orientation used to establish, implement, operate, monitor, review, maintain, and improve the management of personal data. 2.Personal Data Management Metrics Defined measures used to gauge the effectiveness of selected controls in achieving the Company's personal data management objectives. 3.Personal Data Refers to data related to a natural person's name, date of birth, national identification card number, passport number, characteristics, fingerprints, marital status, family status, education, occupation, medical records, medical treatment, genetic information, sexual life, health examinations, criminal records, contact information, financial situation, social activities, and any other information that can directly or indirectly identify the individual. Should the definition and scope of personal data be revised in response to future changes by the competent authority or regulations, the revised definition and scope shall prevail. 4.Special Categories of Personal Data Refers to personal data concerning medical treatment, genetic information, sexual life, health examinations, and criminal records (hereinafter referred to as "Special PD"). Should the definition and scope of Special PD be revised in

	response to future changes by the competent authority or regulations, the revised definition and scope shall prevail. 5.Management Includes the Board of Directors, the General Manager, and senior executives. 6.Data Protection Officer (DPO) / Head of Data Management The person responsible for forming the personal data protection management execution organization and overseeing the formulation and implementation of management procedures. 7.Personal Data Protection Management Execution Organization An organization reporting to the Head of Data Management/DPO, responsible for overall coordination and execution of the Company's compliance matters related to the Personal Data Protection Act (PDPA).
Management Scope	Management shall appoint a Data Protection Officer (DPO) responsible for the formulation and promotion of these procedures, and establish a personal data management organization to plan, implement, operate, monitor, audit, maintain, and improve the Personal Data Management System (PDMS). Management reviews of the PDMS shall be conducted periodically or when significant changes occur to ensure its appropriateness and effectiveness. The management scope should include the following items, based on the scale and characteristics of the business: 1.Establishment of Personal Data Protection Management Procedures Establish personal data management procedures using personal data management metrics equivalent to domestic information security standards. 2.Regulation of Principles for Personal Data Collection, Processing, and Use Process personal data within a strictly necessary scope based on a lawful specified purpose. The key points are as follows: (1) Confirm that the specified purpose for collecting personal data complies with laws and regulations, and appropriately retain audit trails. (2) When processing personal data, follow the Company's information security procedures, establish internal data access permissions and corresponding data risk levels, and define control mechanisms based on these risk levels. (3) Fulfillment of the Obligation to Inform: Confirm whether exceptions to

	notification apply, and adopt appropriate notification methods based on the circumstances of collection. (4) Confirm that the use of data aligns with the specified purpose, whether use beyond the specified purpose is permissible, and appropriately retain audit trails. (5) Comply with restrictions on the collection, processing, or use of special categories of personal data (Special PD). 3.Establishment of Security Maintenance Measures for Personal Data Files. Protect personal data with appropriate technology and provide suitable security management measures for personal data files to protect the data collected, processed, or used. 4.Establishment of Personal Data Management Incident Emergency Response Procedures (1) Define acceptable levels of risk for personal data protection and corresponding response measures. When a data incident occurs resulting in damage to the rights and interests of stakeholders, respond to and handle the situation appropriately. (2) Set up channels for handling complaints and consultations for data subjects to exercise their related personal data rights. 5.Continuous Operation and Maintenance of Related Personal Data Protection Management Procedures (1) Conduct evaluations and audit operations of relevant personal data management procedures, the PDMS, and personal data management metrics to ensure the effectiveness of these procedures and related measures, and check that implementation is consistent. (2) If implementation gaps exist or regulations change, assist in improving relevant procedures and management measures to continuously enhance the effectiveness of the personal data management system.
Roles and Responsibilities	1.All personnel of the Company shall understand and strictly comply with these procedures, and shall fully participate in the implementation of this policy's initiatives. 2.The Company's Management is responsible for appointing the Data Protection Officer (DPO). The DPO is tasked with the supervisory management authority over the operation of the Company's personal data management system, as well as managing and directing the operations of the Personal Data Protection Management Execution Organization to ensure the implementation and compliance with the Personal Data Protection Act (PDPA).

Liabilities and Penalties for Violation	1.All personnel of the Company shall comply with these procedures. Violators will be subject to disciplinary action in accordance with relevant Company regulations. 2. If the violation involves relevant civil liability for compensation, criminal liability, or administrative penalties, the Company may terminate the employment relationship and pursue legal responsibility commensurate with the circumstances of the case. 3. An employee's obligation to protect the Company's personal data continues to remain effective even after the termination of the employment relationship between both parties.
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2.9.2 Implementation Status

- 1.The Company has established a comprehensive personal data protection management system in accordance with the Personal Data Protection Act (PDPA) and relevant regulations.
- 2.To enhance personal data protection awareness among all employees and provide necessary personal data protection education and training, the Company publishes the contents of the data protection policy at least once a year to reinforce employees' understanding of the importance of personal data protection.
- 3.Employees' obligations regarding personal data protection continue to remain effective even after the termination of the employment relationship between both parties.

3. Operational performance and customer service

Proxene's main products include the manufacture and sales of adjustable wrenches and pliers. Its R&D personnel also have excellent hand tool system design capabilities and development experience, and have market experience in mass production of more than hundreds of products.

The short, medium and long term plans for economic performance and customer service related to major issues are as follows:

	Short-term indicators (2024~2025)	Medium-term indicators (2026~2030)	Long-term indicators (2031~)
Economic performance	Customer satisfaction score above 8.5	Customer satisfaction score above 8.8	Customer satisfaction score above 9 points
	Customers complained that the company leaked order privacy ≤ 0	Customers complained that the company leaked order privacy ≤ 0	Customers complained that the company leaked order privacy ≤ 0
Legal Compliance	0 violations of product or fair trade regulations	0 violations of product or fair trade regulations	0 violations of product or fair trade regulations

Goal and performance achievement:

In order to achieve the company's steady growth in economic performance, product innovation, quality , and continuous research and development of high-quality new products, increase added value and profits, and

develop new customers, the goals and performance achieved in the past two years are as follows:

◆ **Economic performance**

2025 Target	2025 Performance Achievement	2026 Target
Customer satisfaction maintained at 8.5 points ↑ (Full score: 10)	8.89 points → achieved	Customer satisfaction maintained at 8.8 points ↑ (Full score: 10)
Customers complained that the company leaked order privacy 0 cases	0 items → Achieved	Customers complained that the company leaked order privacy 0 cases

◆ **Regulatory compliance**

2025 Target	2025 Performance Achievement	2026 Target
0 violations of customer privacy or information security regulations	0 items → Achieved	0 violations of customer privacy or information security regulations
0 violations of product or fair trade regulations	0 items → Achieved	0 violations of product or fair trade regulations

3.1 Operational performance and challenges

Material topic: Economic Performance (GRI201)	
Policy / Commitment	Policy : Continuously design and innovate to provide customers with comprehensive and value-for-money services, while actively exploring different customer sources and diversifying our product lines to expand market share, achieve operational growth and increase profits. Commitment : Use due diligence and early warning communication methods, comply with applicable corporate and commercial laws and regulations, and steadily create economic value.
Target	Short term: Focus on diversifying customer base and sales products, expanding domestic and overseas markets and reducing the risk of sales concentration. Mid to long term: By leveraging group resources to continuously develop new processes and new products, adjust product mix and launch high value-added products to boost overall product gross profit and achieve stable growth in operations.
Management Measures	(1) Maintain a good financial structure and provide strong support for sales, production, R&D, etc. (2) Continue to focus on the hand tool manufacturing business, research and develop new products to increase added value and enable the company to continue to grow.

	(3) Plan short-, medium- and long-term fund utilization methods to create the maximum return on funds under the principle of prudence. (4) Continue to participate in important domestic and international exhibitions, such as the Cologne Exhibition, AAPEX, and Taiwan International Hardware & Tools Expo (IHT), to explore different customer sources and expand market share. (5) The design direction is to be light, thin, short, high torque, and increase the cost performance of customer products. In addition, the company has excellent technical capabilities and continues to obtain various product patents to enhance industry competitiveness. (6) Maintain good partnerships with manufacturers and expand sources of key raw materials to reduce production costs. (7) Inventory control is adjusted flexibly based on the optimal order quantity, market changes and market conditions to maintain appropriate inventory levels and avoid drastic price fluctuations that erode profits.
Evaluation Mechanism	The board of directors shall be convened at least once a quarter to review the company's operating performance.
Concrete Results	In 2025, Proxene's revenue reached NT\$ 527,812 thousand and its net profit after tax reached NT\$ 100,636 thousand.

3.1.1 Operational results that generated and distributed direct economic value in the last two years

Unit: NT\$ thousand

		2023	2024	2025
Business Performance	Total Assets	1,590,670	1,695,630	1,661,128
	Total Equity	974,291	1,093,631	1,034,025
	Operating Income	663,558	608,374	527,812
	Operating Gross Profit	235,868	209,869	158,748
	Operating Profit	154,176	133,705	79,546
	Non-operating Income and Expenses	51,677	95,584	38,911
	Net Profit After Tax	170,228	193,697	100,636

Direct economic value generated(A)	Revenue(Note1)	721,942	709,107	571,571
Economic Value of Distribution(B)	Operating Costs(Note2)	391,808	365,543	339,112
	Employee Salaries and Benefits(Note3)	115,878	107,015	107,491
	Payment to Investors(Note4)	67,757	80,999	171,348
	Payments to the Government(Note5)	36,971	36,922	19,207
	Community Investment-Donation	350	781	277
The economic value of retention	(A)-(B)	109,178	117,847	- 65,864

Profitability	Return On Assets (ROA)	11.93%	12.04%	6.23%
	Return On Equity (ROE)	20.77%	18.73%	9.46%
	Net Profit Rate	25.65%	31.84%	19.07%
	EPS(NTD\$)	10.21	10.47	5.44

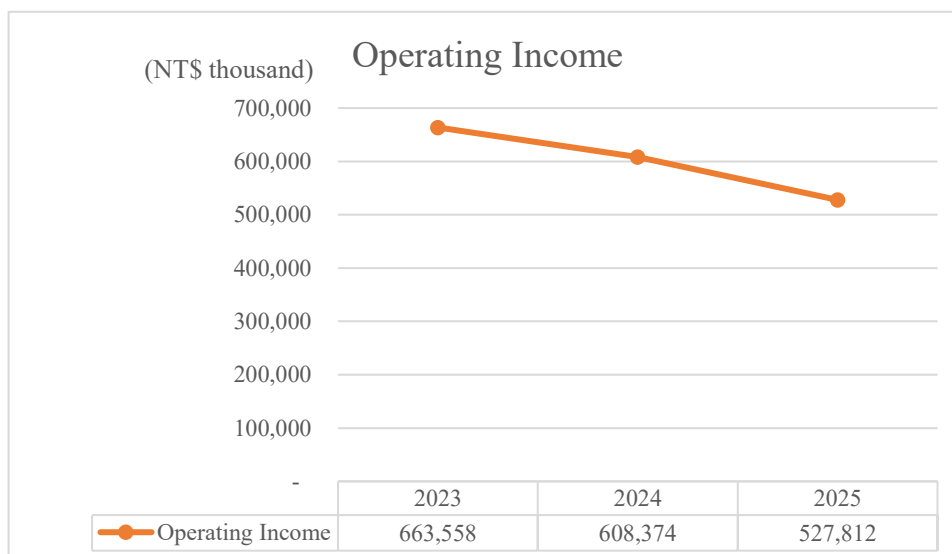
Note 1: Revenue = Net operating income + Non-operating income and expenses (excluding interest expenses).

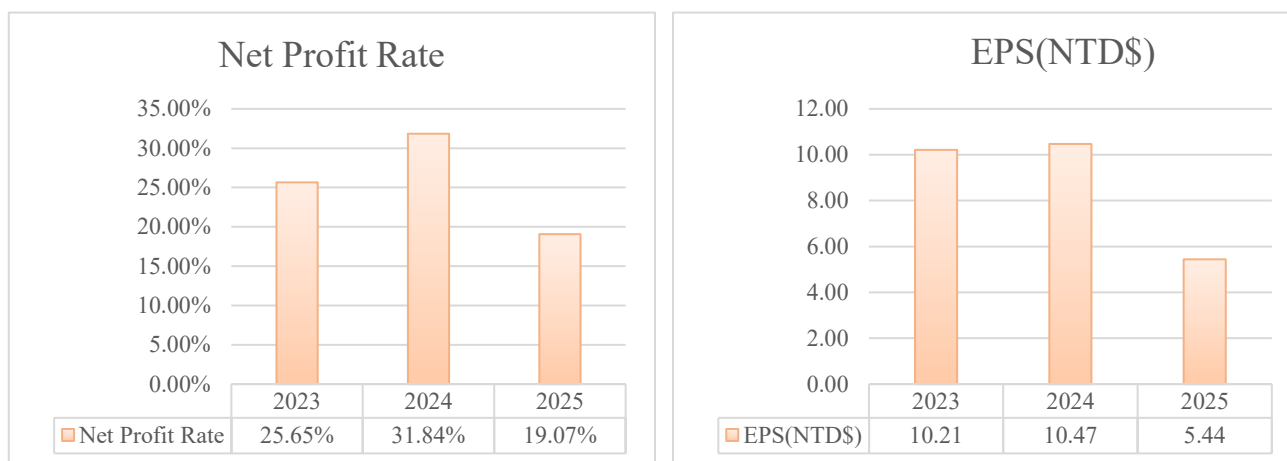
Note 2: Operating costs are the sum of operating costs and operating expenses, excluding employee salaries and benefits, various taxes and community investments.

Note 3: Employee salaries and benefits for this year are calculated by adding total salaries to total benefits, excluding education and training fees, directors' remuneration and travel expenses.

Note 4: Payments to investors during the year include dividends and interest payments to all shareholders.

Note 5: Payments to the government during the year include income tax and various levies.





The company's detailed financial information has been set up on the company's official website in areas such as operating overview, financial reports and shareholders' meeting related information, and the annual report and financial report have been uploaded to the public information observation station.

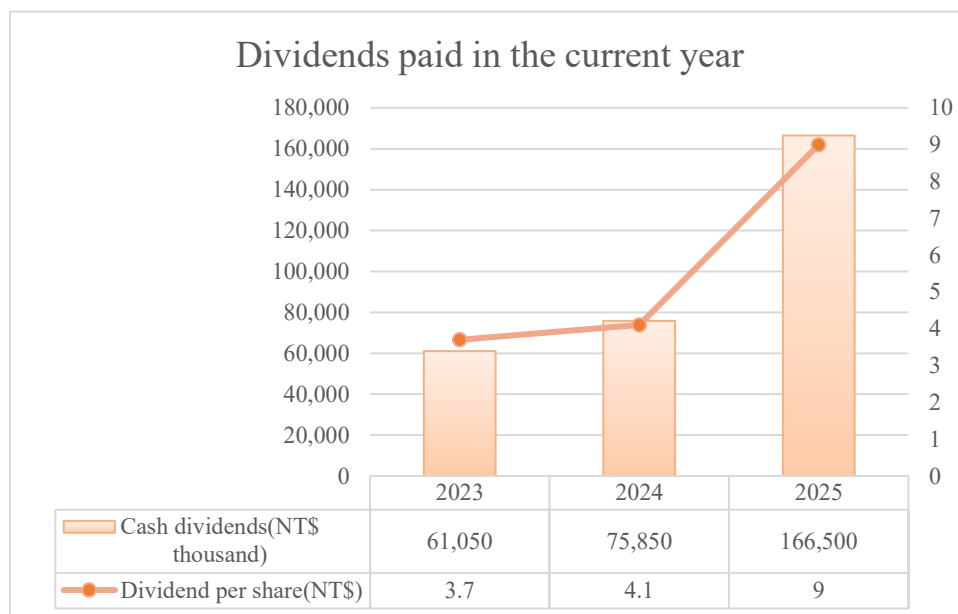
Company website: <https://www.proxene.com.tw>

Public Information Observation Station: <https://mops.twse.com.tw/mops/web/index>

3.1.2 Dividend Payment

According to the provisions of the company's articles of association, if the company's annual final accounts have a surplus, it shall first pay taxes to make up for past losses, and then set aside 10% as statutory surplus reserves. However, this does not apply when the statutory surplus reserves have reached the company's paid-in capital. In addition, special surplus reserves shall be set aside or transferred according to the company's operating needs and legal regulations. If there is still a surplus and no undistributed surplus at the beginning of the same period, the board of directors shall prepare a surplus distribution proposal and submit it to the shareholders' meeting for resolution on distribution.

The Company's dividend policy is to distribute dividends in accordance with current and future development plans, considering the investment environment, capital needs, domestic and international competition, and taking into account factors such as shareholder interests. When distributing dividends to shareholders, no less than 10% of the total dividend distribution amount in the preceding paragraph shall be allocated as dividends to shareholders. The dividends may be distributed in the form of cash or stock, with cash dividends not less than 10% of the total dividend amount.



3.1.3 Financial assistance from the government

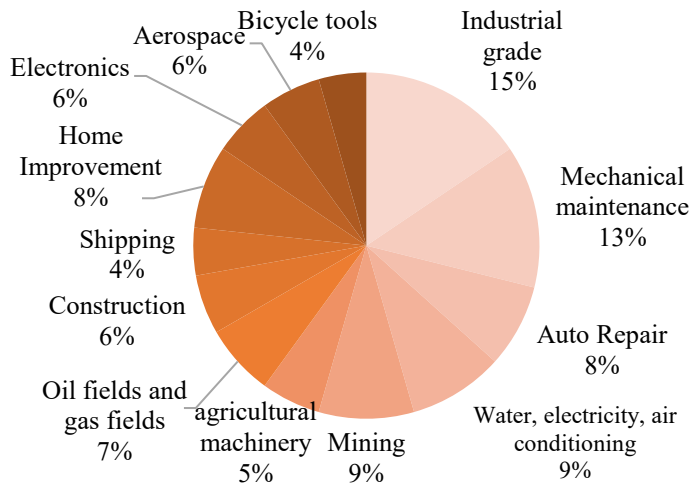
The Company's income from newly approved government subsidy projects and government subsidies in 2024 includes (1) obtaining a government preferential interest rate loan from E. Sun Commercial Bank under the "Small and Medium Enterprise Accelerated Investment Project Loan" for capital expenditures, purchase of machinery and equipment, and operating turnover. The subsidy income will be recognized in installments from October 2021 to December 2029, and the subsidy income recognized in 2025 is NT\$572 thousand; (2) On January 2, 2024, the Company applied to the Ministry of Economic Affairs' Industrial Development Agency for the 2024 "Ministry of Economic Affairs Small and Medium-sized Manufacturing Industry Low-Carbon and Smart Upgrade Transformation Case Subsidy" under the "Forging Material Saving and Carbon Reduction Technology Upgrade Transformation Plan". The total subsidy for this case is NT\$2,600 thousand. During the 2025 project execution period, the Company recognized NT\$371 thousand in subsidy income based on the costs incurred, and NT\$1,510 thousand as a subsidy for machinery procurement; (3) In 2025, the Company applied for the "High-Value Hand Tool Smart Manufacturing Alliance, Low-Carbon Energy-Saving Transformation R&D, and Overseas Market Expansion Plan" from the Administration of Industrial Development (AID), Ministry of Economic Affairs. The total approved subsidy for this project is NT\$18,832 thousand, with a project period from October 1, 2025, to March 31, 2027. No subsidy income was recognized in 2025; (4) In 2025, the Company applied for the "Enterprise Human Resource Upskilling Program" from the Workforce Development Agency (Taichung-Changhua-Nantou Regional Office), Ministry of Labor. The program was executed during 2025, with a total recognized subsidy income of NT\$132 thousand. The list of government project subsidies in the past three years is as follows:

Year	Project	Project subsidy (NT\$ thousand)
2024	The Ministry of Economic Affairs provides subsidies for low-carbon and smart upgrading and transformation of small and medium-sized manufacturing industries	2,600

2025	High-Value Hand Tool Smart Manufacturing Alliance, Low-Carbon Energy-Saving Transformation R&D, and Overseas Market Expansion Plan	18,832
	Enterprise Human Resource Upskilling Program	132

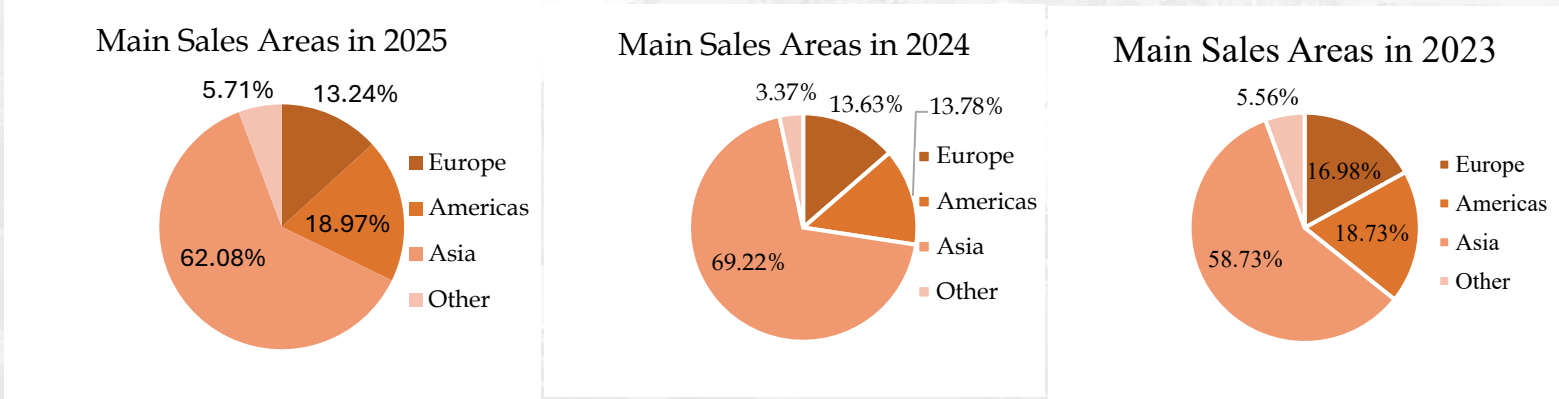
3.2 Customer management and service

Proxene 's main customers are domestic distributors, overseas customers and traders. It sells directly to foreign customers and large foreign distributors or through traders. Only a small part is sold through foreign distributors or self-operated domestic markets. Proxene continues to deepen collaboration with key customers, establishing stable partnerships built on long-term mutual trust. Simultaneously, we are actively investing in the development of diverse products while providing professional and timely after-sales service and technical support to comprehensively enhance customer satisfaction.



