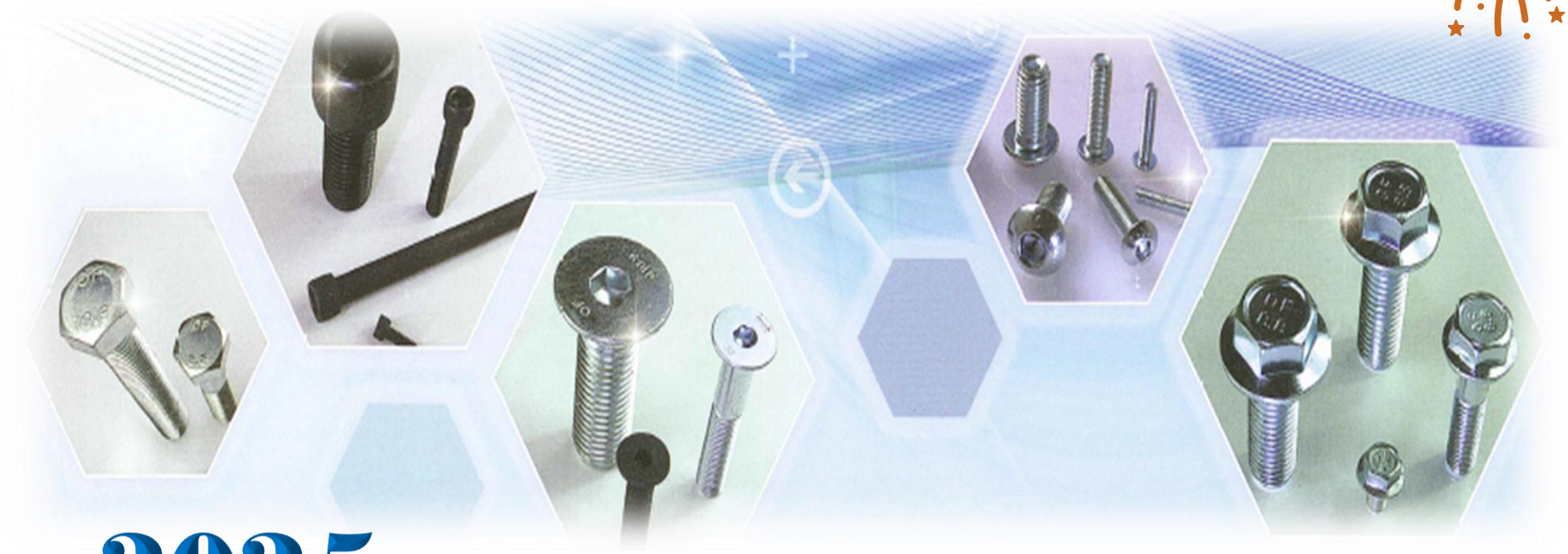
OFCO INDUSTRIAL CORP.
久陽精密股份有限公司



2025
Sustainability Report

Contents

About this Report 3

- Scope and Boundary of the Report 3
- Data Sources, Management, and External Assurance 4
- Release Date 4
- Contact Unit of the Report 5

Letter from the Chairman 6

Sustainable Performance in 2025 9

About OFCO 11

- Value Chain of Screw and Nut Industry 12
- Participation of Association 13

1 ESG Management 14

- 1.1 Stakeholder Engagement 14
- 1.2 Analysis of Material Topics 18
- 1.3 Response to the Impact of Material Issues 21

2 Governance 24

- 2.1 Corporate Governance 24
- 2.2 Integrity Management 34
- 2.3 Legal compliance 36
- 2.4 Economic Performance 37
- 2.5 Risk Management 42



3 Product Quality Management 49

- 3.1 Product Quality and Safety 49
- 3.2 Customer Service 55

4 Green Operations 60

- 4.1 Climate Change Risk Management 60
- 4.2 Energy Management 68
- 4.3 Greenhouse Gas Emissions 70
- 4.4 Waste Management 73
- 4.5 Water Resource Management 76

5 Social Inclusion 78

- 5.1 Employee Diversity and Inclusion 78
- 5.2 Talent Attraction and Retention 83
- 5.3 Talent Development and Educational Training 91
- 5.4 Occupational Safety and Health 94
- 5.5 Social Engagement and Public Welfare 103

Appendix

- 1 GRI Index Table 106
- 2 Climate-Related Information for TPEx Listed Companies 113
- 3 Greenhouse Gas Inventory and Verification Status 114
- 4 Subtainability Accounting Standard Index(SASB)- Industrial Machinery & goods 115
- 5 Assurance item summary 117
- 6 Auditor's Limited Assurance Report 119



About this report

This report is 2025 sustainability report issued by OFCO Industrial Corporation (stock symbol 5011, hereinafter referred to as “OFCO” or “the Company”). The report follows the GRI Standards issued by the Global Reporting Initiative (GRI Universal Standards 2021) and references the universal and topic-specific standards. Additionally, the report’s disclosures are aligned with the frameworks of domestic and international standard regulations, including the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”, “Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies”, the United Nation (UN) Sustainable Development Goals (SDGs), and Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) industry standards and other domestic and foreign standards and regulations . By publishing this report, the Company aims to provide the public and stakeholders with an understanding of OFCO’s short-term, medium-term, and long-term strategic goals, investments, and achievements in promoting sustainable developments and make it serve as a vital channel for OFCO to disclose non-financial information.

Scope and Boundary of the Report

The report’s scope includes only OFCO and does not encompass its subsidiary companies, including TSG Transport Corp., TSG Environmental Technology Corp., Yung-Fu Co., LTD., TSG POWER Corp. If there are discrepancies in the scope of information coverage, these will be explained in the report.

This report discloses OFCO’s performance data for the economic, environmental, and social aspects of 2025 (from January 1, 2025, to December 31, 2025). For information completeness and comparability, some performance data is traced back to information from the year 2023.The economic data and financial information disclosed in this report are consistent with the data in the 2025 consolidated financial statements audited by the CPA. The scope of the consolidated financial statements includes OFCO, its wholly-owned subsidiaries, and other subsidiaries with substantial control.

Data Sources, Management, and External Assurance

The data and information used in this report are collected and provided by various responsible departments. They are then integrated, summarized, and subsequently edited by the Sustainability Report Task Force. After the initial draft was completed, it was submitted to the heads of each unit and the general manager for review, and then submitted to the Sustainable Development Committee for approval. After being approved by the board of directors, it was released.

After the preparation of this report, PricewaterhouseCoopers, Taiwan was entrusted to perform independent limited assurance on the selected indicators per TWSAE 3000 "Assurance Engagement of Examinations or Audits of Non-historical Financial Information", thereby ensuring the quality of data disclosure through the external verification mechanism. The assurance report is included in the appendix of the report.

All the data and information in this report are compiled and investigated by OFCO. For financial data, the report references financial statements that have been audited and certified by PwC Taiwan, while other relevant information in the sustainability report is subject to OFCO’s internal periodic audits.

Release Date

OFCO will issue a sustainability report annually and simultaneously disclose relevant information on the Company’s official website in the “Stakeholder Section”

(Website: https://www.ofco.com.tw/?q=tw/parties).

Release Date: Published in August 2026

Next Release Date: Expected to be published in August 2027.

The content of the current version is also simultaneously presented on OFCO's official website, providing multiple channels to reveal the specific results of OFCO's sustainable development.

Contact Unit of the Report

To express any opinions suggestions or questions about the contents of the Report, please contact us. Our contact information is as follows

Address：25F-3, No. 502, Jiuru 1st Road, Sanmin District, Kaohsiung City

Tel: (07)3966999 ext. 421

Email：mei-yu@ofco.com.tw

Contact person: Corporate Governance Team

Letter from the Chairman

In recent years, Taiwan’s screw industry has faced an unprecedented economic downturn, with profits continuing to decline. In 2025, the U.S. Trade War further forced fastener manufacturers to bear the pressure of rising costs, resulting in shrinking gross margins. Consequently, some companies, unable to withstand the losses, were silently forced out of the market.

In early 2025, Trump was re-elected as U.S. President, ushering in an era of US-China trade war 2.0 and a global tariff war. In March, he imposed a 25% steel and aluminum taxation on all countries, including Taiwan. By June 2025, Trump increased these steel and aluminum tariffs to 50%, having a material impact on Taiwanese steel fastener exporters. The USD to NTD exchange rate rose sharply and significantly in early May, increasing by as much as 9%. This rapid appreciation has resulted in substantial exchange losses for many of Taiwan's export-oriented fastener manufacturers.

While pursuing sustainable operation and profitability, OFCO also values the Company's influence on three major aspects: environmental protection, social responsibility, and corporate governance. We also actively engage in communication with our shareholders and investors,customers, suppliers, employees, the media, and the community to maintain a good interactive relationship.

OFCO values the Board of Directors' performance in the Company's operations and governance. While enhancing the decision-making and oversight efficiency, they also strive to elevate the credibility and professionalism of corporate governance. Although the operating performance in 2025 was less than desired, it was the general trend among other firms in the same industry due to the overall economic downturn. Besides pursuing stable operations development, OFCO has spared no effort to promote corporate governance

We value resources and energy conservation, upholding the spirit of discipline to realize sustainable development while complying with laws and regulations. The Company improves production processes and efficiency to ensure effective use of various energy resources such as water, electricity, and natural gas. Meanwhile, we have introduced the ISO 14064-1 GHG inventory system and obtained external certification in 2022. OFCO also formulated proactive management plans for energy-saving and carbon reduction purposes to contribute to sustainable environmental development.

OFCO considers employees as valuable assets and actively create a stable and comforting working environment. The Company has a comprehensive occupational safety and health management system, it also conducts regular employee physical examination activities and establishes a fair system of promotion, reward and punishment. Regarding to talents, OFCO recruits outstanding talents

as well as implementing retention plans and policy of matching individuals with suitable roles. The Company offers thematic training courses of all functions, providing all specialist systems systematic trainings, enhancing the soft skills of employees and increasing the retention rate of qualified personnel. At every management level, training for each level is conducted according to its responsibilities requirements to ensure the practical implementation of sustainability spirits. The goal is to build OFCO into a competitive and sustainable organization collectively. After the operation becomes profitable, we are committed to increasing employee rewards.. Although the salary increase in 2025 did not apply to everyone, the top 25% of employees' salaries were raised by 3%-5% based on the departmental performance appraisal. OFCO values supplier management and customer relations, forging a partnership of mutual trust and benefit while upholding business ethics. We also actively engage in public welfare activities, hoping to give back to society and foster social harmony.

OFCO integrates the spirit of ESG (Environmental, Social, and Governance) into the Company's serious, professional, and disciplined operation management concept. It establishes an experienced manager team and a solid framework of corporate governance norms and sets up the Audit Committee and the Remuneration Committee. Through the promotion by the management and the supervision of the Functional Committee, it safeguards the rights of shareholders and stakeholders, enhancing the Company's sustainable value. OFCO formed the "Sustainability Report Task Force" to drive company sustainability management. The Company focuses on issues from environmental, product, economy governance, and employee and social aspects, identifying material topics of ESG sustainability issues. Through inter-departmental cooperation and coordination, OFCO formulates ESG sustainability policies and compiles sustainability reports. These reports disclose OFCO's sustainability efforts and non-financial information to stakeholders, showcasing the outcomes of communication with stakeholders.

With the intensifying impact of extreme weather events due to climate change, governments worldwide are taking active measures to slow global warming. Taiwan has set the goal of achieving net-zero carbon emissions by 2050 through the "Climate Change Response Act". In 2022, OFCO introduced the TCFD disclosure framework, in 2023, we will refer to international standards such as TCFD and SASB to expand the scope of report preparation and obtain third-party verification, enhancing climate change governance by identifying and evaluating material risks and opportunities posed by climate change.

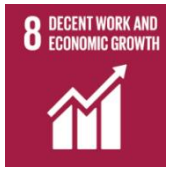
OFCO profoundly believes in "Taking from the community, giving back to society". In addition to caring for underprivileged groups such as elders living alone and single-parent families in the vicinity of the Company and donates essential supplies. The Company

also mobilizes companies and public nearby to organize blood donation events to help more lives in danger.

In 2025, OFCO implemented several public welfare activities including donating to students from economically disadvantaged families and donate LED bulbs to community activity centers to help promote energy conservation and carbon reduction. Looking ahead, OFCO will be more active in promoting and implementing various sustainability action programs that align with the UN SDGs, practicing ESG sustainable development goals of the Company.

The 11th Corporate Governance Evaluation in 2025, OFCO received recognition, ranking in the top 6% to 20% among TPEx listed companies. In June 2024, the company established a Sustainable Development Committee as a dedicated unit responsible for promoting sustainable development, which will enable it to implement various sustainable activities more efficiently.

Sustainable Performance in 2025

Aspect	Practicing the UN SDGs	The Company's Action & Annual Achievements
Environment	SDG12 **Responsible Consumption and Production**  SDG13 **Climate Action** 	• Promoted energy conservation in office and replaced energy-consuming lighting fixtures with LED energy-saving ones • Following internationally recognized ISO 9001/TAF and Product and Management Regulations, the Company obtained relevant certifications and implemented such management within the factory • Internally established and implemented a comprehensive self-inspection mechanism for production procedures to achieve the goal of stable product quality • Introduced TCFD to assess climate risks and opportunities and have incorporated climate change measures into the Company organizational strategies and planning
Social	SDG4 **Quality Education**  SDG8 **Decent Work and Economic Growth**  SDG17 **Partnerships for the Goals** 	• Adhere to the principles outlined in International Bill of Human Rights such as "Universal Declaration of Human Rights", "United Nations Guiding Principles on Business and Human Rights", "United Nations Global Compact", and "United Nations International Labour Organization", the Company respect and uphold internationally recognized fundamental human rights • Regularly review the safety of the working environment and have completed the ISO 45001:2018 Occupational Safety and Health Management System certification • The Company provided comfortable and safe working environment for the employees. In 2025,2 lectures were held in total, for a total of 20 attendees/60 hours. • In 2025, employees were invited to watch professional basketball and baseball games, with a total of 180 employees and their families participating. • Donated NTD 50,000 to the Pingtung Indigenous Cultural and Educational Association for scholarships and teacher guidance in the third year of 2025. •For the fourth time in 2025, we called on employees, suppliers, nearby businesses and residents to donate blood and do charity happily, and a total of 40 bags of blood were collected.

Aspect	Practicing the UN SDGs	The Company's Action & Annual Achievements
		•In September 2025, a donation was made to the Fengshan District Office of Kaohsiung City to replace the lights with LED lights, assisting the office in promoting energy conservation and carbon reduction. It is estimated that this will reduce carbon emissions by approximately 3,790 (kgcO2e) per year. •In 2025, a total of 60 people participated in internal and external training sessions related to integrity in business operations (including courses on compliance with integrity management regulations, occupational safety and health, quality inspection, prevention of insider trading, and internal control), totaling 392 hours.
Governance	SDG16 **Peace, Justice and Strong Institutions**   SDG17 **Partnerships for the Goals**	• In 2025, the Corporate Governance Evaluation ranked the Company within the top 6% to 20% • All directors completed 100% of the required hours of continuing education. • The attendance rate of the Board of Directors was 98%, and the attendance rate of the Audit Committee and Remuneration Committee was 100%.

About OFCO

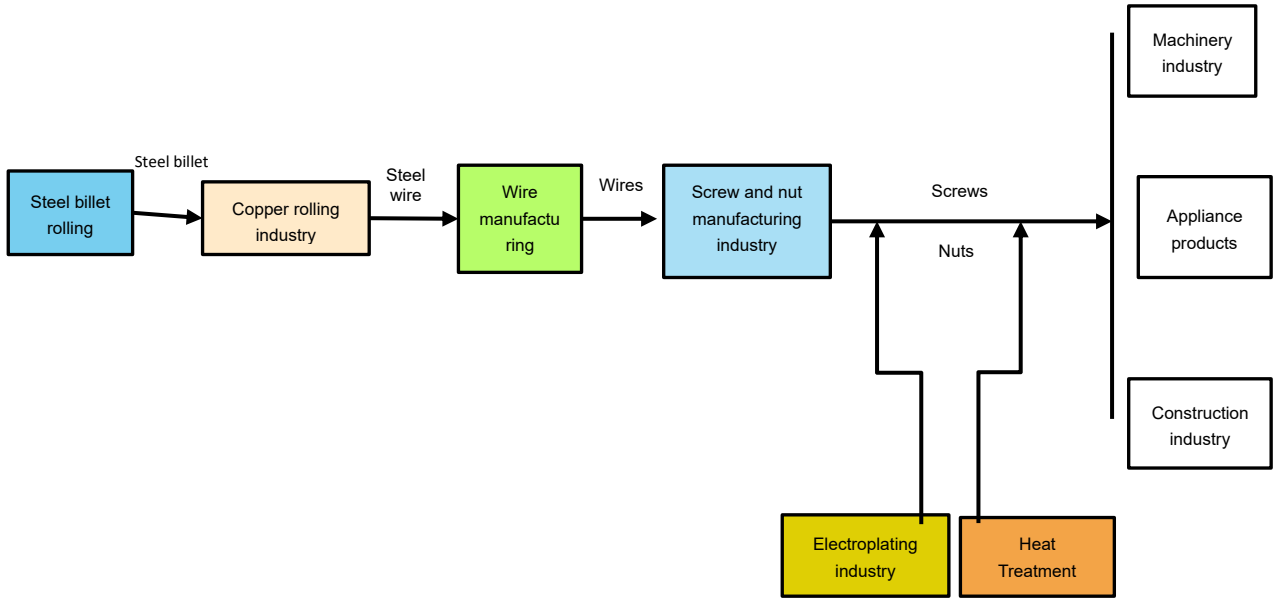
OFCO Industrial Corp. was established in 1984 and was listed on the Taiwan Stock Exchange in 1999 (stock symbol: 5011). It is currently a member of the Taiwan Steel Group. In recent years, it has integrated its strategies with the group, including the parent company, Taiwan Steel Group, and related companies such as E-Top Metal, E-Sheng Steel, GMTC, TMP, and Chun Yu. OFCO has taken a comprehensive top-down approach to enhance the competitiveness of its screw production and sales supply chain, from raw materials to finished bolts and screws. OFCO holds international certifications such as ISO 9001, ISO 14001, and TAF laboratory accreditation. With excellent manufacturing capabilities and high-quality customer service, the Company's products are marketable in European and American markets. The primary product of OFCO is internal/external Hexagon Bolts and Socket Screws, all 100% made in Taiwan!

OFCO has deep roots in Taiwan and operates in locations including the headquarters, the Qiaotou factory and the Ziguan factory. Leveraging over 30 years of expertise in screw researching, developing and manufacturing, the Company produces high-quality, precise products. By integrating resources from the Taiwan Steel Group and offering end-to-end services from upstream steel materials to finished screw products, OFCO maximizes resources, reduces production costs, and provides highly competitive pricing. OFCO's flexible production capacity and adaptable product line scheduling ensures that delivery times can meet expectations. The Company is committed to becoming a leading company in the fastener industry, focusing on quality and service!

Value Chain of Screw and Nut Industry

The development of screw products in Taiwan has a history of over six decades. In its early stages, the industry primarily served the domestic market. Through the collective efforts and learning of several generations, the industry has rapidly developed, and manufacturing technology has continuously improved. Taiwan's screw industry has had significant growth in both quantity and quality. With excellent quality and accurate delivery times, Taiwan industries have earned the trust of European and American customers. The Taiwanese screw and nut industry has traditionally been export-oriented, with direct exports accounting for nearly 90% of the total. Typically, smaller-scale screw manufacturers focus on the screw-forming processing, while the processing such as wire drawing and heat treatment, which require significant investment in equipment, are often outsourced or procured externally. OFCO benefits from the integrated resources of the Taiwan Steel Group, offering end-to-end services from upstream steel materials to finished screw products. This integrated operation system helps ensure a reliable supply, enhances competitiveness, and reduces costs.

Value Chain Diagram of Screw and Nut Industry



Participation of Association

OFCO plays a significant role in the global screw and nut industry. The Company aspires to leverage industry influence and collaborate with other companies to collectively respond to international dynamics and industry changes, promoting industry exchange and development.

Name of the Participating Association	Participation Status
台灣螺絲工業同業公會 Taiwan Industrial Fasteners Institute	Member
高雄市總工業會	Member



1 ESG Management

1.1 Stakeholder Engagement

ⅰ The Sustainability Report Task Force refers to the AA1000 Stakeholder Engagement Standard (AA1000 SES), which consists of five dimensions: Dependence, Responsibility, Concern, Influence, and Diverse Perspectives. This framework is used to identify potential stakeholders, facilitating effective communication and a better understanding of the various stakeholders' concerns.

ⅱ Following the execution of the above procedures, OFCO identified the following five primary stakeholders for the year 2025 as the main target of communication: employees, customers, shareholders and investors, suppliers, and the community neighborhood. OFCO also has a dedicated **Stakeholder Page** on its official website. Through various channels, both on a regular and ad-hoc basis, feedback and opinions from stakeholders are continuously collected, serving as a source of information for sustainability issues and assessing potential impacts.





Stakeholders	Priority Concerns	Communication and Response Methods	Communication Frequency	Communication Results of 2025	Issues Responding Chapter
Employee	•Occupational safety and health •Employee Compensation and Benefits •Employee Diversity and Inclusion •Talent recruitment and retention •Talent Development and Educational Training • Economic Performance	Contact person: Ms. Huang, Administration Section TEL：07-3966999 ＃128	On an irregular basis	•conducted the employee physical examination of the year in October 2025 •management meetings every three months. •Hold health lectures to raise employees' health awareness.	5 Social Inclusion
		Labor-Management Meetings	Quarterly		
		Communication Meetings between Executives and Employees	On an irregular basis		
		Hotline and Employee Message Board	On an irregular basis		
		Sexual Harassment Complaint Channel Hotline: 07-3966999 #128 E-mail: achiseh@ofco.com.tw	On an irregular basis		
Customer	•Product Quality and safety •Customer service management •Governance •Risk management •Greenhouse Gas Management	Customer Satisfaction Surveys.	On an irregular basis	•In 2025, all deliveries were made on time according to customers' requirements. •Our sales team holds regular business meetings to address customer needs.	2Corporate Governance 3 Product Quality Management 4 Green Operations
		Participation in various technical forums and seminars on an irregular basis.	On an irregular basis		
		Cooperation with customers to meet requirements and audits of product, environmental, responsibility, and so on, and collaborating on prevention and continuous improvement.	On an irregular basis		

Stakeholders	Priority Concerns	Communication and Response Methods	Communication Frequency	Communication Results of 2025	Issues Responding Chapter
		Active participation in domestic and international relevant trade exhibitions to enhance visibility and to communicate face-to-face with customers.	On an irregular basis		
 Shareholders/ Investors	• Economic Performance •Governance •Integrity Management •Risk management •Compliance	Organize shareholders meetings	Annually	•In June 2025 the Company organized a shareholder meeting to report the 2024 operating results and dividend distribution policy to shareholders. •The financial reports for the first, second, third, and fourth quarters have been promptly published. •A total of 2 corporate briefing sessions will be held in 2025.	 **2** Corporate Governance
		Appoint a spokesperson and deputy spokesperson	On an irregular basis		
		Delegate shareholder-related matters to a professional stock transfer agent	On an irregular basis		
		Regularly publish quarterly financial reports and operational information	On an irregular basis		
		Promptly disclose material information on the Market Observation Post System	On an irregular basis		
		For the announcement of material events, in addition to disclosing on the Market Observation Post System and the Company's website, the Company may also issue press releases or hold press conferences for clarification as needed	On an irregular basis		

Stakeholders	Priority Concerns	Communication and Response Methods	Communication Frequency	Communication Results of 2025	Issues Responding Chapter
		Established an email mailbox and contact phone number on the Company's website to create an open communication channel between investors and the Company	On an irregular basis		
 Supplier	•Product quality and safety •Occupational safety and health •Risk management •Compliance	Provide product testing approval through accredited third-party laboratories as needed	On an irregular basis	•In 2025 the Company conducted 3 shipment audit on one supplier	 3 Product Quality Management  5 Social Inclusion
		Conduct annual audits of suppliers and contractors	Annually		
 Community Neighborhood	•Water Resource Management •Waste management •Occupational safety and health •Social Engagement	Donating essential supplies	Annually	•Donated a batch of rice, oil, and other essential supplies in 2025 •Sponsored community event expenses four times in 2025 •Each factory organized 2 fire drills in 2025	 4 Green Operations  5 Social Inclusion
		Sponsoring community event expenses for Mid-Autumn Festival, Double Ninth Festival, and others	Depending on the holidays		

1.2 Analysis of Material Topics

1.2.1 Identification of major issues

To understand the relevant sustainability topics for OFCO's industry and identify key material topics for management policy development, the Company followed a series of procedures, including issue collecting and organizing, impact assessment, and material topics determination, and completed the resolution of sustainability and material topics for 2025 .OFCO conducts biennial questionnaire surveys. Based on the outcome of the survey conducted in 2024, the material issues were ranked according to the level of impact in 2025. The 18 issues with the highest positive or negative impact were selected, and from these, 10 material topics were determined.