Product applications cover various

Regional sales share statistics



3.2.1 Customer Satisfaction Survey

According to the Customer Satisfaction Management Method PB-0801 , sales personnel shall send customer satisfaction survey forms by e-mail or fax every year. The procedures are as follows:

- Send out customer satisfaction survey forms before the end of May every year.
- Prepare customer satisfaction analysis based on the survey results of customer responses.
- Propose improvement measures for customer dissatisfaction items and include them in the review and examination items.

In addition to the satisfaction index, the following items are also included in the monitoring and analysis improvement goals:

- The number and amount of additional freight expenses caused by delivery delays,
- Number of customer complaints per month
- Number and amount of external costs
- The cost and number of defective returns and reworks

Customer satisfaction surveys serve as a vital foundation for the Company's commitment to sustainable management and steady growth. By systematically collecting and analyzing customer feedback and needs, we evaluate the effectiveness of our quality management systems and plan continuous improvement measures. By refining product and service quality, optimizing cost structures, and streamlining service processes, we enhance product added value and overall competitiveness. These efforts foster long-term partnerships with both customers and suppliers, achieving a sustainable development goal where customers, suppliers, and Proxene thrive together.

Customer satisfaction survey results for the past 3 years			
Project	2023	2024	2025
Number of Valid Questionnaires	26	31	31
Average Satisfaction (total score 10 points)	8.89	8.89	8.89
Target Value	8.5	8.5	8.8
Compliance Status	Meet the Standard	Meet the Standard	Meet the Standard
Survey Subjects	Customers with annual turnover of more than NT\$ one million		

The satisfaction survey mainly focuses on three aspects: product delivery, product quality and service. The top three satisfaction items are as follows:

1. Professional skill level of sales personnel
2. Product quality
3. Accuracy of delivered product quantities

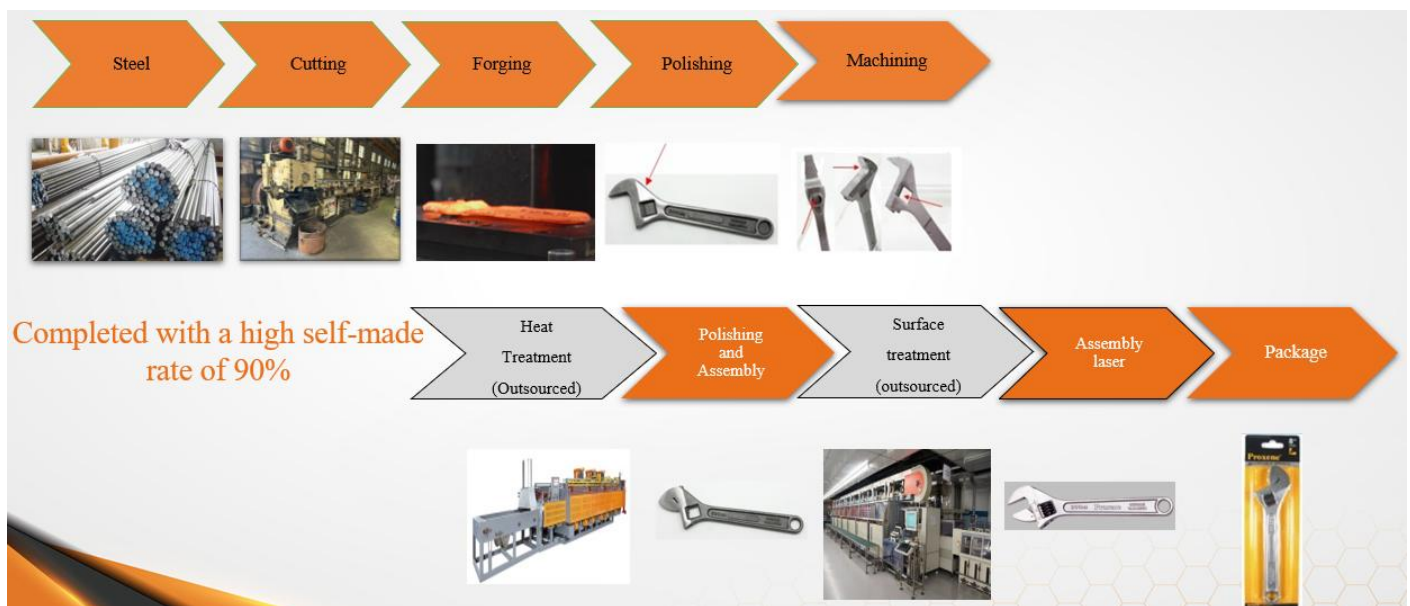
3.2.2 Customer feedback and complaint procedures

In order to respond to customer needs and inquiries in a timely manner, the company has set up a message system on the official website. Customers can also use the service phone and email mailbox provided on the official website to respond to their opinions. After receiving the customer's message, the company will immediately feedback the opinions to the internal department for processing to ensure that customer needs can be handled in a timely manner.

4. Product innovation and quality

4.1 Product development and innovation

The Company focuses on the development of industrial-grade adjustable wrenches. The main source of technology comes from the company's long-term training of R&D personnel, and the project research plans and self-development of the team with the Industrial Bureau of the Ministry of Economic Affairs, the Metal Industry Research and Development Center, the Industrial Technology Research Institute and domestic academic institutions; at the same time, through close cooperation with downstream customers, we are committed to the research and development and improvement of other industrial- grade locking hand tools.



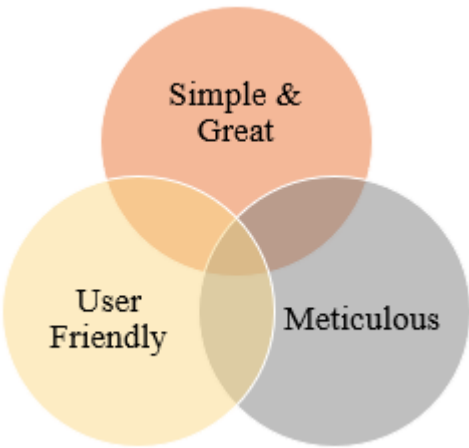
Hand tool products are diverse and can be divided into aerospace grade, industrial grade, professional grade and DIY grade according to the high and low end of the product market positioning. Proxene mainly manufactures adjustable wrenches, which are one of the non-powered hand tool wrenches. It is a domestic manufacturing factory specializing in the production of "adjustable wrenches" and focuses on the industrial and professional product markets.

To optimize the efficiency of R&D resources, Proxene has progressively introduced industrial integration and platform-based thinking. Through internal synergy and strategic investments, we have established a shared R&D architecture capable of supporting multiple brands and markets. This systematic R&D framework allows

the company to maintain product differentiation while enhancing the long-term effectiveness of our overall R&D investment. We view R&D as a vital foundation for long-term value creation. Beyond continuously improving product quality and technical capabilities, we also incorporate considerations for environmental friendliness, industrial resilience, and corporate governance to ensure a balance between corporate growth and sustainable development goals.

4.1.1 Design Concept

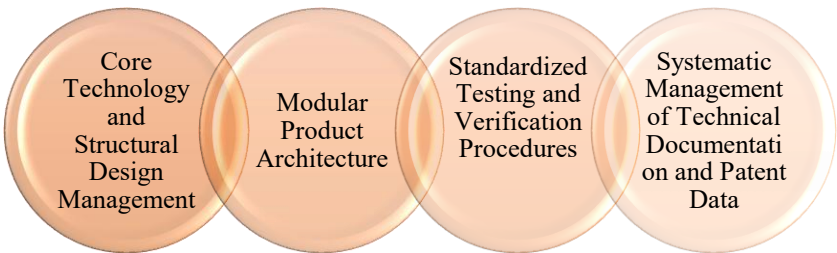
Using customized products and services to meet the needs of different customers, in addition to deeply understanding customer needs, designing new products based on the needs of major markets; conceiving future usage scenarios, innovating tool usage and leading trends are Proxene's development strategy in the international market. Our design philosophy is:



"The product should be user-friendly, simple and easy to use (extremely simplified), and never compromise."

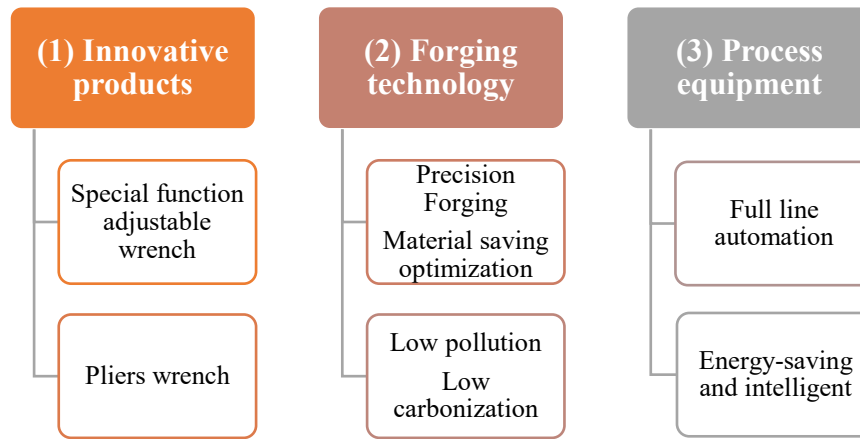
4.1.2 R&D innovation strategy

Proxene has established a Group R&D Platform system as an integral part of its corporate governance framework, aiming to strengthen technical management and the stability of organizational operations. The R&D platform encompasses:



Through clear systems and processes, we ensure the sustainable accumulation of R&D outcomes while mitigating the risk of knowledge being concentrated in specific individuals. This approach enhances organizational transparency and the predictability of our corporate governance.

The R&D team is guided by market demand and uses customized products and services to meet the needs of different customers. They also design new products based on the needs of major markets and continue to diversify their designs. In addition to launching more functional and convenient adjustable wrenches in a timely manner, they are also actively planning to develop other plier tools, such as quick-release button water pipe pliers, etc., to make the company's products more complete.



In recent years, the main research and development focus has been on introducing new processes, including intelligent automation of mechanical processing, intelligent automation of polishing and grinding, intelligent automation of laser engraving, visual inspection, AI recognition and other matching applications; among them, the mechanical processing part is one of the few that connects all the handle machining processes into a fully automatic producer. At present, MES and intelligent automated production lines have been introduced to enable the equipment to have intelligent functions such as fault detection, automatic parameter setting and automatic scheduling, and a real-time production dashboard has been established, which has greatly improved the transparent visualization and flexible adjustment speed of on-site management. Through the integration platform of software and hardware, the process is made more precise, and the market share is increased through the parallel development of research and development and intelligent manufacturing. At the same time, we have also optimized management modules such as financial accounting to improve the overall operational efficiency. Through system and data integration, Proxene has realized data interoperability and collaboration in key links such as production, supply chain, and finance, making data such as procurement, production, and delivery more accurate and timely, and managers can make the right decisions.

4.1.3 Sustainability Strategy for R&D and Innovation

【Environmental Aspect】 E

Proxene has progressively integrated environmental sustainability into the R&D process, continuously reviewing the impact of product design and manufacturing on the environment. Key initiatives include:

➤ Modular Design to Minimize Resource Consumption:

By utilizing shared components and modular structures, we reduce the need for repetitive development and mold opening, thereby decreasing material usage and production resource consumption.

➤ Enhancing Product Durability:

Our R&D focus has shifted from short-term cost reduction to emphasizing product lifespan and stability. Extending the service life of our tools indirectly reduces the frequency of replacement and

the generation of waste.

➤ Optimizing Process Efficiency and Quality:

We continuously optimize manufacturing conditions through R&D to lower defect rates and rework, effectively reducing energy and material waste during the production process..

【Social Aspect】 S

In its R&D planning, Proxene simultaneously considers the impact of its products on user safety, industrial development, and talent cultivation.

➤ Enhancing User Safety and Friendliness:

Based on real-world usage scenarios, we continuously introduce anti-slip, error-prevention, and ergonomic designs to reduce occupational risks.

➤ Promoting Industrial Technological Upgrading:

Through the R&D platform mechanism, we introduce mature technologies into different brands and application markets, promoting technology diffusion and enhancing overall industrial competitiveness.

➤ Strengthening Talent Cultivation and Technical Succession:

Using institutionalized R&D processes as a training foundation, we assist new engineers in establishing comprehensive R&D capabilities, mitigating the risk of technical gaps.

【Governance Aspect】 G

Proxene has established a Group R&D Platform system as an integral part of its corporate governance framework, aiming to strengthen technical management and the stability of organizational operations. Through clear systems and processes, we ensure the sustainable accumulation of R&D outcomes while mitigating the risk of knowledge concentration in specific individuals. This approach enhances organizational transparency and the predictability of our corporate governance.

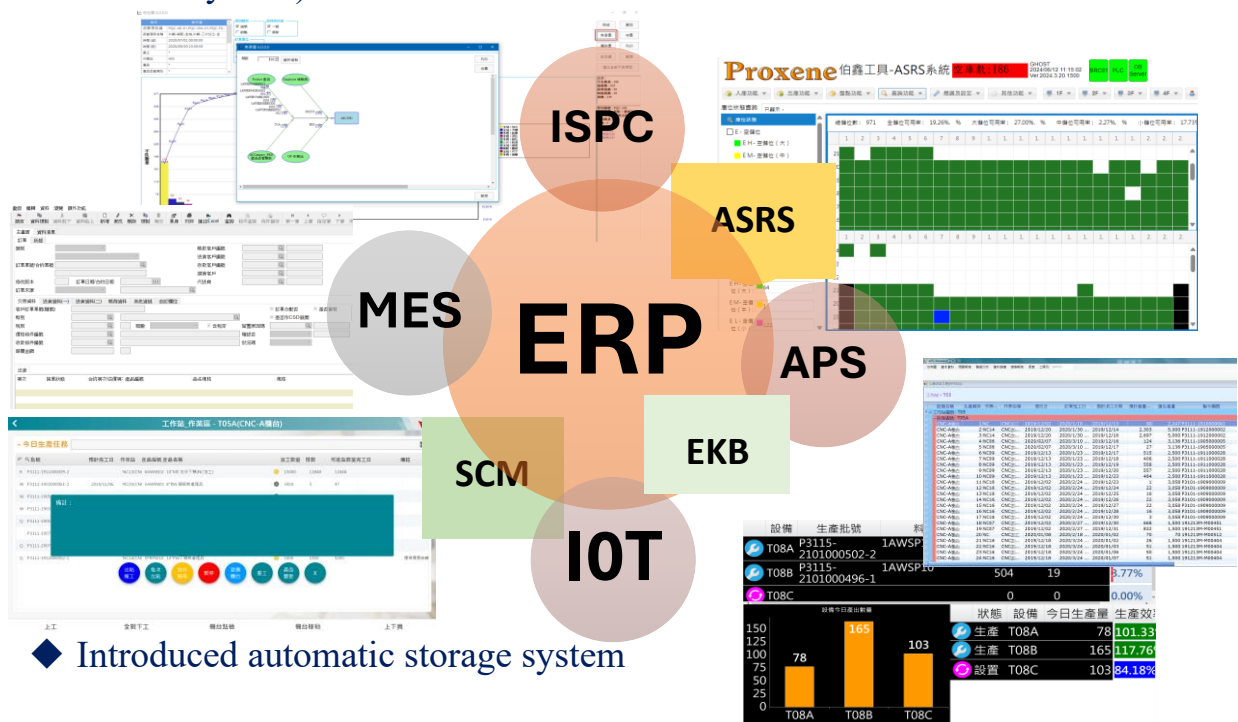
4.1.4 Smart Manufacturing

As a representative of the traditional metal processing industry, Proxene realized that it must enhance its competitiveness and sustainable development capabilities through automation and intelligent transformation. In addition, through systematic planning and execution, it repositioned its corporate strategy, combined with government resources, and gradually promoted smart manufacturing. Through effective data management and automated equipment, it improved production efficiency and product competitiveness.

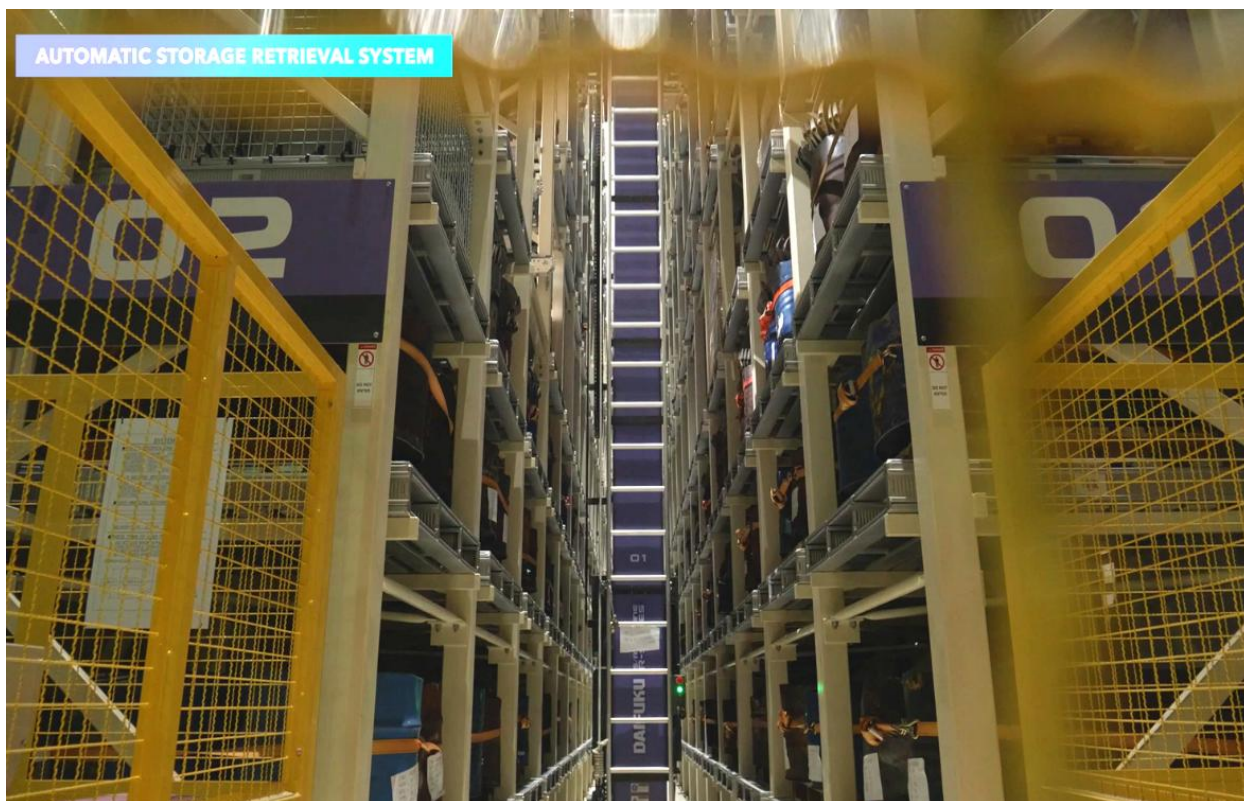
伯鑫工具 智慧產線

Proxene's intelligent transformation is divided into two stages: the first is equipment automation, and the next is system integration, from single-station intelligent automatic production line to multi-station serial automation and intelligent information integration, to establish a leading intelligent production line in the industry, to achieve the interconnection and connection of production information. At the same time, it also optimized management modules such as financial accounting to improve overall operational efficiency.

◆ Integrate ERP, APS (Intelligent Scheduling System) and MES (Manufacturing Execution System)

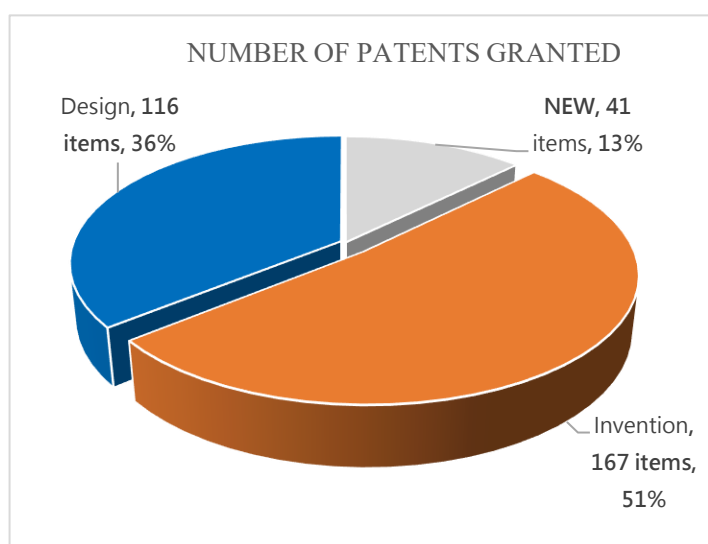


◆ Introduced automatic storage system



4.2 Patented R&D Results

At present, domestic hand tools are still mainly OEM. Proxene, based on its strong R&D capabilities and solid production and manufacturing technology foundation, has broken through the old OEM model and used self-developed ODM as the main axis of its business. In the field of adjustable wrenches around the world, the accumulated patents approved by various countries since its establishment total 324, of which invention patents account for 51 % , and the product types exceed 150. In the future, we hope to develop various professional hand tools and move towards becoming the world's number one professional tool manufacturer.



Type	Pending Patents
Design	5
Invention	18

Current Status of Intellectual Property Layout

In order to protect the results of the company's research and development, Proxene Company has applied for invention and design patents in major markets such as Taiwan, Japan, Australia, the United

States, Canada, the United Kingdom and the European Union, as well as the main competitive production country: Mainland China, in order to gain competitive niches and R&D advantages, and ensure the freedom of product manufacturing and sales.