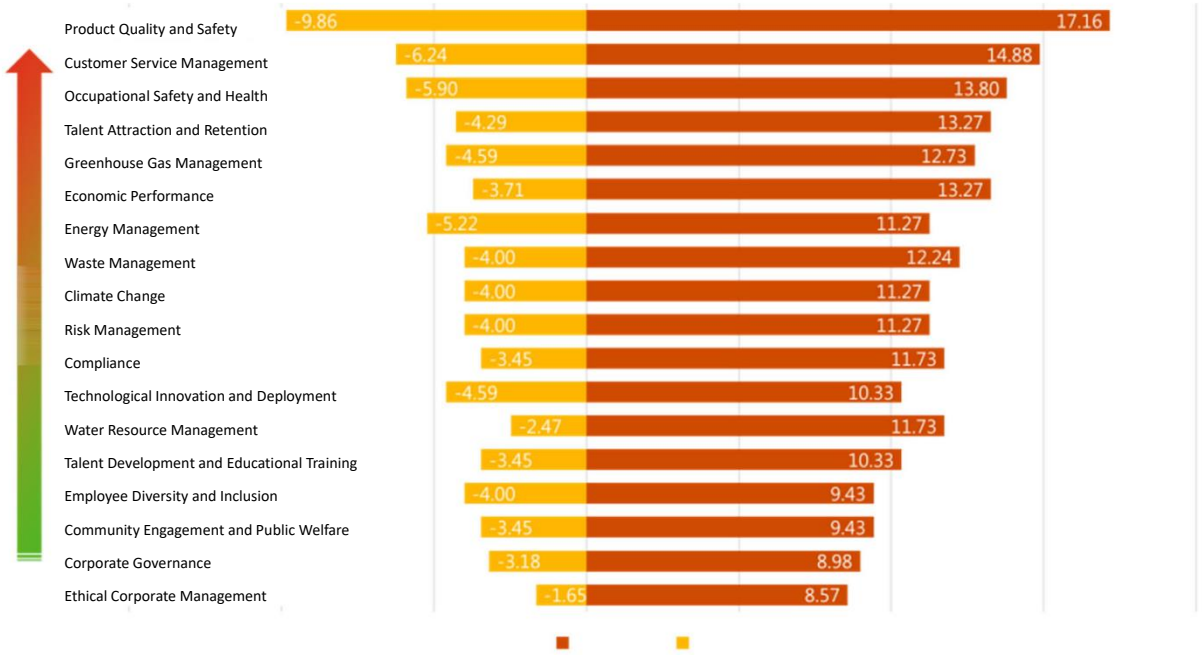
OFCO identifies operationally relevant topics based on the framework provided by the Global Reporting Initiative (GRI) standards. This process simultaneously considers global sustainability trends, domestic and international industry conditions, issues commonly concerned in the steel industry, Sustainability Accounting Standards Board principles, Sustainable Development Goals（SDGs）, Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies, and Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies. Through this process, the Company discerns the potential annual sustainability issues. Through discussions with the key management, the Company assess the impact and probability of sustainability topics in the three dimensions: social, environmental, and corporate governance. The material topics determined through this process serve as the foundation for information disclosure in this year's sustainability report.

Step	Main topics	Actual Action
Step1	Sustainability Issue Collection	In accordance with the GRI Sustainability Reporting standards and by collecting issues of concern from benchmark companies in the domestic and international industry, a set of 18 sustainability issues was identified through a process of intersection, taking into consideration common topics within the industry, while also considering OFCO's operational environment and operation concept.
Step2	Sustainability Topic Impact Assessment	An internal impact assessment was conducted on the sustainability topics, where 7 department executives were invited to assess the probability of these issues occurring and the positive/negative impact magnitude. The impact topics encompass 4 major areas: Environment, Social/Employees, Corporate Governance/Economics, and Products.
Step3	Resolution of Material Topics	The 18 sustainability issues were ranked based on their impact levels. Taking survey results into account, industry characteristics, and the Company's short-term, medium-term, and long-term strategies, the Corporate Governance Team jointly confirmed 10 material topics. These topics are presented as the focal of disclosure points for this report, along with explanations of corresponding action programs and result performance. Other sustainability issues will also be moderately disclosed in the report, providing insights into management approaches and results.

Identification of Material Topics and Resolution Process

1 Sustainability Issue Collection	2 Impact Assessment	3 Resolution of Material Topics
•GRI Standards •Peer Benchmarks •Legal Compliance Trends	•Assessment of positive/negative occurrence probability •Assessment of positive/negative impact magnitude	•Results ranking of materiality assessment •Confirmation of material topics

1.2.2 Impact Level of Material Topics



Corporate Governance Team sorted the 18 sustainability issues by their level of impact and selected the top 10 material issues with the highest positive/negative impact. 10 material topics were decided in total, they encompass Governance/Economic aspects, including “economic performance” and “risk management”; Environmental aspects, including “climate change adaptation”, “energy management”, “greenhouse gas management”, and “waste management”; Social/Employee aspects including “occupational health and safety” and “talent attraction and retention”; as well as Product-related aspects including “product quality and safety” and “customer service management”.

1.3 Response to the Impact of Material Issues

Aspect	Material Topic	Impact on OFCO’s Operations	Impact Boundaries					Correspon-ding Chapters
			Inte-rnal	External				
				Supplie rs	Investor s	Custo -mers	Com-munit y	
 Governance /Economic	Economic Performan ce	The Company continuously improves operational efficiency and product competitiveness, expanding market share, creating substantial economic value in the market. By realizing the economic value and providing labor and health insurance as well as retirement schemes, OFCO generates wealth for stakeholders and safeguards labor income, positively contributing to the economy.	V	V	V	V	V	2.4 Economic Performance
	Risk manage-ment	Through establishing a risk management mechanism, the Company can identify and evaluate the risks that the Company’s daily operations may encounter. This allows the Company to propose risk adaptation strategies, reducing its impact on the external environment, the economy, and society.	V	V	V	V		2.5 Risk management
	Climate Change Adaptation	Positive Impact: Identifying opportunities and risks associated with climate change, strengthening risk/opportunity management to reduce the impact on the Company’s business and finance, safeguarding investor interests, and enhancing climate resilience. Negative Impact: The Company’s failure to actively address climate-related issues	V	V	V	V	V	4.1 Climate Change Risk Management

Aspect	Material Topic	Impact on OFCO's Operations	Impact Boundaries					Correspon-ding Chapters
			Inte-rnal	External				
				Supplie rs	Investor s	Custo -mers	Com-munit y	
 Environment		may result in operational impacts due to flooding or droughts, impacting shareholders and employees financially.						
	Energy Manage-ment	Positive Impact: Comprehensive energy management and energy-saving improvements leading to energy saving and carbon reduction. Negative Impact: Failure to implement energy-saving improving programs resulted in increased power use and intensified carbon emissions.	V	V		V	V	4.2 Energy Management
	Greenhous e Gas Emissions	Positive Impact: Conducting an inventory on greenhouse gas emissions, implementing carbon reduction plans to reduce greenhouse gas emissions, and addressing economic losses related to energy-related risks at operational sites through energy management and energy-saving strategies. Negative Impact: Failure to manage greenhouse gas emissions will contribute to the greenhouse effect. Future carbon taxes may increase operational costs and may not meet customer expectations. Continuing to use non-renewable energy and failing to implement energy-saving programs will result in increased greenhouse gas emissions, exacerbating global warming.	V	V	V	V	V	4.3 Greenhouse Gas Emissions
	Waste manage-ment	Positive Impact: Reducing waste generation through the use and management system of raw materials. Negative Impact: Outsourcing waste removal and disposal. If the removal and disposal service provider violates environmental regulations by indiscriminately dumping waste, the Company is jointly responsible under Waste Disposal Act.	V	V		V	V	4.4 Waste management
 Social/ Employees	Occupation al Safety and Health	OFCO is committed to creating a safe and stable working environment. The Company implement hazard identification and risk assessment to reduce potential dangerous events and actively promotes employee well-being through various physical examination and environmental checks, fostering a balanced physical and mental state for employees while ensuring the highest product quality in a safe and healthy working environment.	V	V	V			5.4 Occupational Safety and Health

Aspect	Material Topic	Impact on OFCO's Operations	Impact Boundaries					Correspon-ding Chapters
			Inte-rnal	External				
				Supplie rs	Investor s	Custo -mers	Com-munit y	
	Talent Attraction and Retention	OFCO offers comprehensive remuneration, promotion, and benefits systems in compliance with legal requirements to safeguard employees' rights. The Company aims to create a safe and stable working environment that allows employees to utilize their skills, grow with the Company, provide employment opportunities in the local community, and contribute to regional economic growth.	V					5.2 Talent Attraction and Retention
Product	Product quality and safety	Positive Impact: OFCO primarily focuses on exports, thus closely monitoring relevant regulations in the fastener industry, such as EU/ISO/REACH/RoHS/CBAM, in the EU and Americas regions, and conforming to the latest regulatory standards for production and quality control are required. Negative Impact: Quality control laboratory is equipped with high-standard testing equipment, which complies with TAF testing standards. The laboratory regularly participates in the mutual verification of testing techniques with CTS, a third-party testing organization. This rigorous control ensures that the Company's product quality aligns with international regulations and meets customer requirements.	V	V		V		3.1 Product Quality and Safety
	Customer Service	Annual customer satisfaction reflects feedback from customer on the quality of OFCO's services. By providing excellent	V			V		3.2 Customer

2 Governance

2.1 Corporate Governance

2.1.1 Operation Organization Chart and Sustainable Governance

OFCO upholds a business attitude of honesty and integrity and progressively strengthens the functions of the Board of Directors. The Company has established a professional manager team to enhance company sustainability and risk management mechanisms continuously. In 2023, the Sustainability Report Task Force was established, And a sustainable development committee was established in June 2024，planning to create a Sustainable Development Committee at an appropriate time. The Company is also planning and establishing risk management procedure to build sound Corporate Governance System and achieve sustainable development.

OFCO is committed to building a practical corporate governance framework. Following the Company Act of the Republic of China and other relevant regulations, the Company has established a comprehensive Corporate Governance System, including Corporate Governance Best Practice Principles, Ethical Corporate Management Best Practice Principles, and Corporate Social Responsibility Best Practice Principles. The Company gradually implements various systems and rules to enhance the quality and effectiveness of corporate governance continuously. These measures protect the interests of shareholders and stakeholders, ensure that the spirit of corporate governance is properly implemented, and strive towards the Company's sustainable operations.

Company operating base

	
Qiaotou Factory	Head office

While pursuing sustainable operation and profitability, OFCO values the Company’s impact on environmental, social, and governance aspects. Therefore, the Board of Directors established a Sustainability Development Committee, and through the four functional groups established—, Corporate Governance team, Sustainability Environment team, Social Participation team, , and Information Disclosure team—to be responsible for different business operations and annual projects.These groups promote corporate sustainability management, focusing on issues such as the environment, products, governance economics, and the social aspects of employees. By preparing sustainability reports, OFCO discloses its sustainability practices to stakeholders and demonstrates the results of communication with them. The four groups integrate all relevant units into joint management, enhancing professionalism and reliability, and report annual plans, implementation results, and supervision effectiveness to the Sustainability Development Committee.

The Sustainability Development Committee assumes long-term responsibility for the sustainable development of OFCO. Within the framework of sustainable development goals, it formulates corresponding short, medium and long-term business strategies in conjunction with operational planning. Through a systematic and organized approach, it deeply embeds various sustainable development indicators into the company's corporate culture and shares and communicates the results of the company's sustainable development with employees, shareholders and investors, customers, suppliers, and the community. By establishing good interactions with external stakeholders, it works together to achieve sustainable growth goals.

OFCO Organizational chart of the Sustainable Development Committee



2.1.2 Board of Directors Structure and Operation

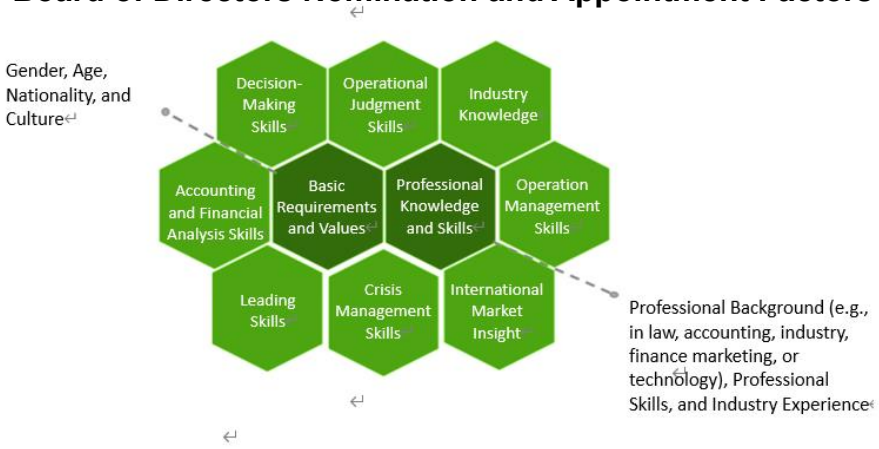
1.The state of operations of the Board of Directors

Following the “Articles of Association of OFCO Industrial Corporation”, the Board of Directors comprises eight to eleven members, including at least three independent directors, constituting at least one-fifth of the total board seats. Directors have a three-year term and are nominated through a Candidate Nomination System. The shareholders’ meeting conducts the appointment of directors, and re-election is permissible. In 2023, OFCO had night members on its Board of Directors, with three of them being independent directors, accounting for approximately 33% of the total. The independence is in compliance with legal requirements. But in September 2024, one of the directors resigned and no new representative was nominated by the end of the year. OFCO uses the board of directors as the highest governance unit, with the chairman of the board serving as the chairman of the board, responsible for convening and presiding over board meetings. In 2025, the Board of Directors convened a total of 10 times meetings, and the attendance rate of directors in person was 98%.

Nomination and Appointment of the Board of Directors

OFCO has established its “Corporate Governance Best Practice Principles”. The composition of the Board of Directors is based on diversity and the operation, business model, and development needs of the Company. These factors define the two nomination criteria, along with eight core competencies for eligibility. In 2023, OFCO’s board comprised 9 members, including 3 independent directors. The board members possess extensive experience and expertise in fields such as finance, commerce, and management. Furthermore, OFCO emphasizes gender equality within the board’s composition. In 2023, out of the 9 board members, 1 is female directors, accounting for 11% of the total(At the year end of 2025, there were 8 actual directors in office, 12% of whom were women)..

Board of Directors Nomination and Appointment Factors



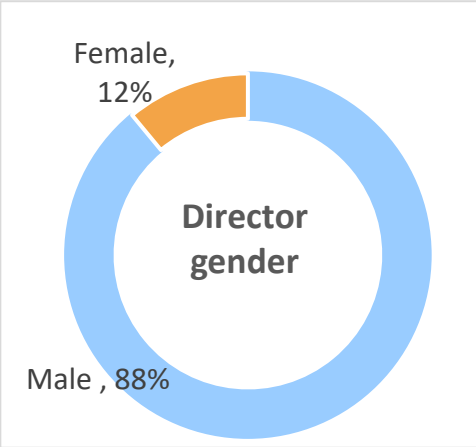
Member of the board 2025

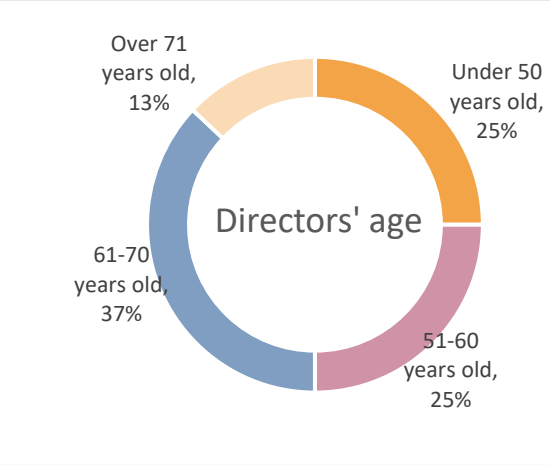
Title	Name	Professional Background	Simultaneously Holding a Management Position at OFCO	Years of Tenure
Director's legal representative	James Huang (Note1)	1.Institute of Financial Management, National Kaohsiung First University of Science and Technology 2.President of Kings Asset Management, Director of United Fiber Optic Communications Co., Ltd., Supervisor of Taiwan Steel Co., Ltd., and Director of Cameo Technologies, Inc.	None	Since June 2023 to present
Director's legal representative	Mei-Hui Wu (Note2)	1.Master of Communication Management, Ming Chuan University; PhD, Finance, Xiamen University 2.Current Assistant Professor at the Department of Journalism of Ming Chuan University, Director of Chun Yu Works & Co., Ltd., and Director of D-Link Technology Co., Ltd.	None	Taking office in June 2023, dismissed in March 2026
Director's legal representative	Hsiang-Lin Chen (Note3)	1.Graduated from the Department of Mechanical Engineering, Kunshan University of Science and Technology 2.Maintenance Consultant of Formosa Plastics Fujian Fuxin Special Steel Co., Ltd., Assistant Vice President of OFCO Industrial Corporation; Project Engineer of Walsin Lihwa Co., Ltd., Chief Engineer and Acting Plant Manager of Guihong Enterprise and Chairman of TSG Power Corp.	None	Since June 2023 to present
Director	Chen, Chi-Tai	1.Graduated from Tainan Commercial Vocational School 2.Chairman of Chun Yu Works & Co., Ltd.; Chairman of Baijiayuan Investment Co., Ltd.; Chairman of Chun Zu Machinery Ind. Co., Ltd.; Director of Quintain Steel Co., Ltd.; Director of Taiwan Styrene Monomer Corporation.	None	He took office in June 2011 and will step down when his term expires in May 2026.
Director's legal representative	Chen, Cheng-Wen (Note1)	1.Master of Political Science, National Sun Yat-sen University; Doctoral Program of Political Science, National Sun Yat-sen University,Lecturer at Kaohsiung National Open University, Executive Director of the Southern Joint Service Center of the Executive Yuan 2.Director of the Chinese Professional Baseball League, Director of the Board of Directors of Taiwan Steel University of Science and Technology, Director of Kuei Tien Cultural, Director of	None	Since Dccember 2024 to present

Title	Name	Professional Background	Simultaneously Holding a Management Position at OFCO	Years of Tenure
		King House Co., Ltd.		
Independent Director	Jeff Huang	1 Graduated from Department of Land Economics, National Chung Hsing University 2.Regional Manager, Ta Chong Commercial Bank Co., Ltd., Vice President, Taishin Securities Investment Trust Co., Ltd., Vice President, Taiwan Indigena Botanica	None	Joined the board of directors in June 2017 and removed from office when his term expires in May 2026.
Independent Director	Wen-Huai Chang	1 Graduated from Graduate Institute of China Studies, Tamkang University 2.Assistant to the Chairman's Office, Evergreen Construction Corporation Ltd., Special Assistant to the Consultant of the Chairman's Office, 85 Sky Tower Hotel Co., Ltd.	None	Joined the board of directors in June 2018 and removed from office when his term expires in May 2026.
Independent Director	Wang, Bing Chuan	1.Graduated from Graduate Institute of China Studies, Tamkang University 2.Assistant to the Chairman's Office, Chung Houng Construction Co., Ltd., Special Assistant to the Consultant of the Chairman's Office, 85 Sky Tower Hotel Co., Ltd.	None	Since June 2023 to present

Note 1：Representative of Taiwan Iron and Steel Co., Ltd　Note2：Representative of Taiben investment Co., Ltd

Note 3：Representative of Ronggang Investment Co., Ltd:





Ⅱ Functional Committee

1.The “Remuneration Committee” was established in 2011, the fifth term served from August 9, 2023, to June 13, 2026, with all independent directors as committee members. In 2025, the Remuneration Committee organized 3 meetings in total, with a 89% attendance rate of its members in person.

2. In 2020, the “Audit Committee” was established, replacing the supervisor position, and all independent directors serve as members of the Audit Committee. The term of the first Audit Committee expires in June 2023. After re-election, the Audit Committee will still be composed of three independent directors. In 2025, the Audit Committee organized 9 meetings in total, with a 96% attendance rate of its members in person.

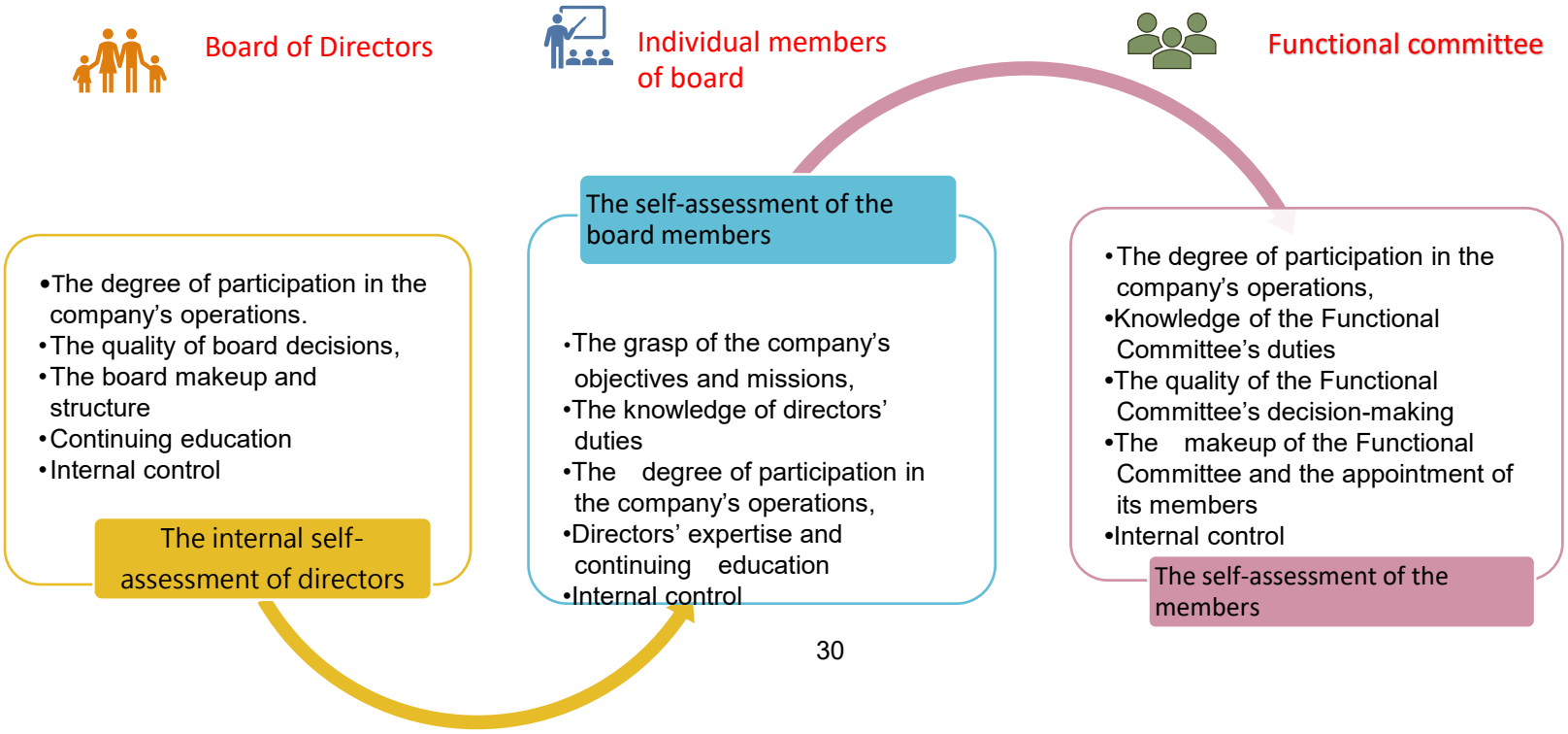
3.In June 2024, the Board of Directors passed a resolution to establish the first "Sustainability Committee", with three independent directors serving as committee members. In 2025, the Sustainability Committee held two meetings, with a 100% attendance rate for members.

Functional Committee	Responsibilities	Members	Attendance in 2025
Remuneration Committee	Evaluate and establish the remuneration for directors and managers regularly. Establish and periodically review policies, systems, standards, and structures for performance evaluation and remuneration of directors and managers.	•Independent Director Jeff Huang (convener) •Independent Director Wen-Huai Chang •Independent Director Wang, Bing Chuan	89%
Audit Committee	Assessment of the effectiveness of internal control systems, material asset or derivative product transactions, material financing or lending, endorsements or guarantees, and the appointment and dismissal of finance, accounting, or the appointment of internal audit executives.	•Independent Director Jeff Huang (convener) •Independent Director Wen-Huai Chang •Independent Director Wang, Bing Chuan	96%
Sustainable Development Committee	(1) Formulate, promote and strengthen the Company's sustainable development policies, annual plans and strategies. (2) Review, track and revise the implementation status and effectiveness of sustainable development. (3) Supervise the disclosure of sustainable information and review the sustainability report. (4) Supervise the implementation of the Company’s sustainable development best practice principles or other sustainable development related works approved by the Board of Directors	•Independent Director Jeff Huang (convener) •Independent Director Wen-Huai Chang •Independent Director Wang, Bing Chuan	100%

2.1.3 The Salary and evaluation of the performance of the Board of Directors

Ⅰ. Evaluation of Board performance

To enhance corporate governance and improve the functioning of the Board of Directors, OFCO has established the “Rules for Performance Evaluation of Board of Directors”. The Board of Directors conducts an annual self-assessment of the internal board’s performance, including the overall board, individual board members, and the performance of the Remuneration Committee and Audit Committee. The Board of Directors performance evaluation results all met the evaluation criteria in 2025, and the overall operation was satisfactory. OFCO conducts an annual self-assessment using questionnaires, and every three years an external professional independent organization or team of external experts and scholars conducts an evaluation.



The evaluation period for the Board of Directors, individual board members, and functional committee covers from January 1 to December 31 each year. The evaluation results were reported to the Board of Directors on March 9, 2026, and indicated excellent performance and smooth operation for year 2025.

External evaluation of board performance

The Company appointed the Taiwan Investor Relations Institute to conduct an external board performance evaluation in June 2025. The institute issued an evaluation report on November 21, 2025, and the overall Result was submitted to the Board of directors on December 23, 2025, for board approval and served as the basis for review and improvement. An external evaluation of the board's performance is expected to be conducted again in 2028.

Items	Performance self-assessment average score	Full marks
The assessment of the performance of the Board of Directors	4.40	5
The assessment of the performance of individual board members	4.54	5
The assessment of the performance of the Remuneration Committee	4.56	5
The assessment of the performance of the Audit Committee	4.57	5
The assessment of the Sustainable Development Committee	4.39	5

Ⅱ. Board of Directors' Remuneration Policy

OFCO has a director remuneration policy. The remuneration structure for board members includes director fees, director compensation, and transportation allowances. When performing their duties, directors are compensated by the company regardless of profit or loss. The remuneration of all directors is determined by the board meeting based on their level of participation in OFCO's operations, the value of their contributions, and their responsibility for overseeing the company's sustainable development, taking into account industry standards. Furthermore, if there is a profit in a given year, according to Article 23 of the Articles of Association, the board may decide to allocate no more than 3% of the aforementioned profit as director fees. The assessment of their responsibility for sustainable development and other related items is submitted to the remuneration committee for review. Board members do not participate in the company's employee stock ownership plan or other stock award plans. Upon leaving office, in addition to payments stipulated by law, no additional severance pay or other compensation is provided. OFCO also does not have a mechanism for claiming back board fees or a retirement benefit mechanism.

OFCO periodically assesses directors' remuneration in accordance with the "Board Performance Evaluation Method," and the relevant performance evaluations and the reasonableness of their compensation are reviewed by the Remuneration Committee and the Board of Directors.