Intellectual property layout starts from the disclosure of innovative technology to the analysis of novelty. First, we ensure that the technology of the invention meets the requirements for patent application, and then cooperate with professional teams to conduct patent analysis and search, and simulate the scope of patent rights, so that the scope of patent rights of the innovative product technology can cover a wider range of the industrial chain. The Company faces the low-price competition from other Asian countries with patents and quality; compared with European and American products, it has the advantage of the same quality level and lower cost. Due to the advantages of R&D, production technology capabilities and excellent quality, it has gradually replaced the products produced by Europe and the United States in recent years, and the global market share of industrial-grade adjustable wrenches is about 25 %.



Awards

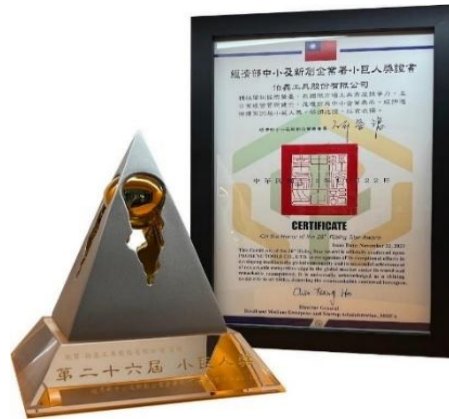
R&D achievements/awards/patents/paper titles	Get Time	Illustrate
Taiwan Excellence Award	1998	FP Products
Taiwan Good Design Award	2003	FP Products
Japan G-Mark Design Award	2004	RA Products
German IF Design Award	2008	RA Products
Taiwan Excellence Gold Award	2009	RA Products
Taiwan Golden Pin Design Award	2010	QF Products
German "REDDOT" design award	2010	QF Products
German IF Design Award	2012	RW Products
The 3th Taiwan Mittelstand Award	2015	Taiwan Mittelstand
Taiwan Excellence Silver Award	2016	RW Products
The 30th Taiwan SMEs Innovation Award of the Ministry of Economic Affairs	2023	Innovative Award
The 26th Rising Star Award of Economic Affairs	2023	Rising Star Award
2024 Taichung City Golden Hand Award	2024	Golden Hand Award
The 33th National Award of Outstanding SMEs	2024	National Award of Outstanding SMEs
Taiwan M&A Awards	2025	Mid-Cap Enterprise M&A Award



reddot design award
winner 2010



The 3th Taiwan Mittelstand



The 26th Rising Star Award of Economic



2024 Taichung City Golden Hand



The 33th National Award of Outstanding



Mid-Cap Enterprise M&A Award

4.3 Product quality management

4.3.1 Customer Health and Safety

To ensure the safety of consumers, we ensure that all products meet the highest standards recognized in the market to avoid risks to consumers' health and safety, as well as legal issues and financial penalties caused by non-compliant products. In 2025, no incidents of violations of health and safety regulations for products and services were received.

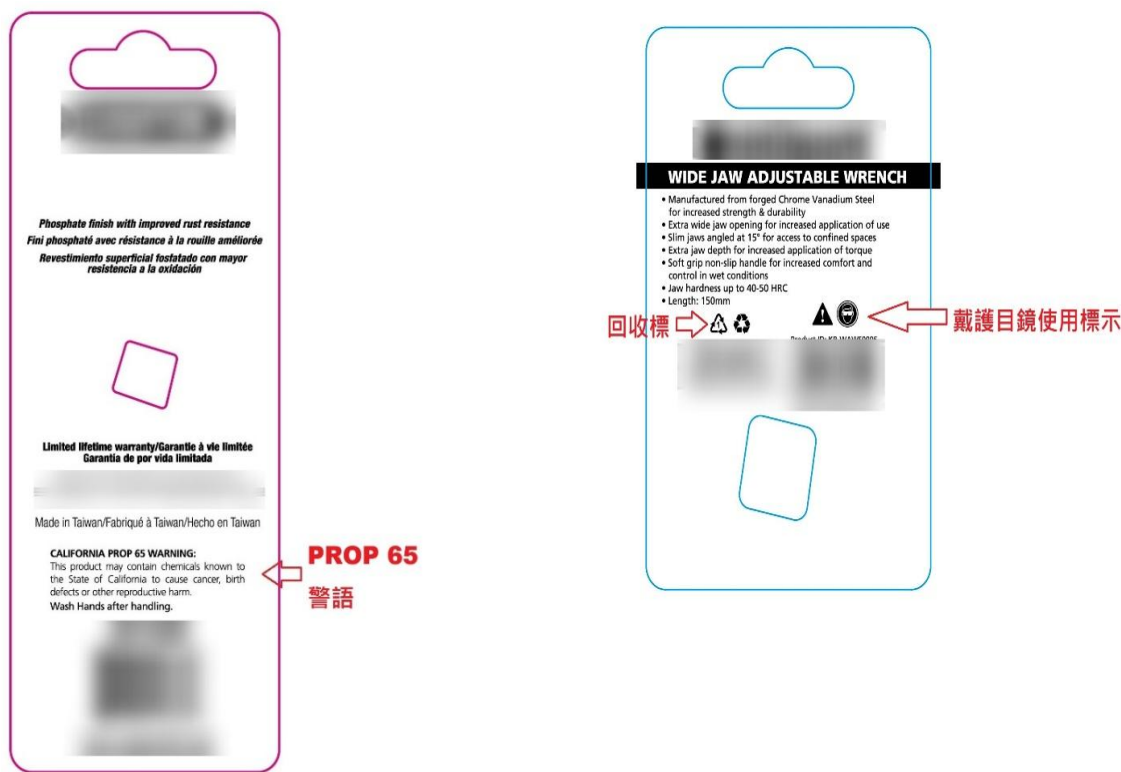
Positive Benefit Description	1. Proxene's production control and steadfast commitment to quality have long earned high recognition from our customers. 2. Further solidifying Proxene's corporate value and brand image as a quality-oriented enterprise. 3. With product specifications exceeding international standards, we enjoy high customer consensus, which significantly streamlines the evaluation process.
Negative impact description	1. Increased product defect rate 2. Litigation and claims due to product harm to customer health 3. Decreased confidence in the company's production quality due to defective products
Policy	1. The product complies with the US CP65 and EU REACH international environmental protection regulations 2. The quality complies with ASME and ISO international standards
Promise	1. Require suppliers to provide CP65 or REACH third-party inspection certificate, or self-declaration 2. Send products to third-party inspection units for CP65 or REACH standard inspections from time to time 3. Provide quality inspection reports of ASME or ISO standards according to customer needs
Responsible Unit	Quality Assurance Department
Invest in equipment	Universal material testing machine, Rockwell /Vickers hardness testing machine, torque testing machine, salt spray testing equipment, optical image measuring instrument
Evaluation Mechanism	We conduct supplier incoming material inspection, in-process inspection and finished product inspection for each batch of products to ensure quality.
Performance	The average customer satisfaction rating for quality in the 2025 survey was 9.13 points (out of 10)

4.3.2 Product Information and Labeling

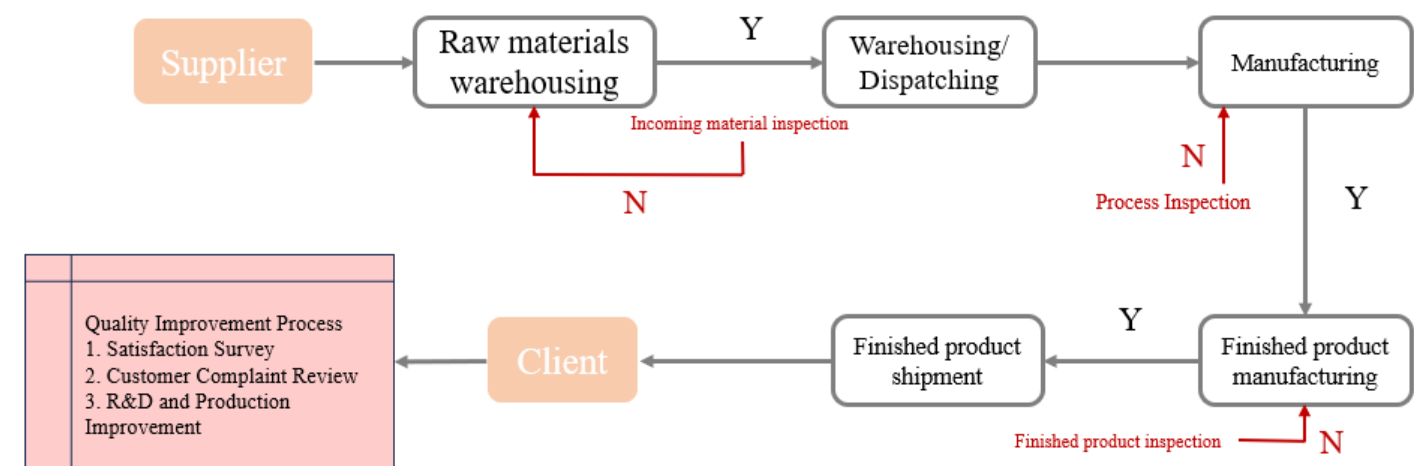
Proxene 's products are mainly supplied to brand customers. In response to the different regulations and labeling requirements of customers in different countries, Proxene stands on the position of protecting the rights and interests of customers and cooperates with customers to label sufficient and appropriate information

on products and packaging.

Before customers order products, we will first provide customers with information such as product materials, features, specifications, instructions for use, international environmental regulations and international quality standards. We will then confirm the labeling content and labeling location (product or packaging) based on the customer's sales labeling requirements. In 2025, we have not received any complaints regarding violations of marketing communications, product and service information and labeling regulations.



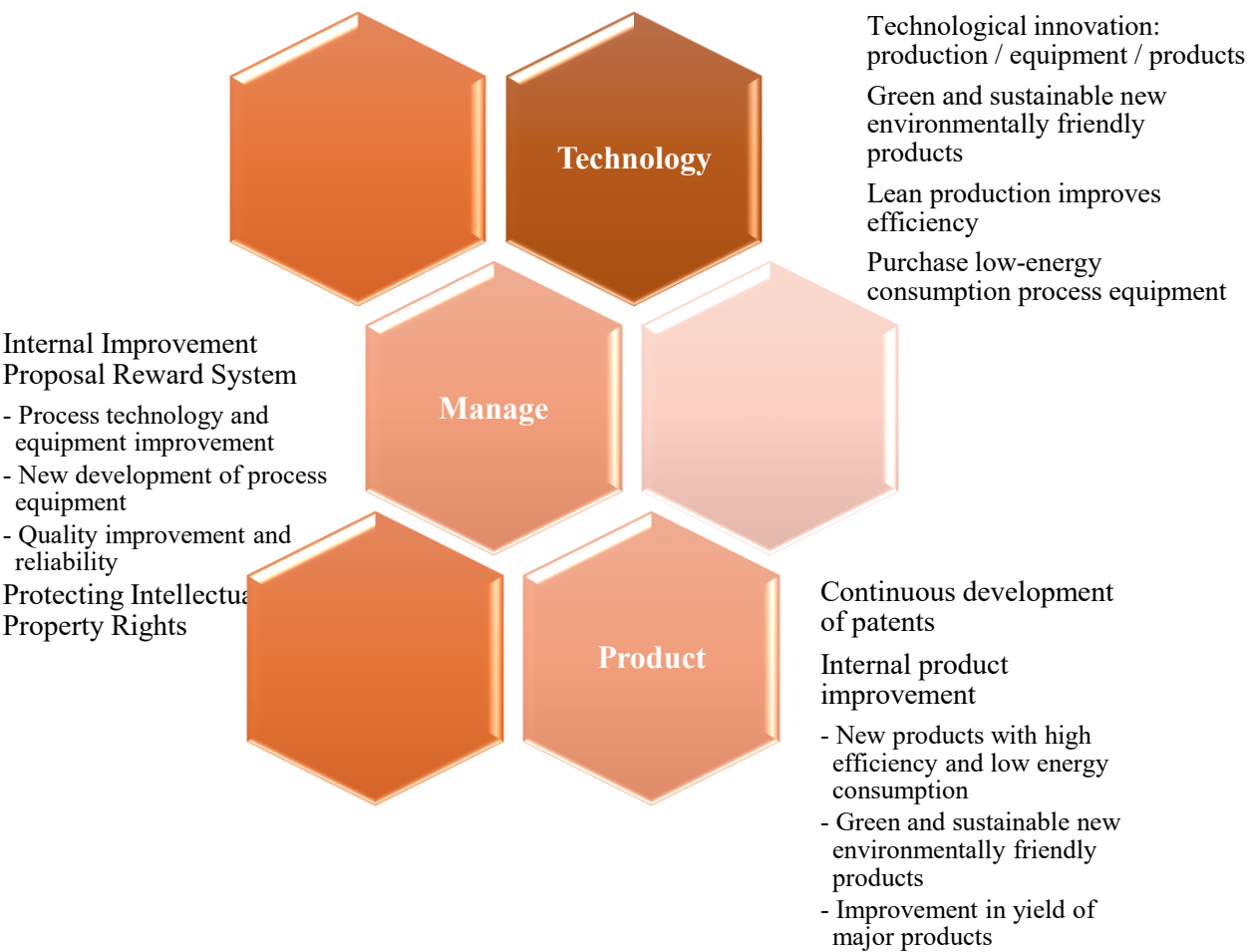
4.3.3 Quality Inspection Process



4.4 Future innovation and R&D strategy

Proxene intends to commit to green manufacturing and sustainable development through technological innovation and product design, and try to introduce green design and green manufacturing at all stages of the product life cycle, and introduce lean production to improve efficiency, achieve sustainable product responsibility and reduce impact on the environment.

The company's future technology , product and management strategies are shown in the figure below:



4.5 Product Life Cycle and Environmental Impact and Product Quality and Safety (SASB)

Topic	Accounting indicators / Code	Category	Unit Measure	Reply
Product Safety	(1) The number of recalls issued and (2) The total number of recalls CG-AM-250a.1	Quantitative	Number	(1) The number of voluntary recalls in 2025 is 0 . (2) No involuntary recall occurred.
	Discuss the process for identifying and managing security risks associated with the use of their products CG-AM-250a.2	Discussion and Analysis	Not Applicable	All our products are designed and manufactured in accordance with international standards to ensure product safety.
	Total monetary losses resulting from product safety-related legal actions CG-AM-250a.3	Quantitative	Report Currency	2025 , the Company had no total monetary losses resulting from legal proceedings.
Product life cycle environment impact	Percentage of products that qualify for Energy Star certification by revenue CG-AM-410a.1	Quantitative	Income Percentage (%)	The nature of the Company's products is not applicable to this indicator.
	(AHAM) sustainability standards by revenue CG-AM-410a.2	Quantitative	Income Percentage (%)	The nature of the Company's products is not applicable to this indicator.
	Describe efforts to manage the impact of product obsolescence CG-AM-410a.3	Discussion and Analysis	Not Applicable	The Company's products are mostly made of recyclable materials, and the use of disposable materials is avoided in the manufacturing process.

Topic	Accounting indicators / Code	Category	Unit Measure	Reply	
Activity index	Annual production CG-AM-000.A	Quantitative	Quantity	Main Products	Actual sales volume in 2025 (thousands)
				Adjustable wrench	1,947
				Pliers	43
				Parts and others	1,143

5. Sustainable supply chain management

5.1 Supply chain management policies and objectives and its industry chain

5.1.1 Supply Chain Management Policies and Objectives

Proxene attaches great importance to cooperation and growth with suppliers. Based on sustainable procurement policies, it formulates sustainable supply chain development strategies, requires suppliers to follow relevant regulations on issues such as environmental protection, integrity, occupational safety and health, or labor human rights, and jointly strives to enhance corporate social responsibility and strengthen suppliers' sustainable resilience and competitiveness:

- The Company has a good relationship with suppliers and requires that the raw materials provided by suppliers should comply with all relevant government regulations and industry standards and not pose any safety or health risks. If necessary, relevant test reports and reasonable explanations should be proactively provided for the goods they supply.
- If a supplier violates the relevant agreement with the company or relevant government regulations, the company may require the supplier to make immediate improvements, terminate the contract or compensate the company for the damage and lost profits.
- Through regular business ethics education and advocacy, the Company conveys the importance of ethical conduct to all employees. In the procurement process, employees are required to select partners based on the principles of fairness and transparency; when transacting with suppliers, any conduct that violates professional integrity is strictly prohibited. During the evaluation of procurement contracts, employees must uphold the transparency of information and processes to safeguard the rights of both the Company and its suppliers. Furthermore, when performing duties related to transactions with others, employees must not conceal or misreport information..
- The Company complies with ISO's "Purchasing and Outsourcing Management Methods" and asks

suppliers to sign the "Statement of Business Ethics Policy" to constrain the business behavior of suppliers and the company. We also conduct assessments on suppliers from time to time to strengthen the management and supervision of the supply chain to ensure compliance with sustainable standards and government regulations. If a supplier is found to have obviously violated relevant regulations, the supplier may be required to make immediate improvements, terminate the contract, or compensate the company for the damage and lost profits.

5.1.2 Upstream, midstream and downstream industrial chain

of companies in Taiwan's hand tool industry is relatively small, but the division of labor is more refined. Most companies are small companies with less than 20 people , and companies with more than 100 people are considered large . This development model easily forms a relatively tight industrial chain , as shown in Figure 1 , with a lot of division of labor and cooperation between them . The entire industrial chain can be roughly divided into five parts, namely (1) Upstream raw material suppliers of steel; (2) Specializing in forging/heat treatment/electroplating/die tool peripheral cooperating manufacturers; (3) Midstream manufacturers of hand tool products such as manufacturing/assembly/inspection/packaging/shipping; (4) Distributors responsible for agency and sales; (5) End users.

5.2 Supplier Management and Local Procurement

5.2.1 Supplier Management - Evaluation System

To carefully select stable and long-term suppliers and replace unsuitable suppliers, Proxene has adopted the following measures:

- 1. When selecting new suppliers, we require them to fill out the "Supplier Survey Form" to understand the new suppliers' hardware and software equipment and internal management for accepting Proxene orders.
- 2. In the process of cooperating with suppliers, in order to select qualified and highly cooperative suppliers and replace unsuitable suppliers, in December each year, we will implement the "Supplier Evaluation Form" operation for the top 5 suppliers with the largest delivery volume in each category.
- 3. When abnormal situations occur in daily life, relevant information is immediately provided to suppliers through communication equipment such as telephone, email or LINE, and solutions are obtained to reach a consensus on future operations .

(1) Number of new suppliers:

Item	2023	2024	2025
Number of households	51	23	39

(2) Supplier evaluation weight distribution:

Item	Evaluation Category	Proportion
1	Quality Rating	50%
2	Delivery Evaluation	50%

Number of suppliers evaluated in the past three years:

Item	2023	2024	2025
Number of households	24	23	22

Distribution of supplier assessment scores in the past three years:

Fraction	2023	2024	2025
90 points or above	6	6	12
80 points or above	16	16	9
79 points or less	2	1	1

(3) Determination and disposal of evaluation results:

- a. If the total evaluation score of the supplier is less than 75 points , the purchasing staff must notify the supplier with a "corrective and preventive notice" and request countermeasures and responses ; if the supplier's total evaluation score is less than 75 points for two consecutive times , the purchasing staff must report to the general manager or management representative and propose to replace the supplier.
- b. If the total evaluation score of a supplier in that evaluation month reaches 90 points or above (inclusive) , the purchasing staff will recommend to the general manager or management representative that priority be given to purchasing from that supplier; if the total evaluation score of a supplier reaches 95 points or above for two consecutive evaluations or the evaluation reaches 100 points, the purchasing staff may recommend to the general manager or management representative that early payment be adopted as a reward.

5.2.2 Local procurement

In order to consider supply chain schedule management and logistics costs, such as shortening delivery time to reduce energy consumption and transportation costs, in addition to transactions between related companies, major raw materials are purchased locally in Taiwan - the principle of local procurement promotes local regional economic development and prosperity, while also avoiding supply shortages caused by international factors.

· The procurement ratios by region over the past three years are as follows:

Region	2023	2024	2025
Taiwan	100%	100%	100%
Overseas	0%	0%	0%

5.3 Suppliers implement social responsibility

Based on the principle of mutual trust with suppliers and in response to global sustainable development, Proxene has achieved win-win results and is committed to sustainable development and carbon emission reduction goals with supply chain partners. In order to implement supply chain management, strengthen long-term trust-based cooperative relationships with suppliers, ensure that suppliers jointly fulfill their corporate social responsibilities, and strengthen supply chain resilience, the following goals are set:

· Cooperate with suppliers with qualified certificates to ensure no pollution to the environment and water sources.

· The main raw material supplier is reducing its carbon emissions ratio year by year.

· Supplier evaluation is conducted every year, with the average score of the annual supplier evaluation being above 80 points (average 89.2 in 2025, average 86.3 in 2024 and 86.5 in 2023).

· Work with suppliers to improve ESG concepts and capabilities. At the same time, communicate with excellent suppliers to create a cooperative atmosphere.

· Invite suppliers to participate in practical action initiatives, such as net zero carbon emissions, and make commitments to jointly promote sustainable development.

Proxene requires its supplier partners to sign various declarations, including the "Human Rights, Integrity, and Environmental Sustainability Commitment," "Business Ethics Policy," "Human Rights Policy," and "Social Responsibility Policy Statement." These documents ensure that all activities comply with relevant laws and ethical standards. In 2025, a total of 10 "Business Ethics Policy Statements" and 10 "Social Responsibility Policy Statements" were signed. To communicate our sustainability guidelines, we verify suppliers' performance through periodic audits or telephone interviews to ensure alignment with our management systems and expectations. Furthermore, we invite suppliers to complete the "Supplier Social Responsibility Self-Assessment Form" at the end of each year to identify and mitigate any potential negative impacts on sustainable development.