Ⅲ. Directors' continuing education

To strengthen the functions of the directors, OFCO provides further training on the latest legal, economic, corporate governance, and environmental issues, enabling directors to understand the latest industry trends, regulations, and policies of regulatory authorities. In 2025, OFCO directors completed a total of 51 hours of further training (Average 6.38 hours per director). All the directors have completed the mandatory further training courses. To enhance the Board's professional capabilities on sustainability issues, OFCO's directors understand the importance of sustainability and actively participate in ESG-related courses. These courses include: the legal responsibilities of directors and supervisors and corresponding risks and prevention; the trend of sustainability information disclosure - the release, impact and response of IFRS S1 and S2 sustainability disclosure guidelines; and corporate governance upgrades: creating a new landscape for talent competitiveness. The goal is to bring the latest sustainability concepts into the company's operations and create sustainable growth and development. Details of the further training for each director can be found on pages 68 to 69 of the 2025 annual report, which is available on OFCO's official website (https://www.ofco.com.tw/?q=tw/investors) or can be downloaded from the Market Observation Post System (https://mops.twse.com.tw/mops/web/index).



2.1.4 Independence of Directors and Conflict of Interest Management

OFCO has established a policy to prevent conflicts of interest, identifying, supervising, and managing the risks of unethical behavior resulting from conflicts of interest. It provides an appropriate channel for directors, managers, and other stakeholders attending or participating in board meetings to disclose any potential conflicts of interest with the Company proactively. If an agenda item involves a conflict of interest with a director or represented legal entity, the director will not be allowed to participate in the discussion and voting and should abstain from them. It is also not allowed to represent other directors in exercising their voting rights. Furthermore, OFCO explicitly states that its directors, managers, employees,

appointees, and substantial controllers cannot use their positions or influence within the Company to secure undue benefits for themselves, their spouses, parents, children, or any others. As of the end of December 2025, OFCO had not experienced any material conflicts of interest events.

2.1.5 The link between managerial compensation and sustainable performance

Managerial compensation is based on the "Performance Appraisal Management Regulations," taking into account industry salary levels, responsibilities, performance, and contributions to company goals. Compensation includes a fixed base salary and variable compensation linked to various company performance indicators. Managerial performance targets and the reasonableness of compensation are reviewed and evaluated by the Compensation Committee and submitted to the Board of Directors for approval before disbursement. Ofco reviews its director and manager compensation system periodically based on actual operating conditions and relevant legal requirements to retain outstanding employees and management, effectively guide long-term company performance, and achieve a balance between sustainable operation and risk control. Ofco is gradually incorporating ESG sustainability indicators into the performance evaluation of middle and senior managers, linking the results to compensation, bonuses, promotions, and annual salary adjustments to ensure sustainable development in business operations.

2.2 Integrity Management

To establish a company culture of ethical corporate management and promote healthy development, establishing good business operation frame of reference, OFCO has formulated the “Ethical Corporate Management Best Practice Principles”, which serves as a policy for OFCO and its subsidiaries to adhere to ethical corporate management. It explicitly states the provisions and preventions against unethical conduct such as anti-corruption, anti-bribery, confidentiality mechanism, anti-monopoly, anti-unfair competition, and insider trading prohibiting, supervising and reporting. Furthermore, OFCO has established an audit unit to monitor and report unethical behavior to the Board of Directors, reinforcing a company culture of ethical corporate management and management mechanisms. OFCO has also progressively introduced “Rules for Prevention of Insider Trading Management” and “Rules for Measures for the Reports on Illegal, Immoral, or Unethical Acts”, enhancing guidelines for preventing insider trading by directors, managers, and regular employees, as well as providing a framework for reporting any unethical behavior by employees or suppliers. During 2025, the Company organized both internal and external educational training courses related to the issue of ethical corporate management (including ethical corporate management of regulation compliance, labor safety and health, prevention of insider trading, internal control, and so on). A total of 60 individuals participated in these courses, accumulating a total of 392 hours of training.

Prevention of Insider Trading

To prevent insider trading and establish a sound internal system for the handling and disclosure of material information within OFCO, the Company aims to avoid any unintentional or deliberate violations of insider trading regulations by the Company or its insiders, which could potentially harm the Company’s or internal reputation and individuals. OFCO has developed “Rules for Prevention of Insider Trading Management”, which are managed and monitored by the General Manager’s Office and the Shareholder Services Unit. These regulations are integrated into the Company’s Internal Control System. Regular understanding of compliance are conducted and audit reports are generated to enforce the execution of this operation procedure. If any personnel

are found to violate these regulations, OFCO will hold them accountable and take appropriate legal measures. To ensure that all employees are well-informed about insider trading regulations, OFCO actively provides campaign and training on relevant legal requirements to its directors, managers, and regular employees. In 2025, a total of 16 individuals participated in 2 hour-long educational campaign. The course content included the elements and legal liabilities of insider trading, how to avoid unintentionally triggering insider trading, and relevant case analyses. The briefing materials were distributed to all directors and employees before the meeting and were subsequently placed in the internal archives for those who were unable to attend.

Anti-Corruption Management

To implement the bribery prevention policy, OFCO's “Corporate Ethical Management Best Practice Principles” stipulates that all employees shall strictly prohibit offering, promising, accepting, or demanding any illegitimate gains directly or indirectly for themselves or others during transactions. The Company also strengthens the concept of anti-corruption and anti-bribery among employees to avoid the risk of corruption in business operations, unleash positive business energy, and achieve the goal of corporate sustainability based on the foundation of ethics. In 2025, there were no incidents of offering or accepting bribes.

Complaints and Handling of Immoral or Unethical Acts

To implement OFCO’s “Ethical Corporate Management Best Practice Principles” and ensure the sustainable development of the Company’s foundation, the Company encourages reporting any illegal behavior and which violates Codes of Ethical Conduct standards and Ethical Corporate Management Best Practice Principles. OFCO has established internal and external reporting channels and processing systems, which include a dedicated reporting mailbox and hotline, accessible through the Company’s website and intranet for use by both internal and external personnel. All complaints received, investigation process, and investigation results should be documented in written or electronic form, with responsible handling and careful record-keeping. The Company ensures confidentiality and protection for informants or those involved in the investigation to safeguard them from unfair treatment or retaliation. Upon verifying the validity of a reported incident, it will be handled in accordance with the Company’s internal disciplinary regulations. For cases where reported incidents are substantiated and material, it will be processed in compliance with applicable laws or relevant regulations of the Company. Additionally, to encourage reporting, OFCO may request

the General Manager to provide appropriate rewards to informants based on the extent of their contributions and the economic benefits generated. In 2025, there were no confirmed cases or reports of corrupt practices or violations of ethical corporate management.

1.Reporting in person: Report to the dedicated unit responsible under Article 3 of this Rule.

2.Reporting by phone: Call to (07)3966999

3.Mailing to OFCO: 25th Floor, No. 502, Jiuru 1st Road, Sanmin District, Kaohsiung City

4.Email: suese@ofco.com.tw

2.3 Legal compliance

Compliance with regulations	
Impact on the Organization of the Issue	OFCO complies with government regulations and actively establishes various internal operating rules to stay informed about changes in regulatory requirements from supervisory authorities, thereby avoiding significant losses and impacts.
Policies and Commitments	The Board of Directors adopted the "Company Code of Conduct for Integrity Management".
Responsible Unit	Management Department、Financial Department
Complaint Mechanism	Compliant channel for the public and employees when their rights are infringed: Call to (07) 3966999, extension: Administration Section.
Target	•Strictly abide by government regulations, strengthen the updating and maintenance of various pollution prevention and control equipment, and ensure that everything complies with legal requirements. •In terms of compliance with socio-economic regulations, we will ensure effective management, guarantee that relevant operations adhere to the principle of honest business practices, and prevent any corruption or illegal activities. In terms of compliance with environmental protection regulations, we will strengthen waste management and reduce the occurrence of environmental violations.

Compliance with regulations	
Action Programs and Performance	•OFCO assigns staff to participate in relevant courses organized by supervisory authorities and, when necessary, conducts educational training or internal campaigns to enhance the legal quality of all employees and reinforce their compliance. •Conduct relevant education and training to promote the concept of law-abiding behavior, including honest business operation procedures and reporting of illegal (including embezzlement) and unethical behavior by internal and external personnel.
Effectiveness Assessment	In 2025, OFCO did not incur material violation events involving major fines [Note] due to regulatory violations such as corporate governance, environmental protection, labor rights, and product responsibility etc. Note：OFCO defines a fine of 1 million yuan or more by the competent authority as a major violation.

Ofco has always operated its business with integrity and discipline, adhering to the laws and ethical standards of the countries in which it operates. Full compliance with the law is a core policy of the company. To continuously strengthen compliance, Ofco has established a sound management system and implements legal identification and training programs. Ofco requires all employees and directors to refrain from any illegal or unethical conduct for any reason, and also prohibits them from instructing others to engage in such conduct.

2.4 Economic Performance

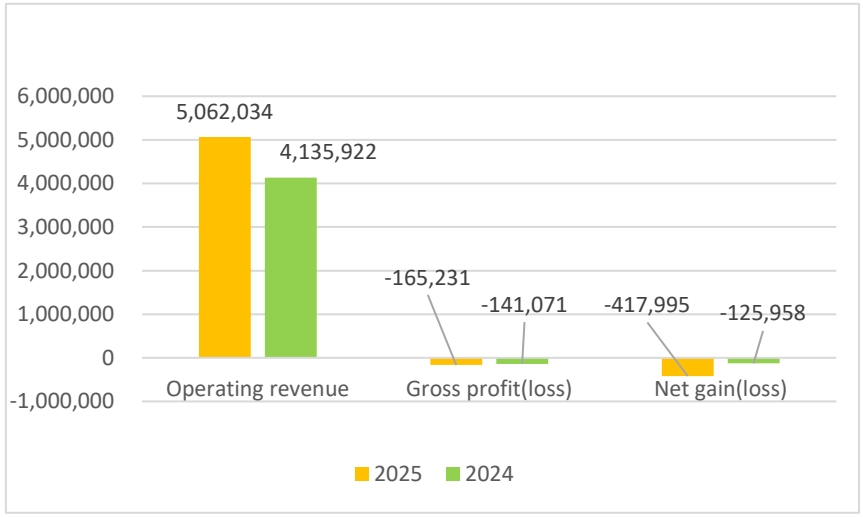
Material Topic Management Policy	
Impact on the Organization of the Issue	The Company continuously improves operational efficiency and product competitiveness, expanding market share, creating substantial economic value in the market. By realizing the economic value and providing labor and health insurance as well as retirement schemes, OFCO generates wealth for stakeholders and safeguards labor income, positively contributing to the economy
Policies and Commitments	OFCO actively explores new markets and customer sources outside of Europe. It aligns with the group's joint procurement strategy to diversify the sourcing channels, reducing raw material costs. Additionally, by utilizing the group's self-produced raw materials, it expands its product range, paving the way for industrial upgrading.
Responsible Unit	Management Department、Sales Department
Resources	Factory buildings and machinery rented in March 2025.

Material Topic Management Policy	
Complaint Mechanism	Compliant channel for the public and employees when their rights are infringed: Call to (07) 3966999, extension: Administration Section.
Short, Medium, and Long-Term Goals	Short-term: Enhance management efficiency. Adjust market distribution to reduce operational risks. Medium to long-term: Employee performance and bonus systems are linked to incentivize Production Unit and Sales Unit to improve product yield and enhance order quality and quantity.
Action Programs and Performance	1.The consolidated operating income in 2025 was 5.062 billion NTD, a increase of 22% compared to 2024. The operating revenue of the screw industry was 1.034 billion NTD in 2025, marking 25% decrease from 2024. The gross profit margin was better than in 2024, but the net profit after tax decreased compared to 2024. 2.Earnings per share (EPS) was -1.61 NTD per share in 2025, representing 347% decrease from 2024
Effectiveness Assessment	Management review of various management systems

In the first half of 2025, Taiwan's fastener industry faced a triple impact of currency appreciation, tariff pressure, and electricity price increases. The export-oriented screw industry was particularly affected by US-China trade policy, experiencing a sharp decline in orders and a sudden drop in margin. The strong NT$ and the slump in the steel market led to losses and difficulties in obtaining orders for the screw industry. The closure of the old factory in Guanyin District and supply chain adjustments caused tremors in the industry. In the second half of the year, Taiwan faced a material challenge from US Section 232 taxation of a 50% tariff, putting fastener manufacturers under pressure, leading to a plummet in orders and even a wave of factory closures.

For 2025, Ofco’s consolidated operating revenue amounted to NT$5,062,034 thousand , representing an increase of 22%, compared with NT$4,135,922 thousand in 2024. The increase was mainly attributable to significant growth in the operating performance of subsidiaries. Net loss after tax attributable to the parent for 2025 was NT$161,982 thousand, Loss per share after tax was NT$1.61.

comparison chart between 2025 and 2024



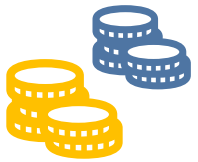
Future Company Development Strategies



Historical economic value generated and distributed by the Company in the last

Unit: NT$ thousand

Item	2023	2024	2025
Generation of direct economic value	**4,465,575**	**4,299,322**	**5,113,650**
Operating revenue	4,321,072	4,135,922	5,062,034
Interest income	12,838	8,405	6,916
Dividend income	1,387	1,049	5,332
Lease income	392	1,657	2,262
Other incomes	9,727	40,905	21,300
Net other income and expenses	0	0	15,806
Other gain	119,824	111,384	0
Share of (loss) profit of subsidiaries, associates and joint ventures accounted for under equity method	335	0	0
Distribution of direct economic value	**4,566,254**	**4,526,142**	**5,710,672**
Operating costs	4,026,683	4,022,660	5,073,588
Other gains and losses	0	0	184,897
Salary pays and employee benefits	395,951	427,975	321,023
Payments to capital providers	123,385	69,675	61,058
Payments to the government	20,235	5,832	69,988
Community investment	0	0	118
Retained economic value	**-100,679**	**-226,820**	**-597,022**



Note 1: Other income includes: Income from the sale of parts or molds from scrapped machinery, insurance claims for factory fires, advance payments received for goods not delivered within two years, etc.

Note 2: Community investments include: Sponsoring nearby neighborhoods for events expense such as Mother's Day and Mid-Autumn Festival, as well as providing donations of essential supplies to underprivileged families

Government financial subsidies in the last three years

Unit: NT$ thousand

Basis for calculating the subsidy	Item	2023	2024	2025
Smart machinery - Income tax credit	investment deduction	1,736		
Occupational Safety and Health Administration, Ministry of Labor - Small and medium-sized enterprise on-site health service subsidy	Subsidy			
Subsidy from the Workforce Development Agency, Ministry of Labor - Corporate human resources enhancement subsidy program	Subsidy	90		
Subsidized by the Ministry of Economic Affairs (MOEA) to participate in screw exhibitions in Germany and the U.S.	Subsidy	60		50
National Taxation Bureau - Subsidy for Replacing Old Appliances with New Energy-Saving Appliances	Subsidy		24	
ITRI - Power and Utility Equipment Subsidy	Subsidy		932	
Ministry of Economic Affairs - Energy Agency equipment subsidies	Subsidy		110	
Water Resources Bureau - Typhoon Flooding Subsidy	Subsidy		20	

2.5 Risk Management

Material Topic Management Policy	
Impact on the Organization of the Issue	Through establishing a risk management mechanism, the Company can identify and evaluate the risks that the Company's daily operations may encounter. This allows the Company to propose risk adaptation strategies, reducing its impact on the external environment, the economy, and society.
Policies and Commitments	In November 2023, Ofco submitted and approved the "Risk Management Policy and Procedures" to the Board of Directors as the highest guiding principle for risk management. Ofco ensures that all company operations comply with relevant laws and regulations by implementing regular self-risk reviews and internal control mechanisms, and has formulated a "Cybersecurity Policy" to incorporate the information operation environment into the security management mechanism and establish a set of prevention and emergency response measures.
Responsible Unit	Board of Directors: Responsible for approving, reviewing, and supervising the Company's risk management policies Audit Office: Supervises and audits the implementation of ethical principles in various operational departments of the Company
Resources	The internal audit executive regularly presents audit business reports and audit results to the independent directors at the quarterly Audit Committee meetings.
Complaint Mechanism	Compliant channel for the public and employees when their rights are infringed: Call to (07) 3966999, extension: Administration Section
Short, Medium, and Long-Term Goals	By employing a systematic and structured management approach, the Company effectively identify, prevent, and control risks to maintain normal operations and achieve sustainable operation of the Company.
Action Programs and Performance	1.The Audit Office develops an annual audit plan based on risk assessment results and carries out various system audits according to the plan. This assists the Board of Directors in supervising and controlling potential risks associated with decision-making, ensuring that all operational risks are effectively managed and timely improvement suggestions are provided. 2.The General Manager convenes weekly meetings with unit executives responsible for business, manufacturing, finance, management, and so on. These meetings coordinate relevant departments to conduct risk identification, assessment, and management in ongoing operations, as well as discussing and controlling business, production, and financial risks.
Effectiveness Assessment	1.Annual Audit Plan: Covering 16 aspects, in 2025, a total of 60 internal audits were carried out, with no deficiencies found. 2.Regular Weekly Risk Meetings with Department Executives: In 2025, a total of 8 times meetings were convened by the General Manager

OFCO actively manages risks to continually access domestic and international trends, conduct risk assessments against environmental, social, and governance aspects, regularly self-review, and continuously improve to enhance the Company's resilience and safeguard the best interests of customers and stakeholders. To effectively manage operation-related risks, OFCO selects audit items and frequencies each year based on risk assessment results and mandatory items specified by regulations and develops an audit plan following the Company's internal control and audit mechanism. The plan is executed after obtaining the Board of Directors' approval. The internal audit reports and working papers presented by the Audit Office assess various regulations and business processes within the internal control system to determine the adequacy of current regulations and procedure controls, whether management units and operating units effectively implement internal controls, and whether the effectiveness is reasonable. Improvement recommendations are made as needed.

2.5.1 Material Risk Items

OFCO assesses environmental, social, and economic aspects based on materiality principles to identify the potential material risks and formulate appropriate response measures. The material risks identified through the above process and their corresponding response measures are as follows:

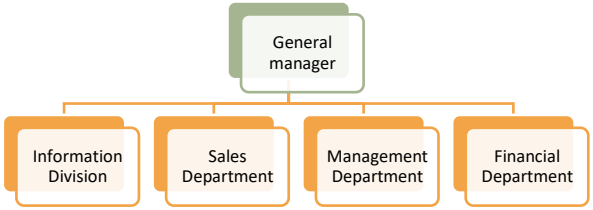
Aspect	Potential Material Risks	Response Measures
Environment	Risk of Environmental impact	1. The company has realized the best use of water resources through sewage treatment and recycling, that is, the water consumed by the machine in production is recycled and reused after purification. 2. The company conducts pre-planning and evaluation, implementation and operation through the management system, and performs audits and corrective actions afterwards to ease the impact on the environment continuously. The company formulates environmental policies such as compliance with environmental protection laws and regulations, commitment to pollution prevention, and continuous improvement to promote environmental management and improvement plans. Also, formulates the indicators such as compliance with environmental protection laws and regulations, reduction of on-site oil fume, and noise reduction to monitor at any time and strive to achieve the objectives. 3. Effectively reduce pollution emissions and the impact on the environment through the implementation of process safety management and systemized management cycle.
	Risk of Occupational	1. Hold fire drills and work safety education and training regularly twice a year to cultivate employees' ability in responding to emergencies and self-safety management.

Aspect	Potential Material Risks	Response Measures
Social 	safety	2. Employees must wear safety helmets, safety shoes, and other safety protection gears at the worksite to reduce occupational injuries of employees.
	Risk of Product Safety	The Company's products are in compliance with the governing laws and regulations of the government without containing any hazardous substance. Also, a customer service hot line and a communication website have been set up for ensuring the customer service quality and for enhancing the cooperative relationship with customers. OFCO also has product liability insurance to mitigate risks associated with customer disputes.
Governance 	Risk of Information security	1. Set up firewalls and quarantine areas for internal and external network services, and strictly monitor the control and use of communication access protocols. 2. Plan and construct a data protection mechanism to reduce the risk of user data leakage. 3. Organize education and training programs to promote information security.
	Risk of Legal changes	1. Ensure that all personnel and operations of the company truly comply with relevant laws and regulations by establishing a governance organization and implementing an internal control mechanism. 2. Update relevant regulatory information occasionally and urge colleagues to comply.

2.5.2 Information security risk management

To strengthen the Company's information security and improve the information security management system, the Information Office is responsible for establishing information security risk management rules. When the information system is improperly used or sabotaged by internal or external personnel, or when it has been subjected to emergency accidents such as improper use or sabotage, the following procedures shall be followed for trouble-shooting, or the head of the Information Office shall convene a meeting for heads of related department to involve the technical matters, and the information personnel in the Information Office will propose solutions and follow-up preventive and improvement measures; the Audit Office will conduct regular internal audits.

OFCO formulate the cyber security policy aims to incorporate the security management mechanism into the Company's computer system, network, data, equipment, personnel, anti-virus and anti-hacking and other related information operation environments, with a set of preventive and emergency response measures established, and information security promotions, to ensure the security of the Company's information operations.
In 2025, there were no losses due to material cybersecurity incidents.



Information Security Organizational Structure

The Company’s Information Office is the responsible unit for information security. This unit has one information officer and one information security officer responsible for formulating internal information security policies, planning and implementing information security operations, and promoting and implementing information security policies and outsourcing Communication and coordination between the Company and its employees, and regular reports the Company’s information security governance to the Board of Directors. The Audit Office is the supervisory unit of information security supervision. There is one chief audit officer in this office to supervise the implementation of internal information security. If there are any deficiencies found after the audit, the audited unit will be required to propose relevant improvement plans and concrete actions immediately, and regular follow-up tracking is conducted for improvements, in order to reduce internal information security risks.

Information security policies

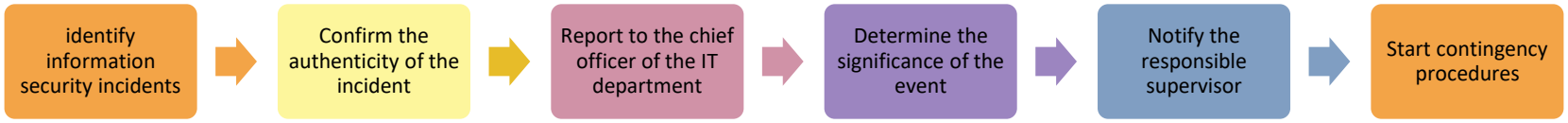
1.Systems and regulations: Establishing the Company’s information security management system to regulate operational conducts.
2.Utilization of technology: Establish information security management equipment and implement information security management measures.
3.Personnel training: The Company conducts information security education and training to enhance the information security awareness of all employees.

Management programs for information security

When the information system is improperly used or deliberately damaged by internal or external personnel, the obstacles are to be removed according to the following procedures.

1. The meeting is convened by the head of the Information Office and attended by the heads of relevant departments.
2. For technology-related matters, the IT staff of the Information Office propose solutions and follow-up preventive and improvement measures
3. And the Audit Office conducts internal audits on a regular basis.

Response Flowchart for External Intrusion into Information Systems



Cybersecurity Concrete management risks



Software Security Management

● It is forbidden to install unauthorized software on any computer. Any legal actions involved must be borne by the computer user.
● Unknown software, files and websites are often the sources of spreading viruses. To ensure computer safety, these must not be installed and used.



Computer Equipment Confidentiality

● Computer passwords must be changed every six months. It is forbidden to use the same password and avoid posting passwords in places that are easy to leak.
● When leaving the seat for more than five minutes, the computer account must be locked or logged out, to prevent others from operating the computer.



Information Confidentiality

● Personnel at all levels must comply with the confidentiality regulations when accessing any information of the Company due to business reasons, and shall not disclose the information to others.
● If the information required for business involves personal data of others or confidential information, it is only provided with the consent of the responsible officers.
● Important documents and contracts must be kept properly. If there are documents to be delivered, the folder must be sealed tightly to prevent unauthorized. personnel from viewing them.



Information Maintenance and Management

● The computer system and data security must be managed and
maintained by the user him or herself. If there is any system virus infection or abnormal situation, the personnel of the Information
Office should be notified immediately to handle the issue.
● Various data should be backed up and stored regularly to avoid data damage caused by equipment failure or human factors from affecting the business.
● When getting off work, keep important documents properly, and shut down unused computer systems and peripheral equipment.

Resources invested in cyber security management

Information security has become an important issue for the Company's operations. The corresponding information security management matters and the resources invested are planned as follows:

- Dedicated manpower: The Company has established a dedicated "Information Office" to be responsible for the Company's information security planning matters,in order to maintain and continue to strengthen information security.
- Customer satisfaction: There were no major information security incidents, and no complaints of customer privacy violation or loss of customer information.
- Invested resources: In 2025, two host vulnerability scan tests were performed. In December 2025, the Company commissioned CHT Security Co., Ltd. to use system automation tools, combined with its professional knowledge and information security technology, to scan the vulnerabilities of our internal server hosts and provide exclusive test reports and system reinforcement suggestions. This operation performed a vulnerability scan of the Company's ERP system and provisioned the Result to relevant units for reference, along with individual patch recommendations.
- Education and training: In 2025, a total of 10 person-times/hour of information security training courses were completed for general employees through online courses. The main course content included the concept of personal privacy information, cyber attack threats, and the necessary knowledge of personal privacy information protection.