5.4 Ethical Sourcing

· Green procurement, towards sustainable procurement

- (1) Suppliers are required to sign the "Human Rights, Integrity and Environmental Sustainability Commitment", "Business Ethics Policy Statement" and "Social Responsibility Policy Statements".
- (2) Complete the supplier evaluation form every year.
- (3) Suppliers are required not to use banned/restricted substances and must provide a hazardous substance-free test report when necessary.

- (4) When necessary, suppliers are required to sign a Non-use Conflict Minerals Guarantee to ensure that no conflict metals are used directly or indirectly in any raw materials, products or parts delivered to Proxene. Proxene's main raw material supplier is China Steel Corporation, which has committed to using conflict-free minerals in its sustainability report. Please refer to Appendix 5.
- (5) Priority will be given to using local Taiwanese products that meet carbon reduction and green requirements.

***Supply Chain Sustainability Management**

Object	All Suppliers
Sustainability Management Implementation Measures	● Always pay attention to whether suppliers have any major negative events or illegal records related to environmental issues. ● Assess potential impacts related to environmental issues, such as high carbon emissions and the proportion of sustainable energy production.

6. Sustainable environment

6.1 Climate related information

Climate change is one of the environmental issues that the United Nations, governments, society and the business community are currently concerned about. Based on the Task Force on Climate-related Financial Disclosures Recommendation (TCFD) formulated by the International Financial Stability Board in 2019, Proxene has set the company's governance, strategy, risk management and indicator goals as follows:

6.1.1 Governance

***Board oversight of climate-related risks and opportunities**

The Company has established a "Sustainability and Nomination Committee" under the Board of Directors to formulate, promote and strengthen the action plans and capital expenditures of the Company's important policies on sustainable development (including climate-related issues), review, track and revise the implementation and effectiveness of sustainable development, and report to the Board of Directors.

***Management's role in assessing and managing climate-related risks and opportunities**

The committee has a "Sustainable Development Working Group" chaired by the head of corporate governance, which brings together senior executives from various units to guide the company's response and decision-making on climate change. The head of corporate governance reports to the board of directors and the Sustainability and Nomination Committee on issues such as compliance with environmental laws and regulations, improving resource utilization, climate change response mechanisms, discussing climate-related risk issues, and updating the identification results of climate risks and opportunities, in order to achieve the goal of environmental sustainability.

6.1.2 Strategy

Identified short-, medium- and long-term climate-related risks and opportunities

The company will actively develop solutions based on the climate risk and opportunity factors recommended by TCFD, based on the probability, frequency, and possible impact, in the hope of reducing the operational and financial impacts of climate change and improving the climate resilience of the organization. The company also defines short-term as within 3 years, medium-term as 3 to 5 years, and long-term as more than 5 years. Based on the professional experience of each unit, the company will assess the potential operational and financial impacts that relevant climate risks and opportunities may have on the company.

Risk Categories and Opportunities	Transformation risks	Physical risks	Chance
Short term	Total greenhouse gas control and carbon tax and carbon fee	Extreme changes in weather patterns have increased flooding, damaging our operating assets	Research and development and innovation of new low-carbon products and services
Medium-term	● Changing consumer demands and preferences ● Transition to low-carbon technologies ● New regulations on renewable energy ● Inadequate climate action leads to a decline in brand reputation	Increased floods and droughts causing supply chain disruptions	Improve resource efficiency
Long-term	Net-zero emissions trend	Average temperature rise	Improve corporate reputation

The Company has assessed the above risks and proposed climate-related risks and opportunities that may have significant financial impacts, as well as the response strategies as follows:

Transition Risks/Climate Opportunities		
R Risk /O Opportunity	Financial impact - / +	Response strategies
R : Total greenhouse gas control and carbon tax and carbon fee	- Paying carbon fees increases operating costs	● Strengthen green R&D and innovation
R : New regulations on	- In the future, the demand for renewable energy power	● Improve energy efficiency and invest in green energy

Transition Risks/Climate Opportunities

R Risk /O Opportunity	Financial impact - / +	Response strategies
renewable energy R : Net zero emissions trend	certificate procurement will increase, and operating costs will increase - Violation of regulatory requirements will result in fines, resulting in increased operating expenses	equipment (a solar photovoltaic power generation system has been installed on the roof of the main factory) ● Continue to implement greenhouse gas reduction actions ● Encouraging suppliers to take climate mitigation and adaptation actions
R : Changing consumer demands and preferences O : R&D and innovation of new low-carbon products and services	- Decreased market sales, resulting in a drop in revenue + Increase the sales ratio of low-carbon products and thus increase revenue - Purchase products from suppliers with low carbon footprint	● Continue to invest in the research and development of low-carbon products ● Use raw materials with low carbon footprint ● Green product research and development innovation
R : Insufficient climate action leads to a decline in brand reputation	- Failure to meet stakeholders' expectations, resulting in damage to the company's reputation and reduced market sales	● Actively pay attention to and respond to climate-related issues, strengthen the corporate public welfare image, and increase customer recognition
O : Enhance corporate reputation	+ Improve funding availability and reduce funding costs	● Enhance the green image of the company through transparent disclosure ● Strengthen corporate governance and build a culture in which the company takes climate-related issues seriously and takes action ● Improve sustainable evaluation results and establish a good image

Physical Risks/Climate Opportunities		
R Risk /O Opportunity	Financial impact - / +	Response strategies
R : Extreme changes in weather patterns causing increased flooding R : Supply chain disruption (flood, drought, typhoon, earthquake, power outage /power failure, fire, etc.)	- Revenue decline due to shutdown of operating locations - Damage to machinery and equipment causing property loss - Rising raw material prices have led to increased operating costs - Decreased product output leads to lower revenue - Failure to deliver as scheduled or interrupted delivery.	● Consider flood risk when setting up new business locations ● Assess flood risks at production sites and implement risk mitigation measures ● Find suppliers from other regions ● IT is equipped with an uninterruptible power supply system (UPS) to support power ● Set up generators to meet emergency power needs for firefighting ● Inspection of process equipment in each factory
R : Average temperature rise O : Improve resource utilization efficiency	- Increased electricity consumption leads to increased operating costs - Lack of raw materials causes price increases - Increased costs or decreased production leading to decreased revenue + Reduced electricity costs	● Building green buildings ● Use of renewable energy ● Purchase energy-saving equipment ● Use raw materials with low carbon footprint ● Promote the concept of energy saving

Financial impacts of extreme weather events

Proxene has identified potential risks to the production or transportation stages such as floods, droughts, changes in precipitation patterns and extreme changes in climate patterns. Floods caused by heavy rainfall will cause the operation base to shut down and equipment to be damaged, resulting in a temporary inability to ship goods; while drought and water shortages will affect the normal operation of the production line. When there is a water shortage, it is necessary to maintain supply by reducing water use, transporting water across regions with water trucks, or transferring goods from other factories, resulting in an increase in operating costs.

Proxene will continue to improve its physical risk scenario analysis by referring to the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the Sixth Scientific Report

(AR6) of the United Nations Intergovernmental Panel on Climate Change (IPCC). In addition to evaluating existing risk issues, it is expected to include high temperature risks to strengthen the climate adaptation management and strategy of the merged company.

The financial impact of transformation actions

Under the transition risk, the transition to a low-carbon economy may face extensive policy and regulatory, technological and market changes. Depending on the nature, speed and focus of the above changes, carbon fees and greenhouse gas total volume control, renewable energy regulations, and changes in consumer preferences may increase operating costs or reduce sales within the time frame of the analysis. Considering that the company has continued to develop and innovate and expand the diversity of related products, there is no significant impact on market sales under various scenarios, so the company focuses on the analysis of operating costs. In the context of low-carbon transformation, the financial impact of carbon pricing on the company may lead to an increase in the company's own operating and supply chain costs.

Proxene has introduced energy conservation and carbon reduction projects to minimize the impact of energy consumption, water consumption and waste on the climate in its operations and supply chain; improve energy efficiency and invest in green energy equipment; and invest in green product research and development innovation to meet consumer needs to respond to these transformation risks. The financial impact of this project on the company will lead to an increase in the company's own capital investment and operating costs.

6.1.3 Risk Management

The Board of Directors is the highest decision-making unit for risk control of each company within the Group and directly supervises the risk governance structure of each company within the Group. In order to improve risk assessment and strengthen management functions, the Board of Directors decided to set up a "Sustainable Development and Nomination Committee" in 2014 to be responsible for the formulation and implementation of sustainable development policies, systems or related management guidelines and specific promotion plans. In the process of formulating sustainable development policies, it identifies and manages the risks of corporate operations, including the physical and transformation risks that may be brought about by climate change. Based on the results of risk identification, it conducts strategic planning, integrates and manages risks that may affect operations and profits, and submits management execution and risk control reports to the Board of Directors at least once a year to supervise and track the risk management execution of the management team in order to strengthen the corporate constitution.

6.1.4 Indicators and targets

In the face of climate change, Proxene focuses on reducing greenhouse gas emissions and strengthening corporate resilience and efficiency in responding to climate change. The short-term, medium-term and long-term indicators for environmental management are as follows:

	Short-term (2024 ~ 2025)	Medium-term indicators (2026~2030)	Long-term (2031~)
Power saving	1%/ year	1%/ year	1%/ year

	Short-term (2024 ~ 2025)	Medium-term indicators (2026~2030)	Long-term (2031~)
Greenhouse gas emissions	1% / year	2% / year	4% / year
Production interruptions caused by climate disasters	0 Day	0 Day	0 Day
Water usage	1% reduction	1% reduction	1% reduction
Entrust waste disposal to legal businesses	100%	100%	100%

Goal and performance achievement:

Proxene is committed to fulfilling its environmental protection responsibilities and continuously improving itself as a sustainable enterprise. Based on the above short-, medium- and long-term energy conservation and carbon reduction indicators and related implementation plans, we aim to reduce the possible impact on society and the environment. Regarding the performance gaps in electricity saving and water reduction targets, the increase in electricity consumption was primarily due to the transition from traditional oil-fired furnaces to induction heating systems. Although this led to a rise in power usage, it resulted in a significant reduction of over 85% in Scope 1 direct carbon emissions, delivering substantial overall environmental benefits. Nevertheless, the Company will continue to review its strategies to achieve its performance targets. The environmental management goals and performance achieved in the past two years are as follows:

2025 Target	2025 Performance Achievement	2026 Target
Power saving per plant : 1% / year	Increase of 1.40%→Not Achieved	Power saving per plant : 1% / year
Greenhouse gas emissions reduction: 1% /year	Decrease of 33.64%→Achieved	Greenhouse gas emissions reduction: 2% /year
Production interruption caused by climate disaster: 0 days	0 days → Achieved	Production interruption caused by climate disaster: 0 days
Reduce water usage by 1% per year	Increase of 35.35%→Not Achieved	Reduce water usage by 1 % per year
Waste disposal entrusted to legal operators: 100%	100% → Achieved	Waste disposal entrusted to legal operators: 100%

6.2 Environmental Policy and Commitment

Proxene 's environmental policies and objectives, commitments and management guidelines are summarized as follows:

Policy: Comply with environmental laws and regulations, fulfill environmental protection responsibilities, operate green, and become a sustainable enterprise.

Goal: According to the regulations of the Energy Bureau, each plant will implement energy-saving measures every year, with the goal of electricity saving management: electricity saving must reach more than 1% of annual electricity consumption; and strengthen climate resilience, and production interruption after climate disasters will be 0 days. Another energy-saving water management goal: reduce annual water use by 1%.

Commitment: Use due diligence and early warning communication methods to strengthen environmental risk management and reduce the impact on personnel and the environment; comply with environmental laws and regulations, and do a good job in energy conservation and carbon reduction, and sort domestic waste.

In response to climate change, Proxene continues to work hard to reduce greenhouse gas emissions. In formulating relevant strategies, it is committed to improving the efficiency of resource utilization and improving processes to reduce the impact on the environment. In addition, it improves climate change risk management and disaster prevention capabilities in order to achieve the vision of sustainable operation.

In accordance with laws and regulations, Proxene has applied for, paid or established various types of pollution facility installation permits or pollution emission permits, including air pollution control, water pollution control and industrial waste management.

In order to reduce the impact on the environment, Proxene is committed to maintaining and continuously improving environmental management to clearly define the operating procedures for various environmental controls and monitor their implementation progress. Specifically, Proxene promises the following:

- ◆ Comply with obligations: follow obligations and enhance image.
- ◆ Strengthen communication: involve all employees and enhance cognition.
- ◆ Environmental protection: pollution prevention, impact control.
- ◆ Continuous improvement: improve performance and operate sustainably.

6.3 Greenhouse Gas and Energy Management

Order to reduce the environmental impact caused by carbon emissions, Proxene continues to develop methods to reduce energy resource consumption, reducing direct emissions from operational activities (category 1) and indirect emissions from energy use (category 2), and setting goals such as saving electricity and carbon reduction to ensure that the intensity of greenhouse gas emissions meets expectations. Implementation content includes:

Category 1 : Eliminate heavy oil, replace old equipment, simplify the process to reduce waste, maintain a high proportion of scrap steel utilization, and reduce carbon intensity during the manufacturing stage

Category 2: Comply with regulations, build your own rooftop solar power generation device, and use renewable energy

Furthermore, the global greenhouse effect and recent climate anomalies, coupled with energy constraints in Taiwan, have posed significant challenges to both the environment and enterprises. As a responsible global citizen, Proxene is fully committed to environmental protection and conservation. In response to government initiatives for ESG sustainable development and carbon reduction, our specific targets and management measures for electricity saving and carbon emissions are outlined in the table below:

Category	Target	Specific management measures
Greenhouse Gas and Energy Management	Carbon Emissions: Reduce by 1%/ Electricity Consumption : Reduce by 1%	· Implement energy management training to enhance employees' awareness of energy conservation and environmental protection · Air conditioning equipment converted to variable frequency motor · LED energy - saving lamps are used throughout the factory · The processing equipment uses energy-saving design: the existing oil furnace heating equipment is changed to frequency induction heating, and the direct carbon emission is greatly reduced by over 85%, which has a significant carbon emission reduction effect · Completed the construction of 283.7KW solar power in the main plant, with an investment of approximately 12 million, and the annual power generation can reach more than 350,000 kWh. The self-use of solar power meets the green electricity regulations, and the total CO2 reduction is approximately 550 tons as of December 31, 2025. In the future, the second plant will also invest in solar energy projects. · Completely replace the main plant's forklifts with electric forklifts · Electric vehicle charging stations were installed in the main factory dormitory to encourage employees to use electric vehicles · The main plant introduced variable frequency air compressors and VRV air conditioners · Office air conditioning set at 27 degrees · Other ways to reduce electricity consumption

Electricity Consumption Over the Past Three Years:

Year	2023	2024	2025
Total Electricity Consumption (kWh)	1,709kWh	1,476kWh	1,733kWh
Energy Intensity (MWh / NT\$ Million in Revenue)	2.57	2.43	3.28

Proxene has established a greenhouse gas inventory mechanism in accordance with the ISO14064-1 greenhouse gas inventory standard issued by the International Organization for Standardization (ISO). Since 2023, we have regularly inspected our individual greenhouse gas emissions every year. The organizational boundaries cover our main plant and second plant, fully grasping the use and emission of greenhouse gases

and verifying the effectiveness of reduction actions.

In the last three years are as follows:

	2023		2024		2025	
	Emissions (tons CO2e)	Intensity (tons of CO2e/ turnover in NT\$ million)	Emissions (tons CO2e)	Intensity (tons of CO2e/ turnover in NT\$ million)	Emissions (tons CO2e)	Intensity (tons of CO2e/ turnover in NT\$ million)
Category 1 Direct greenhouse gas emissions	439.7442		238.4800		32.0201	
Category 2 Indirect greenhouse gas emissions	846.1989		729.3292		821.3691	
Total	1,285.9431	1.9367	967.8092	1.5908	853.3892	1.6168



Induction furnace



Solar power generation

6.4 Water management

Water is an indispensable natural resource for daily life. In recent years, the issue of water scarcity has gained increasing attention in Taiwan. Consequently, a stable water supply has become a critical factor for the company's operational continuity. The main purpose of water resources in each of the Company's locations is for employees' domestic use. The water source is the water company in the location of the location (water source: fresh water), which does not cause significant impact on water resources and the ecological environment of the water source. In order to ensure the safety of employees' drinking water, the filter element of the water dispenser is replaced regularly to effectively remove harmful substances in the water. Every quarter, SGS is commissioned to test the water to ensure safe and healthy water quality. The water consumption is mainly for employees' domestic water and process water. The domestic sewage generated by employees is discharged into the sewer sewage system at the location of operation through drainage pipes; the wastewater generated from the process water is subject to the storage permit and qualified manufacturers for transportation and treatment in accordance with regulations. Specific targets and management measures are summarized in the table below:

Category	Target	Specific management measures
Water Resource Management	Reduce by 1% Water Consumption	• Regularly check and maintain the rooftop water storage tower to maintain a reasonable water output • Use low-temperature vacuum distillation machine to reduce wastewater discharge • Use cement grinding filter to reduce the water content of sludge, which can be recycled and reused • Conducting routine management inspections to identify and repair pipeline leaks. • Engaging department heads to promote water conservation and encourage staff to turn off faucets after use • Monitoring water consumption and conducting Year-over-Year (YoY) analysis to identify and investigate usage anomalies. • Other ways to reduce water consumption

Water consumption over the last three years:

Year	2023	2024	2025
Process water consumption (tons)	6.79	3.86	6.83
Domestic water (tons)	6,769.21	6,649.3004	9,164.7413
Total water usage (tons)	6,776.00	6,653.1604	9,171.5713
Water Intensity (Metric Tons / Million TWD Revenue)	10.2116	10.9360	17.3766

	awareness of all company employees ; 2. Increase the use of reusable resources . ● When executing operational activities and internal management, the company is committed to improving the utilization efficiency of various resources so that the earth's resources can be used sustainably. The relevant environmental protection policies include: 1. Promote the electronicization of work processes to save paper usage; 2. We strive to promote the recycling of photocopy paper and implement waste sorting and resource recycling. ● Carry out waste disposal operations in accordance with environmental protection laws and regulations, entrust waste removal companies approved by the competent authorities to handle and handle related removal operations. Waste removal and its operations shall be reported in accordance with the law, and the status and tracking of the final disposal of waste shall be confirmed within the prescribed period.
Evaluation / Monitoring Mechanism	Environmental management meetings are held quarterly to review the implementation status of each phase .
Concrete Results	● Currently, part of the waste sandblasting has been screened and returned to the process (the original waste sandblasting materials are all entrusted to qualified manufacturers for removal) , and the process wastewater is recycled and reused through equipment, which has successfully reduced the waste treatment volume of wastewater and sludge. ● Low temperature vacuum distillation machine reduces wastewater treatment and recycling by 80-85 % ● Cement grinding filter reduces sludge water content for recycling 41 %



Low temperature vacuum distillation machine
Recycling 80-85 %



Cement grinding filter
Recycling 41%

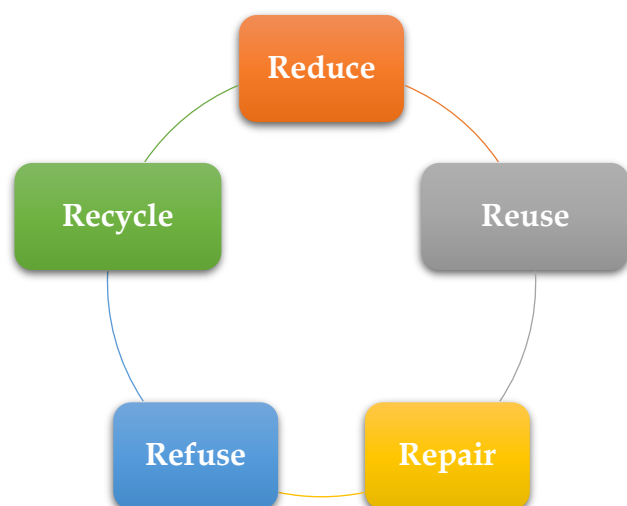
The weight of the Company's waste is as follows:

Year	2023	2024	2025
Weight of non-hazardous waste (tons)	82.83	53.59	93.44
Weight of scraps (tons)	435.400	391.800	389.630
Non-hazardous Waste Intensity (Metric Tons / Million TWD Revenue)	0.1248	0.0881	0.1770

Waste generation and impact:

Proxene's various factories is general business waste, mainly waste oil mixtures, sandblasting waste, and sludge mixtures. There is no output of harmful business waste. Proxene implements waste treatment in accordance with the " Waste Disposal Act " and implements a resource recycling mechanism. It entrusts environmental technicians to apply for legal waste clearance and entrusts qualified removal and treatment companies to handle the declaration. However, due to the small amount of business waste output, most of it is temporarily stored in the factory and will be removed together after the removal volume is met . In addition, audit personnel conduct regular and irregular on-site inspections to achieve the purpose of supervision and tracking, ensuring that the flow of various types of waste clearance can be properly and legally carried out smoothly. There was no breach of contract or violation of the law by the removal company entrusted in 2025 .

Proxene has a wastewater treatment system. Its business wastewater mainly comes from the cleaning process. All wastewater treatment equipment is installed in accordance with regulations and a water pollution prevention and control measures installation permit issued by the competent authority is obtained. The process area is equipped with independent pipelines to converge to the wastewater treatment facility. After treatment, it meets the standards of environmental protection regulations . Every year, an external qualified inspection agency is commissioned to conduct wastewater quality testing, and the factory wastewater is commissioned to conduct water quality testing by a qualified inspection agency every six months.



Proxene adheres to the following 5R spirit for waste reduction:

- 1.Reduce: Reduce the amount of garbage discarded.
- 2.Reuse: Reuse containers or products.
- 3.Repair: Pay attention to maintenance to extend the service life of items.
- 4.Refuse: Refuse to buy over-packaged goods and refuse to use items that are not environmentally friendly.
- 5.Recycle: Recycle and use recycled items.

捷克環境科技有限公司

CZECH Environmental Technologies Co., Ltd.