3 Product Quality Management

3.1 Product Quality and Safety

Material Topic Management Policy	
Impact on the Organization of the Issue	Positive Impact: OFCO primarily focuses on exports, thus it needs to closely monitor relevant regulations in the fastener industry, such as EU/ISO/REACH/RoHS/CBAM, in the EU and Americas regions, conforming to the latest regulatory standards for production and quality control Negative Impact: Quality control laboratory is equipped with high-standard testing equipment, which complies with TAF testing standards. It regularly participates in the mutual verification of testing techniques with CTS, a third-party testing organization. This rigorous control ensures that the Company's product quality aligns with international regulations and meets customer requirements
Policies and Commitments	The Quality Policy is to follow international legal directions and objectives, as well as a commitment not to use conflict minerals and materials that do not comply with environmental regulations. The Company is dedicated to strict adherence to ethical, social, and labor-friendly regulations.
Responsible Unit	Sale Department and Quality Management Department
Complaint Mechanism	•General public and employees: Call to (07) 3966999, extension: Administration Section •Raw material and material suppliers: Call (07) 3966999, extension: Procurement Section or Audit Office •Customers: Call to (07) 3966999, extension: Business Department •Annual customer satisfaction survey •Irregular customer visits
Short, Medium, and Long-Term Goals	Short-term: 1. Regular (monthly/quarterly/annually) calibration and maintenance of all machinery and testing equipment to ensure the production quality of machines and the accuracy of quality inspections. 2. Conduct quarterly assessments, classification, and evaluations of partner suppliers to ensure that all suppliers align with the goals and growth of OFCO. Medium to long-term goals: 1. Achieve a production yield of 99% and produce products that meet international regulatory requirements. 2. Establish mutually beneficial interactions with partner suppliers and customers to achieve a 3-ways-win goal.
Action Programs and Performance	1. Laboratory equipment and on-site inspection tools undergo regular internal and external calibration. 2. The Quality Management Unit establishes a detailed list of controlled equipment and implements regular calibration plans for each. 3. Following internationally recognized ISO 9001/TAF and Product and Management Regulations, the Company obtained relevant certifications and implemented management practices within the factory.

Material Topic Management Policy	
	4. Internally established and implemented a comprehensive self-inspection mechanism for production procedures to achieve the goal of stable product quality.
Effectiveness Assessment	1. The quality management department closely monitors the updates of various regulations to ensure that production items meet customer expectations. 2. In response to the legislation proposed by the European Union, such as the issue of not using Russian raw materials in 2023, OFCO immediately initiated a response initially and explicitly stated procurement standards, complying with the regulations. 3. OFCO consistently receives A - B or higher ratings in customer annual supplier assessments.

3.1.1 Industry Value Chain

With over three decades of expertise in R&D and manufacturing of screws, OFCO's primary products are Hexagon Bolts and Socket Screws. It is the largest Taiwanese manufacturer of medium carbon bolts exported to Europe, producing high-yield products. The Company is committed to being the leading company in the fastener industry, focusing on quality and service. With the integrated resources of its parent company, Taiwan Steel Group, OFCO offers a full range of services, from upstream steel materials to finished screws. It has a comprehensive layout from top to bottom, maximizing resources, reducing production costs, providing flexible capacity, and adaptable product line allocation. The Company ensures delivery schedules meet customer expectations and enhances the competitiveness of the comprehensive screw supply chain from raw materials to finished products. However, due to the prolonged slump in the screw market, OFCO has ceased production since March 2025 and has instead opted to purchase finished products for delivery.

Manufacturing process



Wire rod → Forming → Treading → Heat treatment → Surface Coating → Packing → Delivery

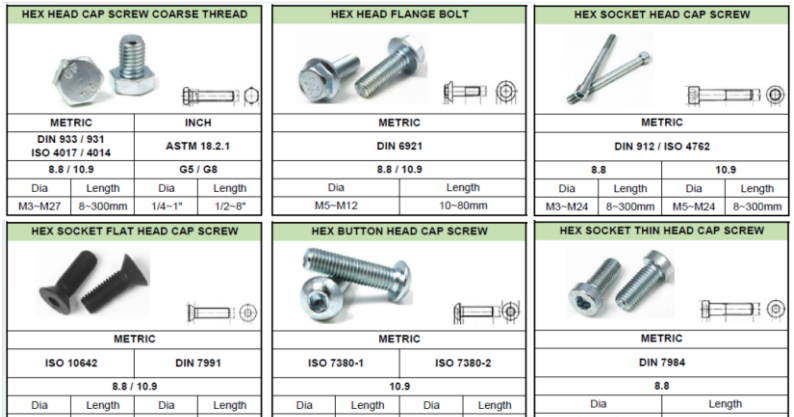
The Company pays great attention to the process stages, flexible production capacity, and maneuverable production line allocation to meet customer expectations

3.1.2 Product Features and Standards

OFCO' main products are finished screws, they can be widely adopted in the fastening combination of industrial machinery, electrical machinery, appliances, construction, transportation equipment and the petrochemical industry among various industrial products.







Product Categories	Product Standards
Hex Head Cap Screw / Bolt) 	DIN 931 DIN 933 ISO 4014 ISO 4017 ASME 18.2.1
Hex Flange Screw / Bolt 	DIN 6921
Hex Socket Cap Screw  	DIN 912 DIN 7984
Hex Socket Flat Head Screw 	DIN 7991 ISO 10642
Hex Socket Button Head Bolt  	ISO 7380-1 ISO 7380-2
Hex lobular socket screws series 	ISO-14579 ISO-14580 ISO-14581 ISO-14583 DIN-34805-1 DIN-34805-2

3.1.3 Product Responsibility and Safety

OFCO's production technology and experience are mature, and it has reliable upstream and midstream manufacturers providing efficient production equipment and molds, along with a responsive downstream processing system. This complementary collaboration forms a complete, robust industrial chain. OFCO places great importance on product quality and follows a Quality Policy of "strengthening quality and quantity, implementing management capabilities, and enhancing customer satisfaction". It has established a comprehensive quality inspection system and testing laboratory, working diligently to stabilize product quality over the long term.

Every screw produced by OFCO is marked with a registered trademark on its head, bearing the symbol **OF**. This marking serves as an identification of the manufacturer and is also a testament to the Company's commitment to product responsibility.



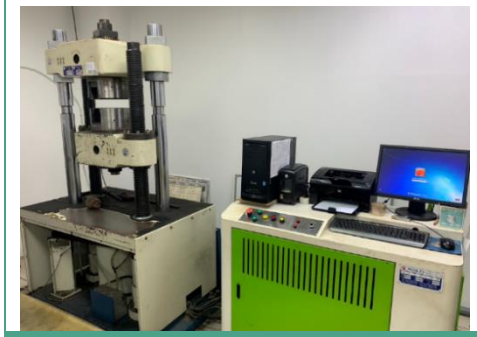




Quality is a significant focus for OFCO, establish quality inspection system and inspection procedures that meet quality assurance requirements. The Quality Control Department is responsible for incoming inspection, production inspection, and final product inspection etc., according to standard specifications. All employees understand and share the concept of prioritizing quality, and pursuing superior quality is everyone's responsibility.

To manage product quality and its impact on safety and health, OFCO has a laboratory certified by the Taiwan Accreditation Foundation (TAF). By passing ISO/IEC 17025:2017 and CNS 170235:2018, the product specifications are ensured to comply with standards, covering testing items related to ring gauge, plug gauge, metallographic microscope, and more. Quality control is performed based on the specifications of different products.

Testing Scope of OFCO Laboratory			
● Ring gauge ● Metallographic microscope ● 2.5D vision measuring machine ● 50-ton universal material testing machine ● 100-ton universal material testing machine ● Portable coating thickness gauge calibration foils	● Projector ● Plug gauge ● Eccentricity tester ● Thermocouple ● Three-Wire thread gauges ● Rockwell hardness tester ● Micro-Vickers hardness tester ● Temperature and humidity meters	● Salt spray machine ● Granite platform ● Radius gauges ● Gauge block ● Axial force gauge ● Calibration foils ● Signal generators ● Torque wrench	● Eddy current coating thickness gauge calibration foils ● Outside micrometer ● Internal gauge calibration ring gauge ● Internal hexagon depth gauges ● DIN 603 head thickness gauges ● Head inspection instruments ● Eccentricity tester with dial indicators ● Microscope optical rulers







OFCO Laboratory is a TAF-certified laboratory

OFCO is equipped with a professional laboratory and various inspection equipment, and all products are controlled following relevant standard regulations to meet product specification requirements. In 2025, OFCO did not violate product health and safety, product information and labeling, and marketing and communication-related regulations.

3.2 Customer Service

Material Topic Management Policy	
Impact on the Organization of the Issue	Annual customer satisfaction reflects feedback on the quality of OFCO's services. By providing excellent service, the Company can establish long-term customer partnerships, retaining customer and stabilizing revenue.
Policies and Commitments	•OFCO conducts an annual customer satisfaction survey to assess the status of customer service •Regular quarterly reviews are conducted with the Sales Unit to analyze customer feedback and make improvements to enhance service quality
Responsible Unit	Sales Department
Complaint Mechanism	•General public and employees: Call to (07) 3966999, extension: Administration Section •Raw material and material suppliers: Call (07) 3966999, extension: Procurement Section or Audit Office •Customers: Call to (07) 3966999, extension: Sales Department •Annual customer satisfaction survey •Irregular customer visits
Short, Medium, and Long-Term Goals	Short-term: •Collect feedback from over 80 valid customer satisfaction surveys annually. •Achieve an average customer satisfaction score of 85 or higher for the top 10 customers of the year Medium to long-term: Within 10 years, attain an average customer satisfaction score of 90 or higher for the top 10 customers of the year
Action Programs and Performance	•The sales contact person irregularly communicates with customers via phone/email to gather feedback and understand their needs ••In March 2025, teams of Sales Department participated in the Stuttgart Screws Exhibition in Germany. •Regular business meetings are held to ensure service quality
Effectiveness Assessment	•At the beginning of each year, OFCO conducts a service satisfaction survey of the previous year and analyzes the satisfaction level after collating customer feedback. •The average score in 2025 was 84, reaching the short-term goal, and the Company is well on its way to achieving the medium and long-term goals. •Customer satisfaction scores have consistently been above 80 points for the past three years, demonstrating customers' affirmation of OFCO's services.

3.2.1 Customer Satisfaction

Through customer satisfaction surveys and communication, as well as high-quality sales services, OFCO has gained the trust of its customers. Customer feedback and satisfaction ratings serve as the driving force for continuous improvement and the enhancement of service quality. By providing customers with comprehensive services and high-quality products, OFCO aims further to enhance its product competitiveness in the global market.

The goal for customer satisfaction is to achieve an average score of 85 or higher among the top 10 customers of the year. In 2025, the satisfaction survey results averaged 84, similar to the target. It is obvious that customers feel that OFCO's continuous improvement and growth are also recognized.



Satisfying customer needs and meeting customer expectations is the goal that OFCO is committed to achieving. OFCO has established a customer complaint handling process, providing channels for customers to give feedback and ask questions, hence implementing real-time handling of customer opinions.

OFCO sends out a customer satisfaction survey questionnaire at least once a year, including items such as quality, delivery schedules, responsiveness, production flexibility, and more. The customer response rate is approximately 82%, demonstrating close communication between OFCO and its customers and that customers greatly value OFCO.

Customer Complaint Mechanism and Handling Process



The channels OFCO obtaining customer needs and expectations does not only limit to customer satisfaction surveys, the irregular cooperation with customers' requirements and audits in product, environment, and responsibility is also adopted, collaborating on prevention and continuous improvement.
In March 2025, our Sales department team attended the Stuttgart Screws trade fair in Germany to discuss product information, delivery dates, and other details with our clients.

3.2.2 Customer Privacy

To protect customer information, the Information Technology Office has implemented cybersecurity risk management measures to strengthen cybersecurity management. This is done to safeguard customer privacy and data security. For details on cybersecurity risk management measures, please refer to Section 2.5 on Risk Management. In 2025, there were no complaints or incidents related to violations of customer privacy or loss of customer data.

3.2.3 Intellectual Property Management

To achieve effective operational goals, maintain production results, expand revenue, increase profitability, and create brand value, an intellectual property strategy is integrated with the Company's operational objectives. This strategy operates by enhancing the Company's value through intellectual property rights, protecting operational freedom, strengthening competitive advantages, and enhancing the Company's brand image.

Currently, OFCO has applied for two types of trademarks, including the Company's LOGO and product head markings, in six regions or countries, including Taiwan, the United States, Canada, Mainland China, the United Kingdom, and the European Union.

- Brand layout: OFCO's trademark applications, after years of effort, have gradually been completed, with trademark applications filed in major countries/regions around the world according to the business location.
- To confirm trademark usage units using the approved patterns.
- A dedicated unit maintains and registers documents related to property rights.
- Regular maintenance and review: Review the usage of registered trademarks to assess the need for ongoing maintenance.
- Plan for future development and file new trademark registration applications in advance.

Response Measures for Addressing Intellectual Property-Related Risks

- Continuously optimize intellectual property management methods and establish necessary documents and procedures to implement for the acquisition and authorization of intellectual property rights to prevent infringement.

1 

- Implement personnel management, access control, and control over the storage of confidential data to increase the protection of confidential information.

3 

- Establish a dedicated reporting contact person for cases of infringement and immediately report and investigate upon discovery of suspected infringement.

2 

- Conduct irregular internal training and campaigns to implement the protection of confidential information including non-compete, customer data confidentiality, insider trading preventing, and information security managing, thereby avoiding infringement on the intellectual property rights of others.

4 

4 Green Operations

4.1 Climate Change Risk Management

4.1.1 Climate Governance

Climate change has significantly impacted the global environment and socioeconomic systems. Under the trend of global climate change, rising temperatures will pose threats to infectious diseases such as malaria and dengue fever to many individuals. After data collecting and researching, Scientific American found that extreme heat and air pollution are pushing urban residents toward fatalities. The relevant impact of global climate change, leading to extreme weather conditions, can no longer be ignored. Responding to climate-related risks has become the most critical issue in company operations. The Government has formulated the "Taiwan Overall Decarbonization Action Plan" to implement President Lai's "National Project of Hope," which outlines the "green growth and 2050 net-zero transition" strategy. This plan aims to align with international efforts to achieve Nationally Determined Contributions (NDC) targets and pragmatically reach the 2050 net-zero target.Taiwan's carbon fee officially began on January 1, 2025. It is levied on major electricity and gas suppliers and manufacturers (approximately 281 companies and 500 factories) with annual emissions exceeding 25,000 metric tons, and is expected to become a major cost for the manufacturing industry.