環境部許可證字號：環境部環檢證字第135號(原環署環檢字第135號)

檢驗室地址：台中市西屯區工業區38路210號4樓之6 電話：04-23509981

水質樣品檢驗報告

客戶名稱：怡鑫工具股份有限公司總廠

報告編號：CH114W2407

業別：金屬基本工業

採樣日期：114年 04月 24日 10時 42分

樣品特性：廢水

收樣日期：114年 04月 24日 15時 40分

採樣單位：捷克環境科技有限公司

報告日期：114年 05月 08日

許可證字號：環境部環檢證字第135號

聯絡人：

採樣方法：—

檢測目的：定期申報

採樣地點：台中市神岡區北庄里中山路893巷9號、9-1號及9-2號

樣品編號	W114042414-01	檢驗方法	備註
採樣時間	10:42-10:51		
檢驗項目	單位	原水	
水溫	°C	27.5	NIEA W217.51A
氫離子濃度指數(pH值)	—	6.1	NIEA W424.53A
懸浮固體	mg/L	270	NIEA W210.58A
化學需氧量	mg/L	1930	NIEA W517.53B
氨氮	mg/L	1.04	NIEA W413.52A
油類(正己烷抽出物)	mg/L	8.1	NIEA W505.54B
磷酸鹽磷	mg/L	16.4	NIEA W452.52C
六價鉻	mg/L	ND	NIEA W320.52A MDL=0.003

備註：

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- 4 本報告油類(正己烷抽出物)測定之空白扣除值為0.5mg/L。
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- 6 本報告僅對樣品負責，不得隨意複製及作為宣傳廣告之用。
- 7 本報告係採集方法NIEA W109係表示放流水係採集於合聯環保公司之「事業放流水採集方法」。
- 8 採樣行數代碼：JVWA23060386
- 9 廢水水溫：0.10875°C。係由業者提供經校正後之水溫。
- 10 備、附、備註品等3項係由台端提供經校正後之樣品。
- 11 本報告中觀系統資料：

聲明書：

- (一) 茲聲明本報告內容完全依照環境部及有關機關之標準方法及品質管理相關規定，業經公正、確實進行採樣、檢測，絕無虛偽不實，如有違反，就政府機關所究損失賠償責任之外，並接受主管機關依法令所為之行政處分及刑事處罰。
- (二) 吾人瞭解如自受政府機關委任從事公務，若屬於刑法上之公務員，並瞭解刑法上關於罪、公務員登載不實偽造公文書及貪污治罪條例之相關規定，如有違反，若為刑法及貪污治罪條例之適用對象，願受最嚴厲之法律制裁。

公司名稱：捷克環境科技有限公司

負責人(簽章)：

檢驗室主管

(簽名)

報告專用章
捷克環境科技有限公司
負責人：周柏宏
檢驗室主任：周柏宏

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捷克環境科技有限公司

CZECH Environmental Technologies Co., Ltd.

環境部許可證字號：環境部環檢證字第135號(原環署環檢字第135號)

檢驗室地址：台中市西屯區工業區38路210號4樓之6 電話：04-23509981

水質樣品檢驗報告

客戶名稱：怡鑫工具股份有限公司總廠

報告編號：CH114W2404

業別：金屬基本工業

採樣日期：114年 10月 21日 10時 24分

樣品特性：廢水

收樣日期：114年 10月 21日 17時 10分

採樣單位：捷克環境科技有限公司

報告日期：114年 11月 13日

許可證字號：環境部環檢證字第135號

聯絡人：周柏宏

採樣方法：—

檢測目的：定期申報

採樣地點：台中市神岡區北庄里中山路893巷9號、9-1號及9-2號

樣品編號	W114102132-01	檢驗方法	備註
採樣時間	10:24-10:28		
檢驗項目	單位	原水	
水溫	°C	26.2	NIEA W217.51A
氫離子濃度指數(pH值)	—	7.2	NIEA W424.53A
懸浮固體	mg/L	270	NIEA W210.58A
化學需氧量	mg/L	1980	NIEA W517.53B
氨氮	mg/L	2.82	NIEA W413.52A
油類(正己烷抽出物)	mg/L	8.1	NIEA W505.54B
磷酸鹽磷	mg/L	43.1	NIEA W452.52C
鉻	mg/L	0.44	NIEA W306.55A

備註：

- 1 本報告共 2 頁，合聯使用無誤。
- 2 採樣方法係採集樣品之測定值以“ND”表示，並於備註欄註明其方法係採集樣品(MDL)。
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- 8 廢水水溫：0.0514°C。係由業者提供經校正後之水溫。
- 9 採樣行數代碼：JVWA23100385
- 10 本報告中觀系統資料：

聲明書：

- (一) 茲聲明本報告內容完全依照環境部及有關機關之標準方法及品質管理相關規定，業經公正、確實進行採樣、檢測，絕無虛偽不實，如有違反，就政府機關所究損失賠償責任之外，並接受主管機關依法令所為之行政處分及刑事處罰。
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公司名稱：捷克環境科技有限公司

負責人(簽章)：周 宏

檢驗室主管

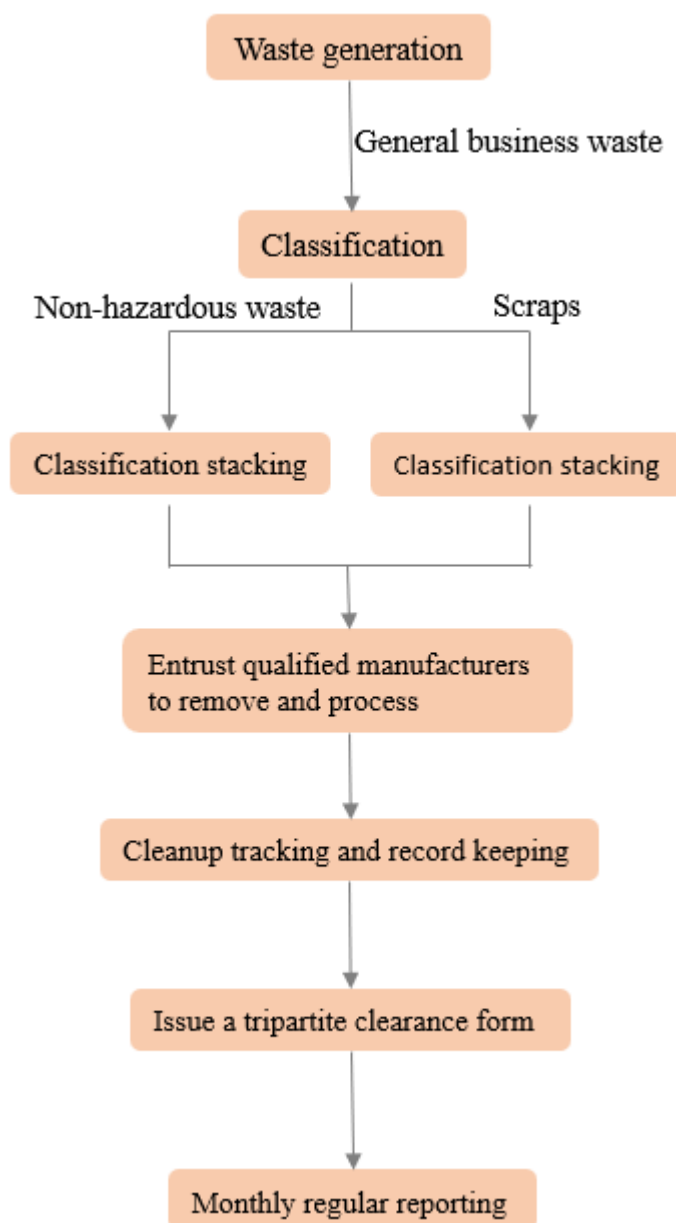
(簽名)

報告專用章
捷克環境科技有限公司
負責人：周柏宏
檢驗室主任：周柏宏

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The waste management process is as follows:



The status and tracking of final waste disposal are as follows:

years	Incineration (tonnes)	Physical treatment (metric tons)	Heat Treatment	Reuse
2025	6.88	11.66	67.62	7.28
2024	3.81	33.15	16.63	-
2023	10.17	26.81	45.85	-

7. Friendly workplace and social prosperity

Uphold integrity and pursue sustainability

For Proxene, "integrity, altruism, teamwork, and innovation" are the company's corporate culture that has been deeply rooted for many years. "Integrity" is the top priority. In addition to providing high-quality products and devoting ourselves to the sustainable operation of the company, we must also maintain an altruistic spirit. In terms of sustainable responsibility, we provide complete education and training, establish a complete employee welfare system and a comfortable and friendly working environment, and achieve the goals pursued by the company through joint participation in value enhancement. We also set up solar power generation in the new factory and fully use energy-saving and high-efficiency equipment to gradually implement the commitment to sustainable operation. At the same time, we actively participate in social donation activities to help disadvantaged groups, continue to work with peers and suppliers with similar ideas, and jointly build a more competitive international synergistic partner group.

We promise to strive to pursue and implement the ESG corporate sustainable development policy of "environmental protection (E), employee care (S), friendly workplace (S), social prosperity (S), honest management and compliance with laws and regulations (G), and full employee participation (G)" .

Proxene's short-, medium- and long-term indicators for harmonious labor-management personnel management in a friendly workplace are as follows:

	Short-term indicators (2024~2025)	Medium-term indicators (2026~2030)	Long-term indicators (2031~)
Labor - employment relations	Turnover rate $\leq 30\%$	Turnover rate $\leq 25\%$	Turnover rate $\leq 20\%$
	Average training hours per person ≥ 5 hours	Average training hours per person ≥ 8 hours	Average training hours per person ≥ 12 hours
	The retention rate of childcare is $\geq 80\%$	The retention rate of childcare is $\geq 90\%$	The retention rate of childcare is $\geq 100\%$
	The number of people with disabilities who are able to work is $\geq 1\%$	The number of people with disabilities who are able to work is $\geq 1\%$	The number of people with disabilities who are able to work is $\geq 1\%$
Human Rights Protection	0 cases of workplace illegal infringement/ bullying / year	0 cases of workplace illegal infringement/ bullying / year	0 cases of workplace illegal infringement/ bullying / year
	2 employee complaints/mediation cases / year	1 employee complaint/mediation case / year	0 employee complaints/mediation cases / year
Health and Safety	Health check-up participation rate 90%	Health check-up participation rate 95 %	Health check-up participation rate 100 %
	Major occupational accidents (excluding death) ≤ 2 pieces / year	Major occupational accidents (excluding death) ≤ 1 piece / year	Major occupational accidents (excluding death) ≤ 1 piece / year
	Disabling injury frequency rate (FR) ≤ 3.50	Disabling Injury Frequency Rate (DIFR) ≤ 0	Disabling Injury Frequency Rate (DIFR) ≤ 0
	Disability Injury Severity Rate (SR) ≤ 50.50	Disability Injury Severity Rate (DISR) ≤ 0	Disabling Injury Severity Rate (DISR) ≤ 0

Note: Disabling injury frequency = (number of disabling injuries ÷ total working hours) × 1,000,000 ;

Disability injury severity rate = (total number of lost working days ÷ total working hours) × 1,000,000 ;

The number of disabling injuries refers to the number of injuries resulting in death, permanent total disability, permanent partial disability, temporary total disability, etc.

Total experienced working hours refers to the total number of hours actually worked by employed workers.

Goal and performance achievement:

The environment of employee care and concern, and the responsibility of selecting, training, employing and retaining talents have become the driving force for the sustainable development and growth of the enterprise. Based on the above-mentioned important projects such as labor -employment relations, training and development, human rights protection, ethics and health and safety, we have formulated short-, medium- and long-term indicators and related implementation plans. The goals and performance achievement in the past two years are as follows:

◆ Labor -employment relations

2025 Target	2025 Performance Achievement	2026 Target
Turnover rate $\leq$ 30%	14.18% → Achieved	Turnover rate $\leq$ 25%
Average training hours per person $\geq$ 5 hours	11 hours → Achieved	Average training hours per person $\geq$ 8 hours
The retention rate of childcare is $\geq$ 80%	100% → Achieved	The retention rate of childcare is $\geq$ 90 %
The number of people with disabilities who are able to work is $\geq$ 1%	2.1 % → Achieved	The number of people with disabilities who are able to work is $\geq$ 1%

◆ Human rights protection

2025 Target	2025 Performance Achievement	2026 Target
0 cases of workplace illegal infringement/ bullying / year	0 items → Achieved	0 cases of workplace illegal infringement/ bullying / year
2 employee complaints/mediation cases / year	0 items → Achieved	1 employee complaint/mediation case / year

◆ Health and safety

2025 Target	2025 Performance Achievement	2026 Target
Health check-up participation rate 90%	100% → Achieved	Health check-up participation rate 95%
Major occupational accidents (excluding death) ≤2 pieces / year	0 items → Achieved	Major occupational accidents (excluding death) ≤ 1 piece / year
Disabling injury frequency rate (FR) ≤ 3.50	3.16 → Achieved	Disabling injury frequency (FR) ≤ 0
Disability Injury Severity Rate (SR) ≤ 50.50	139.25→Not Achieved	Disability Injury Severity Rate (SR) ≤ 0

7.1 Talent Policy and Commitment

In order to promote labor-capital harmony, attract and retain outstanding talents, and actively increase revenue and profit growth, the Company is committed to expanding investment in R&D teams and new product added value, improving product value and production efficiency, and creating a challenging, sustainable learning and fun diverse and equal working environment. We provide an overall salary strategy with industry competitiveness and a variety of welfare programs to gather the centripetal force of employees, retain suitable and stable talents, and become the company's sustainable development growth partner.

The Company adheres to government laws and recruits and appoints talents through open and transparent multiple channels. We set "work rules" and complete personnel management regulations in accordance with the Labor Standards Act and related laws to implement equal compensation, employment conditions, training and promotion opportunities to protect the rights and interests of employees. We will never tolerate any form of forced labor risks or human rights violations, and we adhere to the principle of not degrading the dignity of any employee.

The personnel management policies regarding the selection, training, employment, retention of talent and the protection of human rights are as follows:

Talent selection policy

- We prohibit child labor and underage labor, provide mechanisms to attract and retain outstanding talents, employ suitable talents, provide diverse career development opportunities, and respect employees' freedom of employment.

Talent cultivation policy

- Establish a sound training and development system to cultivate professional or management talents in different fields, improve employees' engineering expertise, communication and management capabilities, and enhance teamwork performance.

Employment Policy

- Provide a competitive salary and benefits system, fair assessment, and reasonable transfer and promotion opportunities to allow employees to actively contribute their abilities and performance.
- Value employees' opinions and feedback and enhance labor-management relations.

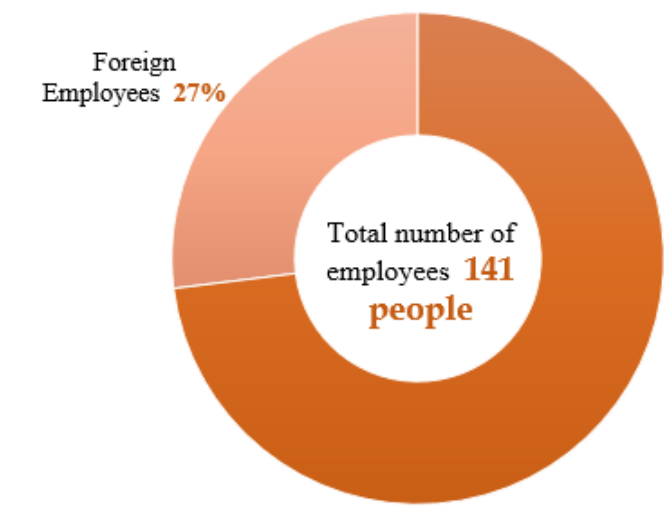
Talent retention policy

- Establish a healthy and safe working environment for employees and a diversified and open labor-management communication channel; set up effective employee communication channels, collect employee opinions, and improve the company's internal operations.
- Participate in labor insurance and health insurance in accordance with the law, and allocate employee welfare funds to carry out employee welfare activities.
- Fair compensation, benefits, promotion, training and development, reasonable and objective performance appraisal and salary adjustment

Human Rights Policy

- Comply with Taiwan's labor laws and prohibit any form of forced and compulsory labor; do not discriminate against any employee based on gender, race, region, age, disability, nationality, etc.
- Provide equal employment, training, etc. opportunities regardless of gender, religion, race, nationality, or party affiliation.
- We attach great importance to the protection of human rights, set up employee complaint channels, and promptly handle and resolve employee issues.
- The "Occupational Health and Safety Work Code" is reviewed and approved in accordance with the law to safeguard the safety and health rights and working conditions of employees.

7.2 Human Resources Structure



The Company recruits suitable and stable employees and provides an overall salary strategy with industry competitiveness, talent cultivation and development mechanism, performance appraisal and promotion, diverse welfare programs and statutory retirement system and other personnel management systems. All talents recruited are full-time, and there is no labor status such as dispatch or temporary workers. Therefore, new employees enjoy the benefits of formal employees after being admitted, without any differential treatment. Proxene treats interviewers equally, without differential treatment

based on gender, religion, or race. Through diversified recruitment channels, more female workers and people with disabilities can come to Proxene to work, so that they can realize their personal value and contribute to the company.

There will be no major operational changes in 2025. If there are major operational changes, refer to Article 16 of the Labor Standards Act and notify them 10 to 30 days in advance according to the length of service . As of the end of 2025, the total number of employees is 141.

7.2.1 As of December 2025, the number of employees in Proxene is 141. The human resource structure distribution in the past three years is as follows:

	Gender	Contract	Job title	Age	2023	2024	2025
Number of Employees	Female	Irregular Contract	Full Time	Under 30	5	3	4
				30-50	35	33	30
				Over 50	20	20	19
		Regular Contract	Full Time	Under 30	0	0	0
				30-50	2	2	2
				Over 50	0	0	0
	Male	Irregular Contract	Full Time	Under 30	3	2	2
				30-50	36	35	34
				Over 50	21	18	14
		Regular Contract	Full Time	Under 30	17	13	10
				30-50	27	25	26
				Over 50	0	0	0
Total					166	151	141

- Note: 1. The number of employees is based on the number of employees in service as of December 31 of the year.
2. Foreign migrant workers are hired on a regular basis under fixed-term contracts; Proxene calculated the total number of employees as of December 31, 2024 based on the human resources system to be 151, including 111 local employees, 40 foreign employees and 0 technical trainees.

The company strictly prohibits the employment of child labor. In addition to recruiting qualified employees based on academic background, professional knowledge and skills, years of experience, etc., there is no discrimination based on gender, religion, or race. The statistics of new and former employees in the past two years are as follows:

***Rate of new employees**

Year		2023		2024		2025	
Number of people / ratio		Number of new entrants	New Entry Rate (%)	Number of new entrants	New Entry Rate (%)	Number of new entrants	New Entry Rate (%)
Age	Under 30	11	6.63%	1	0.66%	3	2.13%
	30-50	16	9.64%	5	3.31%	7	4.96%
	Over 50	1	0.60%	0	0.00%	1	0.71%
Gender	Female	6	3.62%	4	2.65%	5	3.55%
	Male	22	13.25%	2	1.32%	6	4.25%
Total number of new employees		28		6		11	
Total number of employees		166		151		141	
Total new entry rate (%)		16.87%		3.97%		7.80%	

Note: 1. New employee rate = (number of new employees / number of employees on December 31 of the year) * 100%

Note: 2. The number of new employees does not include those who left during their employment.

Employee turnover rate

Year		2023		2024		2025	
Number of people / ratio		Number of people leaving	Turnover rate (%)	Number of people leaving	Turnover rate (%)	Number of people leaving	Turnover rate (%)
Age	Under 30	2	1.20%	4	2.65%	0	0.00%
	30-50	13	7.83%	13	8.61%	13	9.22%
	Over 50	2	1.20%	5	3.31%	7	4.96%
Gender	Female	6	3.61%	8	5.30%	7	4.96%
	Male	11	6.63%	14	9.27%	13	9.22%
Total number of people leaving		17		22		20	
Total number of employees		166		151		141	
Total turnover rate (%)		10.24%		14.57%		14.18%	

Note: 1. Turnover rate = (number of employees who have left / number of employees in service as of December 31 of the year) * 100%

Note: 2. The number of employees who resigned includes layoffs and retirements, but does not include the number of new employees who resigned within three months.

In terms of gender composition, the company has a higher proportion of male employees due to the nature of our industry. Consequently, males accounted for the majority of resignations in 2025; however, the overall turnover rate saw a year-over-year (YoY) decrease of 0.4% compared to 2024. In 2025, the company strengthened its talent retention initiatives by significantly increasing employee compensation from 1.01% to 4.04%. These efforts were further complemented by proposal improvement bonuses and diverse internal and external training opportunities. These programs not only offer competitive financial rewards but also empower employees to enhance their professional skills and broaden their career development. We remain committed to optimizing incentive measures to maintain a healthy turnover rate.

7.2.2 Employment of people with disabilities

In accordance with Article 38, Paragraph 2 of Taiwan's "People with Disabilities Rights Protection Act," private enterprises with 67 or more employees are required to employ individuals with disabilities at a rate of no less than 1% of the total workforce, with a minimum of at least one person. In 2025, the company employed three individuals with disabilities, accounting for 2.1% of our total workforce. This performance exceeds the legal requirement. Nevertheless, we continue to submit regular reports on the employment status of individuals with disabilities to the labor authorities as mandated by law.

7.3 Talent cultivation and development

Proxene has established a simple training system as shown on the right. We attach great importance to employee training and talent development, and hope that every colleague can learn, grow and develop their

potential. At the end of December each year, each department proposes an education and training plan for the next year based on needs, and formulates an "education and training plan" and implements it after approval by the supervisor. The courses include new employees, professional courses (mostly external training), common functions and internal education and training, etc.

In addition, the company holds internal training courses from time to time according to the needs of each department and signs in on the internal training attendance sheet as a basis for class attendance . In addition, internal and external education and training and whether relevant professional certificates have been obtained will serve as a basis for future promotions and assessments. People-oriented, respect and tolerance of multi-party exchanges, through joint participation in value enhancement, and then achieve the goals pursued by the company.

***Average number of training hours per year for employees**

Unit : Hours

Project / Year		2023	2024	2025
Average training hours per employee		1.5	10	11
Average hours of training for employees by gender	Female	1.7	5.9	7.7
	Male	1.5	12.6	13
Average hours of training for employees by category	Direct	0.6	2	1.9
	Indirect	3.7	26	27.9



7.4 Salary and Benefits

The Company follows the minimum wage standard announced by the Ministry of Labor to set salaries, and there is no difference based on gender to ensure that the salary policy complies with legal regulations. The company's initial salary approval table is not lower than the minimum wage standard, and the salary standard for high school and vocational education is equivalent to the basic wage specified by the Ministry of Labor (the statutory basic wage in 2025 is NT\$28,590) , which is 1:1.

7.4.1 Annual total compensation ratio

The company provides employee performance appraisal every year based on actual business conditions to review their work performance and competence. Through written tests and practical assessments, outstanding personnel are promoted to cadres or supervisors. Salaries, bonuses and promotions are adjusted based on the assessment results to encourage colleagues to actively engage in work and achieve a win-win result of personal salary growth and company operating performance improvement. The annual salary comparison is as follows:

*Average and median salaries of full-time employees who are not supervisory positions

Unit: Number of people, NT\$ thousand

Full-time employees who are not supervisory personnel	Average number of employees	Average annual salary	Median annual salary
2023	148	593	554
2024	149	552	510
2025	133	577	528

7.4.2 Average employee salary

Unit : NT\$ thousand / person

Year	2023	2024	2025
Average employee salary	612	589	641

7.4.3 Welfare measures

The company attaches great importance to harmonious labor-capital relations and regularly holds monthly meetings, birthday parties, department dinners and family day activities to combine labor and service among employees and enhance employee cohesion. The main welfare measures are as follows:

- (1) Labor insurance, health insurance, group insurance
- (2) Education and training and external training subsidies

In addition to providing appropriate internal education and training for colleagues and new employees, the company also provides opportunities for training at external training units. After application approval, the company will bear the relevant training expenses to improve the overall quality of employees.

(3) Occupational Safety and Health

The Company handles safety and health work in accordance with the "Occupational Safety and Health Law" and related laws and regulations, and formulates the "Safety and Health Work Code" to prevent occupational hazards and protect the safety and health of all employees.

(4) Group Meals

(5) Regular health check-ups

In order to provide our colleagues with a safe and hygienic working environment and prevent occupational hazards, Proxene also provides annual health checks for employees and arranges for on-site services by contracted occupational medical professionals to ensure that our employees are provided with a safe and healthy working environment.

(6) Three festival bonuses and travel allowances

Based on the company's operating results, employees who work hard and have no major faults can be awarded three bonuses after evaluating their individual assessment results to encourage all colleagues to work together for the company's goals and continuously integrate social responsibility into the company's operations to achieve sustainable management. There is also a proposal improvement bonus to encourage employees to propose proposals that help improve the company's operating activities and grow with the company.

(7) Performance management and proposal improvement bonus

Fair performance appraisal can ensure that employees' work performance is fairly evaluated and reflected in salary adjustments, promotion opportunities and rewards. Proxene regularly conducts employee performance appraisal once a year. Through written tests and practical assessments, outstanding personnel are promoted to cadres or supervisors, and proposal improvement bonuses are established to encourage employees to brainstorm and come up with ideas to achieve improvement goals.

(8) Employee Remuneration

In accordance with the Company Law and the Company's Articles of Incorporation, no less than 1% of the current year's profit shall be set aside as employee compensation and distributed in accordance with the Company's relevant distribution methods.

(9) Cash capital increase and employee stock subscription

In order to attract and retain the professional talents needed by the company, motivate employees and enhance their sense of belonging to the company, so as to jointly create the interests of the company and shareholders and share the company's future operating results, in accordance with Article 267 of the Company Law, a portion of the newly issued shares will be reserved for the company's employees to purchase, and will

be handled in accordance with the company's "Employee Stock Subscription Policy".

(10) Complete retirement system

(1) Defined Benefit Plan: Years of Service under the Labor Standards Act (Old System)

In accordance with the "Labor Standards Act," the Company has established a defined benefit pension plan. This plan applies to the years of service of all regular employees prior to the implementation of the "Labor Pension Act" on July 1, 2005, as well as the subsequent service years of employees who opted to continue under the "Labor Standards Act." For employees eligible for retirement, pension payments are calculated based on their years of service and their average salary for the six months prior to retirement. Specifically, two units are granted for each year of service for the first 15 years (inclusive), and one unit is granted for each year of service exceeding 15 years, with a cumulative maximum of 45 units. The Company contributes 2% of the total monthly salary to the pension fund, which is deposited into a dedicated account at the Bank of Taiwan under the name of the Labor Pension Reserve Supervisory Committee. Furthermore, before the end of each fiscal year, the Company estimates the balance of the aforementioned account. If the balance is insufficient to cover the estimated pension payments for employees expected to retire in the following year, the Company will contribute the difference in a lump sum by the end of March of the next year.

For the fiscal year 2025, the Company's expected contribution to the pension plan under the Labor Standards Act is NT\$13 thousand.

(2) Defined Contribution Plan: Years of Service under the Labor Pension Act (New System)

Since July 1, 2005, the Company has established a defined contribution pension plan in accordance with the "Labor Pension Act," applicable to employees of R.O.C. (Taiwan) nationality. For employees who opt for the pension system under the "Labor Pension Act," the Company contributes 6% of their monthly salary to their individual pension accounts at the Bureau of Labor Insurance. This ensures stable pension contributions and payments to safeguard employees' post-retirement lives. Furthermore, the Company's internal regulations explicitly define retirement criteria, payment standards, and application procedures. The claiming of pension benefits is processed in accordance with the provisions of the "Labor Pension Act."

The Company's pension costs recognized in accordance with the Pension Regulations were NT \$ 3,178 thousand in 2025.

(11) Establish an employee welfare committee in accordance with the law to properly plan and provide various employee welfare measures

item Head	Inside Allow
Welfare subsidy projects	Weddings, funerals, weddings, celebrations, childbirth, injuries, illnesses, emergency relief, etc.
Educational Grants	Subsidies for workers' further training, scholarships for children's education, etc.
Leisure and	Family day activities, employee dinners, birthday gifts

recreational projects	
Other welfare matters	Holiday Rewards

(12) Marriage and Childbirth Subsidies

The Company prioritizes employees' needs for balancing work and family responsibilities, and is committed to creating a supportive workplace that fosters marriage, childbirth, and family care.

In addition to statutory marriage leave, the Company provides a wedding gift of NT\$3,600 to employees. To support employees in raising children with peace of mind, we offer a childbirth gift of NT\$3,200 per child to the employee or their spouse. Furthermore, after six months of service, employees may apply for unpaid parental leave before each child reaches the age of three. This leave can be taken until the child is three years old, but may not exceed a total of two years. For employees raising two or more children simultaneously, the periods of parental leave are combined, with a maximum limit of two years for the youngest child. To further support our staff, the Company has designed a brand-new lactation room, providing new parents with a private, safe, and comfortable environment. For employees with special needs, we have also established a comprehensive remote work management system. This system allows employees to balance childcare and professional responsibilities, effectively alleviating the anxiety and pressure faced by new parents.

Furthermore, the Company's care for the next generation extends beyond early childhood to include their academic advancement. To support employees' children in pursuing higher education, the Company provides academic scholarships ranging from NT\$5,000 to NT\$12,000 per child. This initiative aims to encourage students in their academic pursuits while alleviating the financial burden on our employees. The Company aspires to be a strong pillar of support for employees throughout their parenting journey, enhancing their sense of well-being and ensuring they no longer feel overwhelmed by the challenges of raising the next generation.

	2023		2024		2025	
Project / Year, Gender	Male	Female	Male	Female	Male	Female
Total number of employees enjoying parental leave	2	1	2	3	1	2
Number of employees who actually applied for parental leave	0	0	0	1	0	1
Number of employees who should return to work after parental leave	0	0	0	1	0	1
Number of employees actually returning to work after parental leave	0	0	0	0	0	1
Marriage Subsidy	0		3,600		3,600	

Childbirth Subsidy	5,200	0	6,400
Academic Scholarship	17,000	35,000	32,000

(13) Transportation allowance subsidy

Provide transportation allowance subsidies to employees who have a long commute to get off work to reduce the transportation expenses they need to bear every day.

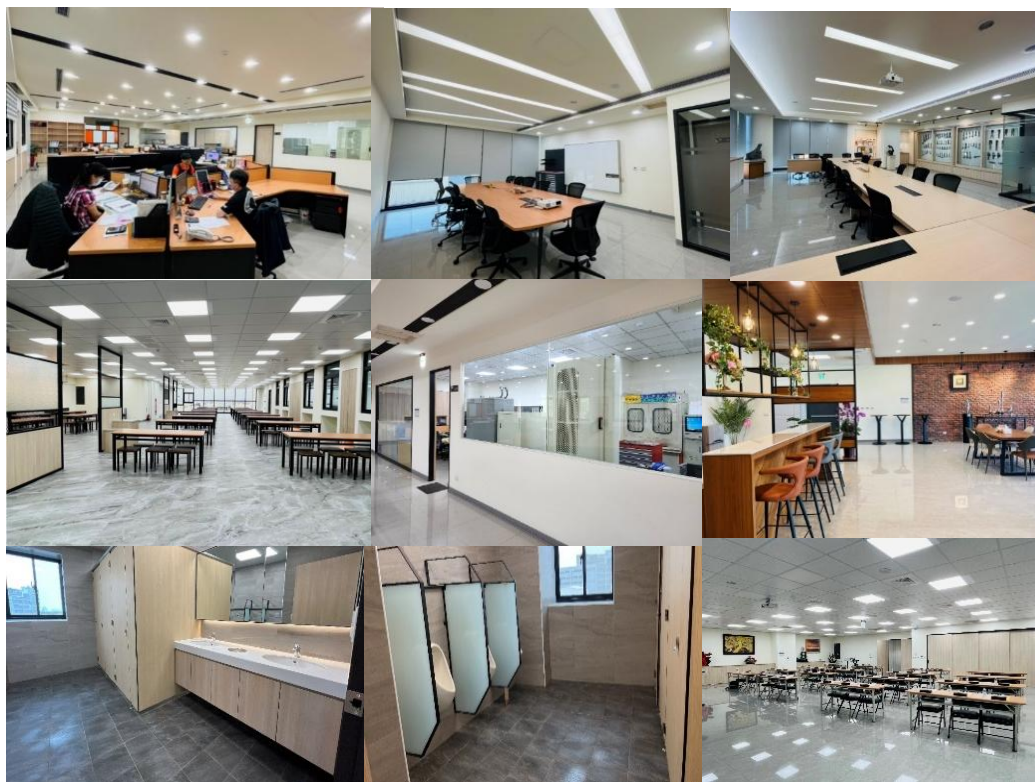
*Average employee benefits

Unit : NT\$ thousand / person

year	2023	2024	2025
Average employee benefits	717	692	755



▪The above are photos of the company's Family Day activities and dinner parties.



- The above are Company Environment-Friendly Workplace

7.5 Protecting human rights and labor-management communication

7.5.1 Human Rights Governance Framework

Proxene has established a Human Rights Governance Framework with the Board of Directors at the highest level. This framework encompasses various functional organizations, including Information Security, Corporate Sustainability, Customer Service, Environmental Health and Safety (EHS), Human Resources, Information Technology, Legal Affairs, Materials Management, Operations, Quality & Reliability, and Research & Development. The Sustainability Working Group systematically and effectively implements human rights management initiatives. The progress of the Sustainability Working Group is regularly reported by the Corporate Governance Officer to the Board of Directors and the Sustainability and Nomination Committee.

In addition to mandatory labor law and general occupational health and safety (OHS) training (which in 2025 reached 60 participants with a total of 240 training hours), Proxene organizes human rights training at least once a year. The curriculum includes the prevention of unlawful infringement, international human rights policies, and sexual harassment prevention. Relevant regulations are also publicly announced and disclosed. Moving forward, Proxene will continue to monitor human rights protection issues and promote relevant education to enhance human rights awareness and mitigate potential risks.

7.5.2 Human Rights Policy and Management

Proxene respects and supports the basic human rights in international conventions, including the principles and spirit of the "United Nations Universal Declaration of Human Rights", "United Nations Global Compact", and "International Labor Organization Declaration on Fundamental Principles and Rights at Work".

It does not employ child labor, prohibits forced labor, opposes discrimination or differential treatment in employment, provides a safe and hygienic working environment, etc., and abides by domestic labor-related laws and regulations such as the "Labor Standards Act", "Gender Equality in Employment Act", and "Occupational Safety and Health Act". It formulates personnel management rules and related work codes. All labor conditions from employee recruitment, appointment, related benefits to retirement are in compliance with relevant laws and regulations. In accordance with the Labor Standards Act and related laws, it establishes "work rules" and complete personnel management regulations to implement equal remuneration, employment conditions, training and promotion opportunities to protect the rights and interests of employees.

Create a safe and healthy working environment	Provide a safe and healthy working environment and necessary first aid measures, regularly conduct fire safety inspections and building public safety inspections, and hold disaster prevention drills to eliminate hazards in the working environment that may affect the health and safety of employees and reduce the risk of occupational accidents.
Provide fair and reasonable wages and working conditions	Provide effective protection of labor rights and interests and friendly and harmonious labor-capital relations, implement fairness in employment, salary and benefits, training, evaluation and promotion opportunities, and provide an effective and appropriate complaint mechanism to avoid and respond to matters that endanger employee rights and interests.
Eliminate discrimination and ensure equal employment opportunities	In order to ensure equal working opportunities for employees, no differential treatment or any form of discrimination based on gender (including sexual orientation), race, class, age, marital status, language, ideology, religion, party affiliation, place of origin, birthplace, appearance, facial features, physical or mental disabilities, etc. is allowed.
Prohibition of child labor	The company complies with government labor regulations, local minimum age laws and regulations for employment, and does not employ child labor.
No forced labor	The company complies with government labor laws and regulations, regularly cares about and manages employee attendance, and does not force labor.
Protecting privacy and preventing harassment	Protecting privacy - Once illegal infringement occurs in the workplace, the company has set up a special complaint line and is committed to protecting personal privacy during the complaint process of colleagues to create a friendly working environment. Prevention of harassment - When new employees arrive, we will conduct legal compliance education, including prevention of sexual harassment, anti-discrimination, anti-harassment, implementation of working hours management, guarantee of humane treatment and healthy and safe working environment. We will also make public announcements to let employees know that they have the

	responsibility to avoid illegal workplace infringements during the performance of their duties.
Respect for freedom of association	Respect employees' basic human rights, strengthen labor human rights protection (such as the right to organize trade unions), and provide diversified communication mechanisms and platforms to ensure a harmonious and win-win labor-management relationship.
Providing complaint mechanisms and channels	We have established multiple communication channels such as employee complaint hotline, complaint mailbox, labor-management meetings, etc. to provide employees with a way to report problems.
Help employees maintain physical and mental health and work-life balance	We care about the physical and mental health of our employees. In addition to providing free health checks for employees on a regular basis, we also organize diversified activities such as dinners and family day activities from time to time to enrich the concept of "work-life balance" and take comprehensive care of the physical, mental and spiritual health of our employees.

The various diversification indicators in the past three years are as follows:

◆ Employee ethnicity indicators

Year	2023		2024		2025	
Category	Of all employees Proportion (%)	Management level Proportion (%)	Of all employees Proportion (%)	Management level Proportion (%)	Of all employees Proportion (%)	Management level Proportion (%)
Nationality	67.5%	100%	69.5%	100%	68.8%	100%
Foreigners	32.5%	0%	30.5%	0%	31.2%	0%

◆ Female Diversity Index

Ensure that women have equal opportunities to participate in decision-making and leadership in economic, political, and public affairs, enhance the diversity and inclusiveness of organizations, and enhance the diversity of opinion and decision-making.

Index	2023	2024	2025
The percentage of female employees in the total workforce (%)	37.3%	38.4%	39.01%
The percentage of female in managerial positions (%)	26.7%	33.3%	25.00%

◆ Other Diversification Indicators

Category		2023	2024	2025
People with disabilities		1.8%	2%	2.1%
All Staff	By age group: 18~30	15.1%	11.9%	11.3%

	By age group: 30~50	60.2%	62.9%	65.3%
	By age group: 50 and above	24.7%	25.2%	23.4%
	Total	100%	100%	100%

7.5.3 Labor-Management Communication

Harmonious labor-capital relations are the cornerstone of corporate development. The company's labor-employment relations have maintained a harmonious, stable and prosperous relationship over the years. In addition to establishing a comprehensive employee welfare system and providing a comfortable and friendly working environment , it also provides employees with complaint channels to understand their various difficulties and needs. In the most recent year and up to 2025, Proxene has not suffered losses due to labor-capital disputes.

According to the "Implementation Measures for Labor-Management Meetings", the Company invites labor representatives to state employees' opinions on various issues. Representatives from both labor and management fully discuss issues of concern to employees at the meetings to build consensus between the two parties . Labor-management meetings are held regularly to promote harmony between the two parties and to create good labor-management relations. Labor-management meetings are held quarterly with 5 representatives from each party participating in the meetings . Employees are encouraged to communicate with relevant personnel in an open and transparent manner at any time if they have any opinions.

In addition to labor-management meetings, the company also holds management meetings regularly to collect employee opinions and provide appropriate responses and improvement plans. In addition, the employee welfare committee is responsible for the planning and implementation of various welfare plans, promotes various employee welfare activities, and holds meetings from time to time. The number of labor and management representatives in labor-management meetings and employee welfare committees is as follows:

Name of communication organization	Labor Representative	Capital Representative
Labor-Management Meeting	5	5
Employee Welfare Committee	6	2

In addition, the Company's internal network and website also have email mailboxes that can be used to communicate directly with senior managers, so that colleagues can feel free to complain or express their opinions through this channel. If employees have any suggestions for the company's operations or believe that their rights and interests have been damaged, they can feedback their opinions and ideas through the above channels in order to achieve the purpose of two-way communication .

7.6 Occupational Safety and Health

Major topic: Occupational safety and health (GRI 403)				
Policy / Commitment	Policy: Establish a "Safety and Health Work Code" to create a work environment that complies with environmental protection and occupational safety and health, and work together with colleagues to maintain a safe working environment. Commitment: Provide employees with a safe, healthy and quality workplace, and maintain the safety of contractors and visitors ● Establish a safe and hygienic working environment and promote health maintenance; ● Cherish life and create sustainable value for the enterprise.			
Target	Short-term: Disabling injury frequency ≤ 3.50; Disabling injury severity rate ≤ 50.50 Mid- to long-term: Create "zero accidents" and a good workplace environment			
Management measures	1. Set up an occupational safety and health management organization 2. Set up access control monitoring facilities 3. Establish the specifications for the operation of each equipment 4. Preparation, maintenance and use of protective equipment 5. Regular inspection and management of equipment 6. Appoint environmental protection, industrial safety and fire protection related personnel to perform fire safety work 7. Safety and health education and training 8. Set up health and first aid facilities			
Evaluation/Monitoring Mechanism	The Industrial Safety Office identifies and assesses hazard risks, classifies and controls risks, and conducts regular audits and improvements for those with higher risks.			
Concrete Results	Year	2023	2024	2025
	Total working hours(hours/year)	298,552	293,302	315,984
	Number of accidents	1	2	1
	Number of deaths	0	0	0
	False alarm rate	Not counted	Not counted	Not counted
	Disabling Injury Frequency (Note)	0	0	3.16
	Disabling Injury Severity Rate (Note)	0	0	139.25
	* Cause of the accident in 2023: Minor injury , no disabling injury * Causes of accidents in 2024: 1 minor injury accident, 1 commuting accident , no disabling injury accidents * Causes of accidents in 2025: 1 permanent partial disability. Although it did not meet the criteria for a major occupational hazard as stipulated in Article 31 of the " Enforcement Rules of the Labor Standards Act ", the frequency of disability injuries caused by this accident reached 3.16 and the severity rate of disability injuries reached 139.25. The incident has been reported in accordance with the law.			

Note: Disabling injury frequency = (number of disabling injuries ÷ total working hours) × 1,000,000;
 $(1/315,984) \times 1000000 = 3.16$

Disability injury severity rate = (total number of lost working days ÷ total working hours) × 1,000,000 ;
 (44/315,984)×1000000=139.25

The number of disabling injuries refers to the number of injuries resulting in death, permanent total disability, permanent partial disability, temporary total disability, etc.

Total experienced working hours refers to the total number of hours actually worked by employed workers.

7.6.1 Protection of employees' working environment and personal safety

Proxene is committed to providing employees with a safe, healthy and high-quality workplace. In accordance with the "Occupational Safety and Health Act", it has established the "Safety and Health Work Code" and established an occupational safety office, with one occupational safety and health business supervisor and one occupational safety and health manager to coordinate the safety and health management plan, assist departments in identifying work hazards, establish safe work standards, plan, guide and supervise various safety and health matters, and prevent various potential hazards and accidents, and send them to the Taichung City Labor Inspection Office for review and filing. The Occupational Safety Office identifies and assesses the risks of process operation hazards, and classifies and controls the risks. Those with higher risks are regularly audited and improved to achieve occupational safety and health performance goals. Fire safety inspections and building public safety inspections are regularly carried out to implement the "zero accident" policy for occupational safety and health, and strive to comply with government environmental protection laws to implement and achieve safety and health management goals. Through the planning (Plan), implementation (Do), inspection (Check) and improvement action (Action) cycle process, the company's safety and health management performance is continuously improved to ensure that employees can get the greatest protection at work.

Over the past two fiscal years, Proxene experienced one incident in 2025 where a fine was imposed for a violation of the "Occupational Safety and Health Act" and its associated regulations. Apart from this instance, there have been no official fines related to fire incidents or the use of uncertified hazardous machinery and equipment. To prevent recurrence, Proxene is committed to strengthening on-site inspections and increasing the frequency of equipment maintenance. We will also reinforce internal communications regarding standard operating procedures (SOPs) and enhance our overall safety and health management. Through continuous training and internal meetings, we remain dedicated to promoting the importance of occupational safety to all employees.

The main measures for occupational safety and health management are as follows:

Management measures	Illustrate
Setting up occupational safety and health management organization	The Company attaches great importance to the personal safety of each employee. In order to achieve effective management, supervision and improvement, the company has established an occupational safety and health office , with one occupational safety and health business supervisor and one occupational safety and health administrator to coordinate the safety and health management plan, plan, guide and supervise various safety and health matters.

Set up access control monitoring facilities	The Company has a monitoring system and access control facilities to strictly control the entry and exit of personnel to ensure the personal safety of employees.
Establish the specifications for the operation of each equipment	The "Safety and Health Work Code" clearly stipulates the standards for various machine repair or operation operations. Some machine operations must be performed by qualified and licensed professionals assigned by the company.
Preparation, maintenance and use of protective equipment	When employees must use personal protective equipment for work, they should use it in accordance with regulations and perform necessary inspections and maintenance to maintain performance and ensure work safety. If there is a shortage or damage, relevant personnel must be notified to replenish it immediately to ensure that they can get proper protection during work.
Regular equipment inspection and management	For each machine, equipment or tool in the factory, the supervisor of each unit must lead the relevant personnel to carry out regular inspection, key inspection, check, maintenance and upkeep in accordance with the relevant provisions of the occupational safety and health management regulations. The inspection methods are divided into regular inspection, key inspection, operation check, etc., which shall be jointly determined by the user unit and the safety and health business supervisor and implemented according to the plan.
Fire safety	Appoint environmental protection, industrial safety and fire protection related personnel to regularly perform fire safety inspections and building public safety inspections, and hold disaster prevention drills to provide employees with a safe working environment. Proxene fire safety implementation is as follows: ● Perform routine fire source inspections every month ● Conduct monthly inspections of fire shelter facilities ● Perform monthly fire safety equipment inspections ● Self-defense firefighting group training once every six months ● Perform fire safety equipment inspection once a year
Safety and health	New employees and changed employees of the company must receive the necessary safety and health education and training for the job. In addition, special workers engaged in occupational safety and health education and training rules Article 13 should receive safety and health education and training for the job and obtain a qualified

education and training	license. On-site workers should learn first aid knowledge and be familiar with cardiopulmonary resuscitation first aid methods to meet emergency needs.
Set up health and first aid facilities	In order to provide colleagues with a safe and hygienic working environment and prevent the occurrence of occupational hazards, Proxene also provides annual health examinations for employees, arranges for special professional medical care to provide on-site services, and prepares first aid kits within the company in case of emergency, in order to provide employees with a safe and healthy working environment.

Proxene continues to invest in and pay attention to various labor safety and health measures, including safety and health education and training for new employees, on-site machinery and equipment safety inspection and maintenance, provision of personal safety protective equipment, fire training, workplace environmental hazard monitoring, occupational safety and health committee meetings, labor health examinations, various education and training retraining, etc. , so that the company's employees have a safe working environment and receive due respect and remuneration.

The classification of the implementation of occupational safety and health related training courses in the past three years is as follows:

Course Category and Name		2023		2024		2025	
		Number	Total training hours	Number	Total training hours	Number	Total training hours
New staff training	Divided into general employees, technical personnel, reserve service personnel, etc. New employees are required by law to take occupational safety and health courses	21 people	63 hrs	5 people	15 hrs	21 people	72 hrs
On-the-job training	We provide general knowledge and skills enrichment and environmental safety and health awareness (environmental and occupational safety and health policies, goals, plans, considerations, etc.) for each level, including service, business, and technology , and provide advanced training based on the company's development needs. Transferred workers are required by law to take occupational safety and health courses.	0 people		0 people		0 people	
Professio	Distinguish between basic and technical	13 people	304 hrs	12 people	304 hrs	64 people	64 hrs

Course Category and Name		2023		2024		2025	
		Number	Total training hours	Number	Total training hours	Number	Total training hours
nal training	training. Receive training on specific processes and skill proficiency to achieve breakthrough development in your work.						
Training for personnel responsible for environmental and occupational safety and health management	Training of operators with relevant duties in the environmental and occupational safety and health management system Occupational safety and health business supervisor training Back to training Occupational safety and health administrator Back to training Dust operation supervisor training Forklift training Back to training Forklift training Stationary crane operators Back to training Stationary crane operators Initial training 38 hours First aid training 16H	1 person 1 person 1 person 2 people	6 hrs 12 hrs 3 hrs 3 hrs	 1 person 2 people 3 people 2 people	 12 hrs 6 hrs 114 hrs 76hrs	1 person 5 people 1 people 2 people 2 people	6 hrs 15 hrs 18 hrs 6 hrs 76 hrs
Emergency Response	(such as fire fighting, drills, emergency escape, and first aid personnel training) for the organizational members compiled according to the emergency response plan . Regular drills and tests should be conducted every year to confirm the reliability of all procedures and measures in the actual operation process and contingency plan.	65 people	260 hrs	75 people	300 hrs	60 people	240 hrs



Fire safety training



Self-defense firefighting team training



Explanation on the operation and use
of fire-fighting equipment



Fire extinguisher operation drill

7.6.2 Labor health examination and management

Proxene provides labor health services in accordance with the "Occupational Safety and Health Act" and the "Labor Health Protection Rules", and has signed an on-site medical care service contract with the "Dajia Li General Hospital ". On -site physicians perform services four times a year (2 hours each time), and on-site nurses perform services four times a month (2 hours each time). Regular general health examinations are conducted on-the-job workers, and graded management is implemented based on the examination reports. They are listed as key medical care on-site tracking and consultation targets according to the severity of the hazard level.



On-site health services provided by
professional doctors



First aid training courses

In-factory health service items:

1. Analysis and evaluation of workers' physical (health) examination results.
2. Assist in selecting workers for appropriate jobs.
3. Follow-up management and health guidance for those with abnormal health examination results.
4. Assessment and case management of workers with high occupational health risks.
5. Planning and implementation of measures such as workers' health education, hygiene guidance, and physical and mental health protection.
6. Prevention of work-related injuries and illnesses, and health consultation.
7. Assist in identifying and evaluating hazards to workers' physical and mental health in the workplace environment, operations, and within the organization, and propose improvement measures or improvement plans.
8. Assist in investigating the relationship between workers' health status and work.
9. Assist in providing consultation and suggestions on functional assessment, job redesign or adjustment for workers returning to work.

The results of the implementation of labor health protection services in the past three years are reported as follows:

In-plant health services

Implementation details	Implementation Status			Remark
	2023	2024	2025	
Nurse: 4 times a month, 2 hours each time Doctor: 4 times a year, 2 hours each time	Total on-site service hours of nurses: 96 hours Total hours of on-site physician service: 8 hours	Total on-site service hours of nurses: 96 hours Total hours of on-site physician service: 8 hours	Total on-site service hours of nurses: 96 hours Total hours of on-site physician service: 8 hours	

Risk Assessment

Implementation details	Implementation Status			Remark
	2023	2024	2025	
Identification of work environment hazards and health risk management (including special work health monitoring plans)	Prepare health protection plans according to the risk level of hazards	2024/6/17 Accompanied by occupational doctors, business unit organizers and production line supervisors, we visited the factory to help identify and evaluate the workplace environment and operating procedures and provide relevant improvement suggestions	2025/11/24 A physician conducted an on-site annual occupational environment hazard identification and provided specific improvement recommendations for various operational areas within the plant.	

Occupational injury and disease prevention, case management, etc. and record keeping		① Regularly carry out environmental hazard identification and risk assessment in the factory area ②No related cases have been reported this year	①regularly monitors the occupational work environment and conducts periodic health examinations for employees involved in hazardous operations, such as those exposed to high temperatures, noise, and dust, in accordance with regulatory requirements. ②No related cases have been reported this year
Prevention of Illegal Harm in the Workplace		① It is recommended to conduct hazard identification and risk assessment regularly ②No related cases have been reported this year	① It is recommended to conduct periodic hazard identification and risk assessments for the prevention of unlawful infringement in the workplace, ensuring that preventive and management measures are reviewed and adjusted accordingly. ②No related cases have been reported this year



Annual Physician Factory Inspection

Health checkup report analysis and grading management

Implementation details	Implementation Status			Remark
	2023	2024	2025	
Workers' physical (health) examination results and analysis Level 1: No health education is needed, and the patient's health condition allows him to maintain his original lifestyle. Level 2: Slight changes in lifestyle and eating habits can improve health. Level 3: requires face-to-face health education by a physician, and health status may require medical intervention to improve. Level 4: Immediate return for consultation or medical treatment is required. Others: Follow -up examination is required to assess health status.	Total number of health checks: 68 people First level (no health education required): 30 people 2 (personal health guidance sheet): 28 people health education required): 5 people Level 4 (immediate return visit): 5 people Of nurses receiving health education: 32 people Of physician education visits: 14 people Recommended number of workers: 0 people people waiting for medical education: 0 people Number of health guidance leaflets issued: 1 people of tracking managers: 0 people	① Employees who should be inspected: 156; employees actually inspected: 156, with a completion rate of 100%. ②According to the "Labor Health and Physical Examination Management Plan", evaluate and analyze the health examination data of employees, implement health risk classification management, classify high-risk individuals, and arrange job suitability assessment and health guidance. Health management level 1: 16 people Health management level 2: 73 people Health management level 3: 47 people Health Management Level 4: 20 people		Public institutions undergo regular health checkups every 3 years. This was completed on January 12, 2024. All abnormalities found during the 2021 annual health checkup have been interviewed and completed through health education.
Labor health examination and health management of work-related abnormalities		This year, 28 people completed health guidance according to health management classification, and the results are as follows: Level 4 management completed health	This year, a total of 28 employees completed health counseling based on their health management classification. The case summaries are as follows:	

Implementation details	Implementation Status			Remark
	2023	2024	2025	
		guidance interviews: 17 people → 12 people were able to manage their own health, and 5 people were arranged for follow-up for 3-6 months Level 3 management completed health guidance interviews: 9 people → 7 people were able to manage their own health, and 2 people were arranged for follow-up for 3-6 months Second-level management completed health guidance interview: 2 people → can manage their own health	Level 4 Management: 8 employees completed health counseling interviews. 6 employees are capable of self-health management. 2 employees are scheduled for follow-up within 3–6 months. Level 3 Management: 12 employees completed health counseling interviews. 10 employees are capable of self-health management. 2 employees are scheduled for follow-up within 3–6 months. Level 2 Management: 4 employees completed health counseling interviews. All are capable of self-health management.	
Health Protection Plan for Middle-Aged and Older Workers		① Refer to the annual physical examination report to screen middle-aged and elderly workers and give priority to care for those with high health management risks ② Completed the job suitability assessment and health guidance interview: 17 people, 14 of whom were suitable for independent health management of the original job , and 3 people with high health management risk 3-6	This year, work fitness assessments and health guidance interviews were conducted for 8 middle-aged and senior employees identified as health risk cases. Following the assessments, all 8 individuals were determined fit to maintain their original work assignments and will continue with self-health management.	

Implementation details	Implementation Status			Remark
	2023	2024	2025	
		regular follow-up		
High-risk labor case assessment and management		① This year, 17 people were arranged to have personal health guidance interviews with high-risk individuals at level 4 of health management Self-management of health: 12 people Follow up employees' disease treatment results and re-examination reports every 3-6 months : 5 people ② Colleagues proactively requested health consultation and interview arrangements for their own discomfort. 2 people were advised to go to relevant clinics for medical treatment and to manage their own health.	① This year, 2 people were arranged to have personal health guidance interviews with high-risk individuals at level 4 of health management Follow up employees' disease treatment results and re-examination reports every 3-6 months : 2 people ② 1 employee proactively requested a health consultation and interview regarding personal health issues. Following the professional assessment, it was determined that the employee can proceed with self-health management.	
Abnormal workload promotes disease prevention		Recent overload investigation results show that there are 7 people suspected high-risk cases, all of whom have completed retest assessment interviews High risk → Low risk: 6 people High risk → Medium risk: 1 people	The results of a recent overwork survey and preliminary risk assessment identified 15 employees at high risk, 9 at medium risk, and 17 at low risk. Individual follow-up care interviews have been arranged for each of these employees.	

Selection of new employees

Implementation details	Implementation Status			Remark
	2023	2024	2025	
Based on the physical examination provided by new employees and the health risk assessment of workplace hazards	Of new employees evaluated: 78 Need health education: 0 people Need be completed: 0 people Need to return for consultation: 0 people Follow-up completion rate: None			
Return to Work Plan for Selected Workers and Workers with Occupational Injuries and Illnesses		No cases of occupational accidents or major injuries or illnesses were reported by public institutions this year.	August: Commuting Accident (Off-duty) One case recorded; the employee is currently recovering at home. November: Occupational Injury (On-duty) One case recorded; the employee has returned to work. An on-site physician's "Return-to-Work Assessment" is scheduled for 2026.	

Four major plans

Implementation details	Implementation Status			Remark
	2023	2024	2025	
Prevention of illegal infringements during performance of duties	Survey supervisor self - evaluation form, and evaluate 8 places in total according to the workplace or unit, and actually evaluate 8 places. Completion rate: 100%	①It is recommended to conduct hazard identification and risk assessment regularly ②No related cases have been reported this year	①It is recommended to conduct hazard identification and risk assessment regularly ②No related cases have been reported this year	
Prevention of human hazards	Harmful: 0 people Suspected of being in danger: 11 people No harm: 139 people Completion rate: 64%	Analysis of recent musculoskeletal injury symptom survey results: 11 suspected risk cases, 5 cases have completed re- evaluation interviews, and 2 cases that have not been	Analysis of recent musculoskeletal injury symptom survey results: 14 suspected risk cases. A follow-up interview and re-assessment for one high-risk case have been completed. The	

Implementation details	Implementation Status			Remark
	2023	2024	2025	
		interviewed have resigned After the assessment interview and retest , it was clarified that the musculoskeletal hazard was not directly related to the work, high risk → low risk: 5 people	evaluation clarified that the musculoskeletal issues were not directly work-related; consequently, the risk level for this individual has been adjusted from high to low.	
Abnormal load-induced disease prevention program	The overload scale is used to evaluate the risk of cardiovascular disease and the degree of psychological stress within ten years, combined with the health checkup report. High risk: 7 people Moderate risk: 20 people Low risk: 123 people Completion rate: 74%	Recent overload investigation results show that there are 7 suspected high-risk cases, all of whom have completed retest assessment interviews High risk → Low risk: 6 people High risk → Medium risk: 1 people	According to the results of a recent overwork survey and preliminary risk assessment, 15 employees were identified as high risk, 9 as medium risk, and 17 as low risk. Individual follow-up care interviews have been arranged for each of these employees to ensure their well-being.	
Maternal health protection	Implement the maternal workplace hazard risk classification table, track and care for maternal employees who are pregnant or have given birth for less than one year , and provide health information. Completion rate : Continuing Being tracked: 1 people Cases closed: 0 people	① Regularly carry out environmental hazard identification surveys in factory departments ② Maternal protection case care consultation and follow-up: 0 before delivery / 0 after delivery ③ No maternity protection cases reported by public institutions this year	①In November 2025, an on-site physician conducted a comprehensive survey for occupational environment hazard identification and risk classification across all departments within the plant. ②One maternal protection case was recorded this year. The employee completed the prenatal consultation and is currently on unpaid parental leave following childbirth. Upon her future return to work, the on-site physician will arrange a	

Implementation details	Implementation Status			Remark
	2023	2024	2025	
			postnatal follow-up and health assessment to ensure continued maternal protection.	

7.7 Social prosperity

7.7.1 Social welfare activities

Proxene adheres to the spirit of "taking from society and giving back to society" and reinvests the human, financial, knowledge and other capital accumulated by corporate operations into society through local care and integration, knowledge and experience dissemination, and participation in public welfare activities. It continues to actively participate in community group public welfare activities and support disadvantaged groups to fulfill the corporate social responsibility . The beneficiaries in 2024 include social welfare groups, disadvantaged groups, community development associations , etc. The specific implementation in 2024 is as follows:

Project	Specific Measures	Implementation Results
Community care and local cultural activities	In order to improve the welfare of residents around Proxene and promote the development of local activities, we provide financial support to local agencies, organizations or related public welfare units in Taichung, such as: ■ Sponsorship of Emergency Preparedness Dashboard, Lantern Festival and Mazu procession red envelopes ■ Occasional donations to various local organizations, including Shengang Industrial High School, the Shekou Community Development Association (Longevity Club), the Taichung City Village and Neighborhood Welfare Association, and the Shenan Community Development Association (Shekou-Shenan Neighborhood Watch).	Donation amount for 2025: NTD 186,500
Social welfare donations	Supporting social and local community welfare and providing emergency relief, such as donating to the Shengang District	Donation amount for 2025 NTD 100,000

	Office of Taichung City to provide aid for local vulnerable families.	
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Donating Institutions Over the Years	
Wanxing Palace/Fude Palace	Maternal and Child Health Association
Shekou Community Development Association	Taichung City Shengang District Office (Disaster prevention sign and fire alarm)
Rotary Club of Taichung City	Ziyun Temple
Taichung City Deaf Association	Ksitigarbha Bodhisattva Foundation
Taichung City Shengang District Shenan Community Development Association	Beizhuangli Development Promotion Association
Taichung City Greater Taichung Police Friends Association	Taiwan Center Shan Yuan Charity Association
Rotary Education Foundation	Taichung City Xinshanyuan Charity Association
Mennonite Social Welfare Charity Foundation	Taichung Huiming Private School for the Blind
Huafan Foundation	Donation to Taichung City Social Relief Fund
Purple Lotus Foundation	Donation to Shekou Fude Faith Development Association
Creation Social Welfare Foundation	Chow Tai Kwan Educational Foundation
Sunshine Social Welfare Foundation	City Dreams Baseball Association
Yingde Palace	The Urological Oncology Care Association of the Republic of China
Published a newspaper to mourn Mr. Inamori	National Taipei University of Technology
Taiwan Province Sun Moon Lake Wenwu Temple	Changhua Normal University
Kamioka High School basketball expenses	Rongxing Medical Development Foundation
Donation to Ksitigarbha Bodhisattva Foundation	Taichung Municipal Shengang Industrial Senior High School
China Christian Relief Association	Xianghe Culture and Education Foundation
Taichung City Shengang District Shekou Holy Buddha Temple	Mennonite Foundation
Genesis Foundation	



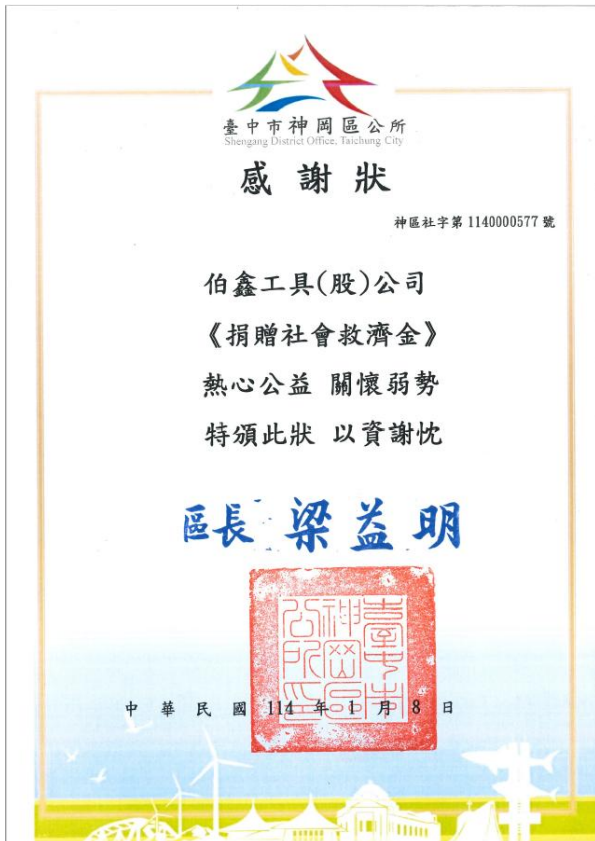
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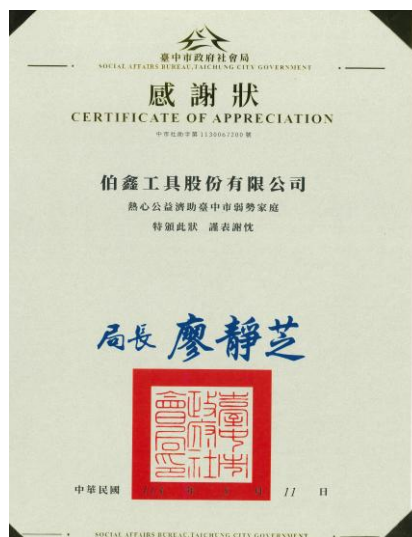
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記者魏永忠\報導



為擴充地方防災救災能量、提昇全民防災意識，神岡區梁益明區長於今(13)日主持企業捐贈防災避難看板揭牌儀式，捐贈企業伯鑫工具股份有限公司趙秀月董事長及吳傳福總經理，與臺中市政府消防局第一救災救護大隊吳幸銘大隊長、轄區各立委議員服務處代表、各里里長、社區發展協會理事長、市政顧問等共同出席參與，氣氛熱烈。





7.7.2 Participation in external organizations

In order to effectively combine and give play to the power of the industry and keep abreast of the pulse of industrial development, Proxene joined the domestic industry association and participated in various seminars held by the association as a member, interacted closely with the industry and worked together to plan for industrial prosperity.

Name of participating organization	Role
Taiwan Hand Tool Manufacturers' Association (THTMA)	Honorary Chairman/Director/Member
Tan Ya Shen Industrial Manufacturers Association (TYSIA)	Member

Appendix 1. ESG Performance

Corporate sustainable development is the core of corporate operations. Proxene has established a sound management mechanism to continuously achieve the goal of sustainable operations in terms of environment, society and corporate governance.

Category	Sustainability Indicators	Unit	2023	2024	2025
Corporate Governance	Corporate governance ranking among the top 50% of all OTC companies	%	Not involved in the evaluation	36%~50%	21%~35%
	Board attendance rate $\geq 95\%$	%	100 %	100%	Attendance in Person 98% Attendance by Proxy 2%
Risk Management	≥ 5 cyber security incident prevention actions each year	item	5	7	5
	Conduct self-defense firefighting group training ≥ 1 time per year	frequency	2	2	2
Customer Satisfaction	Customer satisfaction ≥ 8.5 points	point	8.8	8.8	8.9
	Customers complained that the company leaked order privacy ≤ 0	Item	0	0	0
Regulatory Compliance	Violation of corporate or tax laws	Item	0	0	0
	Violation of customer privacy or information security regulations	Item	0	0	0
	Violation of product or fair trading regulations	Item	0	0	0
	Violation of air pollution regulations	Item	0	0	0
	Violation of sewage discharge regulations	Item	0	0	0
	Violation of waste management regulations	Item	1	0	0
	Violation of labor and health and safety laws and regulations	Item	0	0	1
Supply Chain Management	Annual supplier evaluation maintains average ≥ 80 points	point	86.5	86.3	89.2
	Compliance rate of raw	%	100 %	100 %	100%

Category	Sustainability Indicators	Unit	2023	2024	2025
	materials that do not purchase hazardous substances and conflict minerals				
Energy Conservation and Carbon Reduction	Save electricity $\geq 1\%$ /year	%	Base Year	-13.64%	+1.40%
	Greenhouse gas emissions reduction $\geq 1\%$ /year	%	Base Year	-24.74%	-33.64%
	Strengthening climate resilience: Production disruptions caused by climate disasters	Day	0	0	0
Water Resource Management	Reduce water usage by 1% per year	%	Base Year	-1.81 %	+35.35%
Waste Disposal	Proper waste disposal: legal businesses handle waste	100%	100%	100%	100%
Labor-Employment Relations	Total turnover rate $\leq 30\%$	%	10.24 %	14.57%	14.18%
	Annual average employee training hours ≥ 5 hours	hour	1.5	10	11
	The retention rate of childcare is $\geq 80\%$	%	have not applied for parental leave	100%	100%
	The number of people with disabilities who are able to work is $\geq 1\%$	%	1.8%	2%	2.1%
Human Rights Protection	0 cases of workplace illegal infringement/ bullying / year	Pieces / year	0	1	0
	2 employee complaints/mediation cases / year	Pieces / year	1	0	0
Healthy and Safety	Health check-up participation rate $\geq 90\%$	%	100%	100%	100%
	Major occupational accidents ≤ 2 cases/year (excluding deaths)	Pieces/year	0	0	0
	Disabling injury frequency ≤ 3.5	%/Year	0	0	3.16
	Disability injury severity rate ≤ 50.50	%/Year	0	0	139.25

Appendix 2. GRI Standards Comparison Table

Usage Statement	Proxene has reported the contents from 2025/1/1 to 2025/12/31 with reference to GRI standards.	
GRI 1 used	GRI 1: Foundation 2021	
Applicable GRI Standards	Industry	None

GRI 2: General Disclosures 2021				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
Organization and Reporting Practice	2-1 Organization details	2.1 Company Profile	20	
	2-2 Entities included in organizational sustainability reporting	Reporting period, boundaries and data	4	
	2-3 Reporting period, frequency and contact person	Reporting period and publication frequency	4	
	2-4 Information Revision	Changes in reporting	5	
	2-5 External assurance/assurance	Ensure the accuracy of public information	5	
Activity With workers	2-6 Activities, value chains and other business relationships	3.1 Operational Performance and Challenges	55	
		3.2 Customer Management and Service	60	
	2-7 employees a. Total number of employees, and total number by gender and region b. Report the total number of employees in different categories	7.2 Human Resources Structure	99	
		7.2.1 Human Resources Structure Distribution in the Past Two Years	99	
	2-8 Non-employee workers	7.2.1 Human Resources Structure Distribution in the Past Three Years	99	
Governance	2-9 Governance structure and composition	2.2 Corporate Governance	24	
		2.2.1 Board of Directors		
		Board of Directors and Structure	24	
		Board Diversity and Collective Intelligence	25	
	2-10 Nomination and selection of	2.2 Corporate Governance	24	Director

GRI 2: General Disclosures 2021

Theme	Disclosure Project	Reveal Chapter	Page	Remark
	the highest governance unit	2.2.1 Board of Directors Annual shareholders meeting Board of Directors	24	Election Candidates Nomination system
	2-11 Chairman of the highest governance unit	2.2.1 Board of Directors Board of Directors and Structure	24 25	Chairman: Chairman
	2-12 The role of the highest governance unit in overseeing shock management	2.3. Integrity and ethical management	31	
	a. The role of the highest governance unit and senior management in the organization's purpose, values or vision , and strategy.	2.1.2 Organization and business responsibilities of each department	22	
	b. The highest governance body's role in overseeing the organization's due diligence and reviewing the effectiveness of the organization's procedures	2.2.1 Board of Directors	24	
	2-13 Person in charge of impact management	1.1 Organizational Responsibilities and Identification of Stakeholders	6	
	a. How the highest governance unit delegates responsibility for managing the organization's economic, environmental, and human impacts	2.1.2 Organization and business responsibilities of each department	22	
	b. Senior management or other employees report to the highest governance unit on economic, environmental and human impact management procedures	2.3.1 Integrity management 2.7 Risk Management	31 41	
	2-14 The role of the highest governance unit in sustainability reporting	1.1 Organizational Responsibilities and Identification of Stakeholders	6	
	a. The highest governance unit should review and approve reported information			
	2-15 Conflict of Interest	2.3.1 Integrity	31	Code of

GRI 2: General Disclosures 2021

Theme	Disclosure Project	Reveal Chapter	Page	Remark
	a. Describe the highest governance unit's process for ensuring that conflicts of interest are avoided and mitigated	management `Promote Integrity Management Report	31	Conduct for Listed and OTC Companies
		`Promotion of preventing insider trading	32	
	b. Whether the report discloses conflicts of interest to stakeholders	`Complaint channels for violations of professional ethics	32	
	2-16 Communicate key events a. How to communicate key events with the highest governance unit	Powers of the Company's Board of Directors 1.1 Organizational Responsibilities and Identification of Stakeholders	6	
	2-17 Collective Intelligence of the Highest Governance Unit a. The collective wisdom, skills and experience of the highest governance unit in sustainable development	2.2.1 Board of Directors `Board of Directors and Structure `Board Diversity and Collective Intelligence	24 24 25	Regularly arrange training for directors every year
	2-18 Performance evaluation of the highest governance unit a. The highest governance unit's processes for monitoring the organization's performance in managing economic, environmental, and human-related impacts.	1.1 Organizational Responsibilities and Identification of Stakeholders 2.2.1 Board of Directors	6 24	
	2-19 Remuneration Policy	7.4 Salary and Benefits	103	
	2-20 Salary Decision Process a. The organization designs its compensation policy and compensation decision process	2.2.2 Functional Committee `Remuneration Committee 7.4 Salary and Benefits	28 28 103	
	Total compensation ratio for 2-21 years	7.4.1 Annual total compensation ratio `Average and median salaries of full-time employees who are not supervisory positions	103 103	

GRI 2: General Disclosures 2021

Theme	Disclosure Project	Reveal Chapter	Page	Remark
Strategy, Policy and Practice	2-22 Statement of Sustainable Development Strategy a. Statement of the highest governance unit or the highest level of management's relationship with sustainable development and its strategy for engaging in sustainable development.	Top management team's words Chairman 's message - Sustainable development strategy	3	
	2-23 Policy Commitment a. Describe the policy commitments regarding responsible business practices b. Describe specific policy commitments to respect human rights	7.1 Talent Policy and Commitment 7.5 Protecting Human Rights and Labor-Management Communication	97 108	
	2-24 Incorporation of policy commitments a. How to integrate each RBC policy commitment into its activities and business relationships	List and management of 3 major topics	135	
	2-25 Procedures for remediating negative impacts a. Negative impacts that the organization determines to have caused or contributed to b. Describe the approach to identifying and handling complaints	7.5 Protecting Human Rights and Labor-Management Communication	108	
	2-26 Mechanisms for seeking advice and raising concerns	1.2 Discussion /communication channels for issues of concern to stakeholders	7	
	2-27 Regulatory Compliance a. Total number of major regulatory violations that occurred during the reporting period	2.4.1 Regulatory Compliance	34	

GRI 2: General Disclosures 2021				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
	2-28 Membership of Public Associations	7.7.2 Participation in external organizations	128	
Stakeholders' consultation	2-29 Stakeholder Negotiation Guidelines a. Describe the policy for consultation with stakeholders	1.2 Discussion /communication channels for issues of concern to stakeholders 1.3 Identification and generation process of major issues	7 12	
	2-30 Group Agreement a. Percentage of total employees covered by collective agreements reported	7.5 Protecting Human Rights and Labor-Management Communication	108	

GRI 3: Material Topics 2021				
theme	Disclosure Project	Reveal Chapter	Page	Remark
Major Themes	'Guidelines for deciding major issues	1.3 Identification and generation process of major issues	12	
	3-1 Process for determining major topics	1.3.1 Materiality Analysis Matrix	13	
	3-2 a. List of major topics b. Changes to the list of major topics	1.3.2 Major issues and impact on the value chain 1.3.3 Responses to major and minor issues	14 15	
	3-3 Major Theme Management	' List and management of 3 major topics	135	

◆ **List and management of 3 major topics:**

1.Economic Performance				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
GRI 201: Economic Performance 2016	201 Topic Management Disclosure	3.1 Operational Performance and Challenges 'Various operating strategies and management policies	55	

1.Economic Performance				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
	201-1 Direct economic value generated and distributed by the organization	3.1.1 Operational results that generated and distributed direct economic value in the last three years	57	
		3.1.2 Dividend Payment	58	
	201-2 Financial impacts and other risks and opportunities arising from climate change	6.1.2 Strategy		
		·Identified short-, medium- and long-term climate-related risks and opportunities	80	
		·Financial impacts of extreme weather events	82	
		·The financial impact of transformation actions	83	
	201-3 Defined benefit obligations and other retirement plans	7.4.3 Welfare measures	103	
	201-4 Financial assistance from the government	3.1.3 Financial subsidies from the government	59	

2. Waste Management				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
GRI 306: Waste and Waste 2016	306 Subject Management Disclosure	6.5 Waste Management	89	
	306-1 Waste generation and waste-related significant impacts	6.5 Waste Management		
		·Waste Generation and Impact	91	
	306-2 Managing significant waste-related impacts	6.5 Waste Management		
		·Waste Generation and Impact	91	
		·Waste Management Process	93	
	306-3 Waste Generation	6.5 Waste Management		
		·Waste Generation and Impact	91	
	306-4 Disposal and transfer of waste	6.5 Waste Management		
		·Waste Management Process	93	
		- The status and tracking of	93	

2. Waste Management				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
		final waste disposal		
	306-5 Direct disposal of waste	6.5 Waste Management		
		Waste Management Process - The status and tracking of final waste disposal	93 93	

3. Occupational safety and health				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
GRI 403 : Occupational Safety and Health 2018	403 Theme Management Disclosure	7.6 Occupational Safety and Health	111	
	403-1 Occupational Safety and Health Management System	7.6.1 Protection of employees' working environment and personal safety	113	
	403-2 Hazard Identification, Risk Assessment and Incident Investigation	7.6.1 Protection of employees' working environment and personal safety	113	
	403-3 Occupational health services	7.6.2 Labor Health Examination and Management	117	
	403-4 Worker participation, consultation and communication regarding occupational safety and health	7.6.1 Protection of employees' working environment and personal safety	113	
	403-5 Training of workers related to occupational safety and health	7.6.1 Protection of employees' working environment and personal safety Classification of implementation of occupational safety and health related training courses in the past three years	113 115	
	403-6 Worker Health Promotion	7.6.2 Labor Health Examination and	117	

3. Occupational safety and health

Theme	Disclosure Project	Reveal Chapter	Page	Remark
		Management		
	403-7 Prevention and mitigation of occupational health and safety impacts directly related to business relationships	7.6.1 Protection of employees' working environment and personal safety	113	
	403-8 Workers covered by occupational safety and health management systems	7.6.1 Protection of employees' working environment and personal safety	113	
	403-9 Occupational Injury	7.6.1 Protection of employees' working environment and personal safety	113	
	403-10 Occupational Diseases	7.6.1 Protection of employees' working environment and personal safety	113	

◆ Voluntary Disclosure Issues List and Management

Economic Aspects				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
GRI 405: Employee Diversity and Equal Opportunity 2016	405-1 Diversity of governance units and employees	2.2.1 Board of Directors	24	
		'Board Diversity and Collective Intelligence	25	
		7.2 Human Resources Structure	99	
		7.5.2 Human Rights Policy and Management	108	
		'Various diversification indicators in the last three years	110	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	4.3.2 Product Information and Labeling	71	
	417-2 Incidents of non-compliance with regulations regarding product and service information and labeling	3. Operational performance and customer service	54	
		4.3.2 Product Information	71	

Economic Aspects				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
		and Labeling		
GRI 418: Customer Privacy 2016	418-1 Complaints of proven violation of customer privacy or loss of customer data	3. Operational performance and customer service	54	
		3.2 Customer Management and Service	60	
GRI 204: Procurement Practices 2016	204-1 Proportion of procurement expenditure from local suppliers	5.2.2 Local Procurement	77	

Environmental Aspects				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	6.3Greenhouse Gas and Energy Management	85	
	305-2 Energy indirect (Scope 2) greenhouse gas emissions	6.3Greenhouse Gas and Energy Management	85	
	305-4 Greenhouse gas emission intensity	6.3Greenhouse Gas and Energy Management	85	
	305-5 Reduction of greenhouse gas emissions	6.3Greenhouse Gas and Energy Management	85	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	6.3Greenhouse Gas and Energy Management	85	
	302-2 Energy consumption outside the organization	6.3Greenhouse Gas and Energy Management	85	
	302-3 Energy intensity	6.3Greenhouse Gas and Energy Management	85	
	302-4 Reduce energy consumption	6.2 Environmental Policy and Commitment	85	
		6.3Greenhouse Gas and Energy Management	85	
	302-5 Reduce the energy requirements of products and services	6.2 Environmental Policy and Commitment	85	
		6.3Greenhouse Gas and Energy Management	85	
GRI 303: Water and Discharged Water 2018	303-5 Water consumption	6.4 Water Management	88	

Social Aspects				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
GRI 401: Labor -Employment Relations 2016	401-1 New and former employees	7.2.1 Human Resources Structure Distribution in the Past Three Years	99	
	401-2 Benefits provided to full- time employees (not including temporary or part-time employees)	7.4.3 Welfare measures	103	
	401-3 Parental leave	7.4.3 Welfare measures	103	
GRI 405: Employee Diversity and Equal Opportunity 2016	405-1 Diversity of governance units and employees	2.2.1 Board of Directors	24	
		Board Diversity and Collective Intelligence	25	
		7.2 Human Resources Structure	99	
		7.5.2 Human Rights Policy and Management	108	
		Various diversification indicators in the past two years	110	
GRI 406: Non- Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken by the organization	7.5 Protecting Human Rights and Labor- Management Communication	108	
GRI 404: Training and Education	404-1 Average hours of training per employee per year	7.3 Talent cultivation and development	101	
	404-2 Employee Enhancement and Transition Assistance Program	7.3 Talent cultivation and development	101	
GRI 413: Local Communities 2016	413-1 Operations subject to local community consultation , impact assessments and development plans	7.7 Social Prosperity	125	

Appendix 3. SASB Index Table

- Appliance Manufacturing

Theme	Code	Disclosure Indicators	Corresponding Chapter	Page
Product Safety	CG-AM-250a.1	(1) Number of recalls and (2) Total number of units recalled	4.5 Product Life Cycle and Environmental Impact, Product Quality and Safety	74
	CG-AM-250a.2	Discuss the process for identifying and managing security risks associated with the use of their products	4.5 Product Life Cycle and Environmental Impact, Product Quality and Safety	74
	CG-AM-250a.3	Total monetary losses resulting from product safety-related legal actions	4.5 Product Life Cycle and Environmental Impact, Product Quality and Safety	74
Product Life Cycle Environmental Impact	CG-AM-410a.1	Percentage of products that qualify for the ENERGY STAR program	4.5 Product Life Cycle and Environmental Impact, Product Quality and Safety	74
	CG-AM-410a.2	Percentage of qualified products certified to the Association of Home Appliance Manufacturers (AHAM) sustainability standards	4.5 Product Life Cycle and Environmental Impact, Product Quality and Safety	74
	CG-AM-410a.3	Describe efforts to manage the impact of product obsolescence	4.5 Product Life Cycle and Environmental Impact, Product	74

Theme	Code	Disclosure Indicators	Corresponding Chapter	Page
			Quality and Safety	
Activity indicators	CG - AM 000.A	Annual production	4.5 Product Life Cycle and Environmental Impact, Product Quality and Safety	74

Appendix 4. TCFD Index Table

Theme	TCFD recommends disclosure projects	Corresponding Chapter	Page
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	6.1.1 Governance	79
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	6.1.1 Governance	79
Strategy	a. Describe the short-, medium- and long-term climate-related risks and opportunities identified by the organization.	6.1.2 Strategy	80
	b. Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning.	6.1.2 Strategy	80
	c. Describe the organization's strategic resilience, considering different climate-related scenarios (including those of 2°C or higher).	Planning	-
Risk Manage	a. Describe the organization's process for identifying and assessing climate-related risks.	6.1.3 Risk Management	83
	b. Describe the organization's processes for managing climate-related risks.	6.1.3 Risk Management	83
	c. Describe how the process of identifying, assessing and managing climate-related risks is integrated into the organization's overall risk management system.	6.1.3 Risk Management	83
Indicators and Target	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management processes.	6.1.4 Indicators and targets	83
	b. Disclose Scope 1 , Scope 2 and Scope 3 (if applicable) greenhouse gas emissions and associated risks.	6.3Greenhouse Gas and Energy Management	85
	c. Describe the objectives used by the organization to manage climate-related risks and opportunities, and its performance against those objectives.	6.1.4 Indicators and targets 6.3Greenhouse Gas and Energy Management	83 85

Appendix 5. Excerpt from China Steel Corporation (CSC) 2024

Sustainability Report - Commitment to Use Conflict-Free Minerals

7.3 永續供應鏈管理

7.3.1 供應鏈類別

中鋼的供應鏈管理按供應商類別區分為設備物料採購、運輸、保全人員及協力廠商，分由不同權責單位負責管理。

中鋼供應鏈	設備物料採購	中鋼為國內最大鋼鐵廠亦屬上游及生產鋼廠，其主要原料為煤礦、鐵礦及石料，大部分仰賴國外進口
	運輸	本公司於 AEO 供應鏈相關之商業夥伴，包含製造業、進出口業、報關業、海運承攬運送業、承攬業或船務代理業、倉儲業及公路運輸業七大類共 49 家
	保全	中鋼廠區門禁安全係委由中鋼轉投資之中鋼保全公司辦理，目前中鋼保全公司駐廠人員共計有 138 人（駐衛警 105 人 + 消防 33 人）
	協力廠商	中鋼由於產業特性，傾向聘用設於鄰近地區之協力廠商，依性質分為工事、作業及環保協力，其中以工事協力廠商比重最大

7.3.2 供應鏈管理策略與目標

各類供應商之管理、考核，除透過合約或其他與合約效力相同之文件，例如：訂購單附則，提示供應商應遵守之法律及行為規範外，另由各單位分別依公司品管規章「鋼品品質手冊」之相關規定辦理，其涵蓋範圍包括對外部提供由各單位分別依公司品管規章「鋼品品質手冊」之相關規定辦理，其涵蓋範圍包括對外部提供的產品、服務及過程進行管制。本公司對供應商訂有「供應商行為準則」，訂定其管理之短、中、長期目標（詳見 CH1.3 中鋼永續目標），本公司之合格供應商均應遵守該行為準則之規定。截至 113 年 12 月底，接受「供應商行為準則」之供應商家數，總計 3,959 家，113 年新增供應商接受「供應商行為準則」

執行方案

設備物料採購

中鋼承諾所有產品及其包裝所使用或包含之金屬沒有來自剛果（金）及其周邊國家，以及這些國家內任何武裝力量控制區之衝突礦產；透過加強供應鏈管理，有效甄別和追溯原料來源。針對料源投資作業，凡具有衝突疑慮之礦產，即不列入投資評估考慮。中鋼於設備及物料採購時亦關注來源國家之人權狀況，據以做可能之調整，並於投標須知 / 合約條款規定不得行賄、不得侵權、進入中鋼廠區須遵守環安衛規定等行為準則。

運輸

針對運輸供應商相關風險均嚴加控管，除要求運輸供應商參與並通過職業安全衛生管理系統 ISO 45001 驗證外，亦須強化運輸途中之事故風險管理，以降低職業災害發生之風險。海運方面，中運自有船舶多具有環境控管相關證書，依據國際海事組織 IMO 規定，自 109 年起所有自有、租賃船舶全航程全面改採燃燒低硫油以符合環保規範。陸運方面，中鋼為降低溫室氣體排放及改善空污，於 108 年 10 月起所有出貨車輛均已完全符合環保第四、五期排放標準，現行規定車齡不得逾 15 年。

保全

依保全業法第 10 條之 2 規定：「保全業僱用保全人員應施予 1 週以上之職前專業訓練；對現職保全人員每個月應施予 4 小時以上之在職訓練。」中鋼保全公司除依法辦理教育訓練，包含法令知識、執勤技巧、人權宣導、禮儀等，每月訓練總人時達 600 小時之外，每年亦定期實施多項聯防及行政大樓之緊急狀況