In response to this, handling the impacts of climate change has brought to company sustainable operation, OFCO is committed to addressing climate change risks by focusing on four primary areas to promote low-carbon transition and climate adaptation:



The Top Executive approves the vision and strategies concerning climate change and reports them annually to the Board of Directors.



Assess the severity of climate change and international trends, set performance indicators and quantifiable goals, and regularly review and disclose the outcomes.



Integrate climate change into company risk management, quantifying the financial impact of its risks and opportunities.



Implement strategies, undertake mitigation and adaptation actions, develop low-carbon manufacturing technologies, and lead the supply chain to enhance competitiveness.

To address the impact of climate change on company operations and to specifically disclose information on climate change, OFCO has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework issued by the International Financial Stability Board since 2022. Departments have initiated a business inventory and risk identification regarding climate change, including analyzing the direct or indirect impacts of extreme weather, transition effects due to regulations, technology, or market requirements, and other risks and opportunities resulting from Company's operations activities that being impacted in humanities and social aspects. Based on the analysis results, risk management strategies have been devised as the core of the response to climate change actions. These plans are the basis of estimation of management costs and financial impacts. The aforementioned collected data reinforces the Company's climate change governance and systematically evaluates financial associations to mitigate risks and seize opportunities.

OFCO adopts the TCFD disclosure framework, which explains the four core elements: Governance, Strategy, Risk Management, Metrics and Targets.

Hierarchy of Core Elements	Main Content	Specific Actions by OFCO
 **Governance**	OFCO's Board of Directors is responsible for overseeing climate-related risks and opportunities, bearing the responsibility for climate governance	The Company has established a Climate Change Response Team composed of the General Manager and the management team. This team is responsible for defining the vision, strategy, and medium-to-long-term goals for climate change adaptation. The team promote relevant specific actions and regularly reports strategies to the Board of Directors.
 **Strategy**	Identify short, medium, and long-term risks and opportunities and assess potential impacts	Through inter-departmental discussions and the identification of climate-related risks and opportunities, relevant department executives evaluate the likelihood and timing of the occurrence of climate-related risks and opportunities, along with their impact level on the Company. Risk identification and classification are also conducted, analyzing the potential operational and financial impacts of climate change on the Company.

Hierarchy of Core Elements	Main Content	Specific Actions by OFCO
Risk Management	Identify and evaluate the process of climate change risks and integrate climate change risks into the company risk management process	OFCO refers to the TCFD framework to identify climate change risks and opportunities. Department executives consider OFCO's current operational status and available resources and tailor specific, feasible, and effective climate change risk management policies for significant risk items. OFCO has initiated adaptive strategies and actions to address climate change, including promoting low-carbon and energy-saving measures, conducting greenhouse gas inventories, and promoting resource reusing. The Company progressively seeks opportunities to reduce energy consumption in the company and its products. There are plans to gradually enhance financial impact assessments to manage risks brought about by climate change effectively.
Metric & Targets	Improving the disclosure quality of greenhouse gas emissions information	OFCO has completed the inventories and external verification of the Scope 1 and Scope 2 greenhouse gas emission data for 2025. The relevant data information has been fully disclosed in the sustainability report.
	Establish relevant metrics and track their achievement situation	Setting climate-related performance indicators and quantifiable goals, tracking their achievement rate periodically and disclose to the public. Establishing the medium-to-long-term goal of "2050 Net-Zero Emission".

4.1.2 Climate Change Response Strategy

Identification Results of Climate Risks and Opportunities

The executives of relevant departments have considered OFCO's current operational status and available resources. They've gathered insights into various international initiatives or organizations related to sustainability and climate change, collecting main concerns from the same industry. Based on the type of organizational operations, they've sifted through relevant climate risk and opportunity topics into consideration. Following the TCFD's recommended lists of transition risks, physical risks, and opportunities, they've understood the definitions of each risk and opportunity. Subsequently, they've conducted assessments of strategies and financial impacts concerning the risk and opportunity items.

Climate Risk Identification Results				
Risk Category	**Risk Issue Description**	**Impact on OFCO**	**Potential Financial Impact**	**Mitigation/Adaptation Response Measures**
Physical risks - Immediacy	Frequent occurrences of extreme weather impact the supply chain and transportation	Extreme weather events (typhoons, floods, heavy rains, etc.) lead to equipment damage and operational interruptions in the factory. Interruptions in raw material supplies result in production halts, and road disruption or suspension of maritime transport make it unable to ship as scheduled.	Decrease in Sales revenue	• Arrange for early or postponed procurement to avoid disruptions caused by extreme weather events. • Upon being informed of weather changes events such as typhoons, floods, or heavy rains, immediately report to higher executives. Establish an inter-departmental disaster prevention team, including the manufacturing, environmental safety, engineering, and management departments. Initiate disaster prevention measures, check if drainage systems are clear and unobstructed, ensure proper closure of doors and windows in each factory, and pull up flood barriers based on precipitation levels.
	Increased likelihood of water shortage due to climate change	Because of water scarcity, decreased water pressure or water outages cause disruptions in water supply, impacting domestic water usage and necessitating water outsourcing.	Increase in operating costs	• The Company's production processes use minimal water and can be reused, so water restrictions or outages have minimal impact on the production line. • The Company's dull water tank capacity can provide daily water needs of the staff for one day. Pre-storing water and implementing water-saving practices should be managed to come through water outages.
Transition risks - Policy and legal risks	Various countries are implementing carbon taxes/fees regulations	The "Climate Change Response Act" enacted on February 15, 2023, Trial application for the 2024 carbon fee will begin in 2025, and the formal collection will begin in 2026, resulting in increased operating costs. Due to government restrictions on total emissions or pressures from NGO, companies must purchase carbon credits through carbon market trading to offset their emissions. If the Company fails to reduce carbon emissions, it needs to purchase	Increase in operating costs Decrease in revenue	• OFCO has completed the greenhouse gas inventory for 2025 and has undergone external verification, disclosing full data information in the sustainability report. • Replaced energy-efficient machinery, educated employees on always turning off unused power and energy-saving tips. • Conducted a comprehensive inventory of energy consumption and gas emissions for factory equipment and production lines, subsequently manage and analyze with the collected data.

Climate Risk Identification Results				
Risk Category	**Risk Issue Description**	**Impact on OFCO**	**Potential Financial Impact**	**Mitigation/Adaptation Response Measures**
		carbon credits through carbon market trading, which will increase the Company's operating costs. Facing the EU's CBAM and the United States Clean Energy and Security Act, if the Company cannot reduce the product's carbon footprint, customers will bear the carbon tax on imported goods, leading to decreased competitiveness in order acquisition, resulting in reduced revenue.		
	Government is raising the standards for the use of renewable energy	Companies are required to increase the proportion of renewable energy usage by government. As the Company has not yet installed renewable energy generation equipment, the Company needs to additionally purchase green energy, which will increase its capital expenditure or operational costs.	Increase in operating costs	Finding a suitable location to build solar panel
	To respond to the low-carbon trend in product carbon footprint, it may be necessary to adjust or replace cooperating suppliers	Climate change or increased awareness of climate change caused customers' preference change among products, which might prompt them to revise procurement policies for responding carbon-reduction policies and trends. The Company needs to upgrade or replace low-carbon equipment to reduce greenhouse gas emissions, which will increase capital expenditure by	Increasing operational expenses	• In response to the global consensus on low carbon requirements, business trips prioritize the lowest carbon itinerary. Exported products transportations also follow arrangements for the lowest carbon shipping. • Prioritizing the purchase of products with carbon labels to support manufacturers in disclosing their product's carbon footprint. Cooperate in reducing carbon emissions during product usage and waste disposal, achieving the goal of reducing greenhouse gas emissions.

Climate Risk Identification Results				
Risk Category	**Risk Issue Description**	**Impact on OFCO**	**Potential Financial Impact**	**Mitigation/Adaptation Response Measures**
		investing relevant equipment. Increasing operational expenses will also be associated with training staff to operate upgraded equipment.		
Opportunity Categories and Explanations		**Impact on OFCO**	**Potential Financial Impact**	**Mitigation/Adaptation Response Measures**
Launching low-carbon products		In response to customers' environmental protection trends, the company will launch low-carbon products and will do its best to comply with trends and regulations, respond to market demands, and drive product sales opportunities, thereby increasing revenue.	Increase in Sales revenue	• Collaborate on the development of low-carbon products to meet end-customer needs and respond to market demands. • By focusing on finding low-carbon products and collaborating with upstream and downstream manufacturers to reduce carbon emissions, JiuYang aims to increase the value of its products. Customers will also benefit from paying lower carbon emission fees, thus enhancing the competitiveness of OFCO’s products.
Use a more efficient distribution process		By focusing on finding low-carbon products and improving yield and on-time delivery rates, we can stimulate customers' willingness to place orders, thereby increasing sales and quality, which will boost revenue.	Decrease in operating costs	• Replace old equipment with new equipment: phase out diesel forklifts and purchase electric forklifts. Replace old air conditioners with new inverter air conditioners and refrigerators.

4.1.3 Climate change related governance

Item	Execution
Ⅰ.Describe board and management level supervision and governance on climate-related risks and opportunities	The company's board of directors serves as the highest supervisory unit for climate change risk governance, responsible for reviewing and formulating climate strategies, and assigns general management to lead relevant department heads to implement climate risk management operations and regularly track the achievement of environmental sustainability goals. It is expected that the annual climate governance work implementation results will be summarized and reported to the board of directors at least once a year.
II. Describe the climate-related risks and opportunities the organization has identified and their impact on businesses, strategies and financial planning over the short, medium and long term.	The company is led by the general manager and is in charge of all relevant departments. Through regulatory review, study of research reports, peer and market information review, 7 transformation risks and 4 opportunity issues were compiled. Please refer to pages 60~64 for related information.
III. Describe the financial impacts of extreme weather events and transformational actions.	The Company uses the United Nations Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) Shared Socioeconomic Pathway SSP5-8.5 - very high emissions scenario as a reference scenario. Additionally, the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the National Science and Technology Center for Disaster Reduction's 3D Disaster Potential Map are utilized to consider changes in operating site risks. In the future, the Company will continue to refine its analysis of physical risk scenarios and strengthen the Company's climate adjustment management and strategies. Frequent occurrences of extreme climates have affected suppliers' normal production or distribution and shipments, which will result in the interruption of factory operations and reduce the Company's revenue.
IV. Describe how the climate risk identification, assessment, and management processes are integrated into the overall risk management system	Our company uses a climate-related financial disclosure framework to identify the risks and opportunities of climate change. Relevant department heads take into account the company's current operating conditions and available resources to tailor specific, feasible, and effective climate change risk management policies for significant risk items.
V. If situational analysis is used to assess the resilience to climate change risks, describe the contexts, parameters, assumptions, analysis factors, and key financial implications	Under planning

Item	Execution
VI. If there is a transformation plan for managing climate related risks, describe the plan and the metrics and targets used to identify and manage physical and transformation risks.	To reduce carbon emissions per product unit and the impact on the environment, the Company continues to research methods to reduce energy and resource consumption and aims to reduce direct emissions from operating activities (scope 1) and indirect emissions from energy use (scope 2). The Company has set targets for saving electricity and water to ensure that the intensity of greenhouse gas emissions meets expectations. The implementation includes: 1. Eliminating and replacing old equipment, simplifying processes to reduce waste, and lowering carbon intensity during the manufacturing stage. 2. Following regulations to plan and install solar power generation devices and using renewable energy to identify risks and opportunities.
VII. If internal carbon pricing is used as a planning tool, the basis for the pricing should be described.	The company currently has no plans for internal carbon pricing.
VIII. If climate related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be stated; and if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) should be stated.	Under planning
IX. Greenhouse gas inventory, assurance status and reduction targets, strategies and concrete action plans.	Please refer to the table below

4.2 Energy Management

Material Topic Management Policy	
Impact on the Organization of the Issue	Positive Impact: Comprehensive energy management and energy-saving improvements leading to energy-saving and carbon reduction Negative Impact: Failure to implement energy-saving improving programs resulted in increased power use and intensified carbon emissions.
Policies and Commitments	OFCO's main energy consumption is electricity. Therefore, in terms of energy saving, the mission is to reduce the power consumption in production per unit and to achieve effective use of energy through continuous monitoring systems and independent management of production unit.
Responsible Unit	Administration Section.

Material Topic Management Policy	
Complaint Mechanism	Compliant channel for the public and employees when their rights are infringed. ☎ : (07) 3966999, transfer to the Administration Section or the Environmental Safety Section.
Short, Medium, and Long-Term Goals	Short-term goal: Energy saving rate of over 1% during the year or decrease energy intensity by 1%
Action Programs and Performance	• Office energy saving campaigns and replacement with LED lighting fixtures. • Replace with energy-efficient refrigerators and air conditioners .
Effectiveness Assessment	Through monitoring systems and autonomous management at the production units, striving towards a 1% energy-saving target annually. The increase in electricity consumption in 2025 was due to increased production volumes and will be continually managed and monitored to reduce energy consumption.

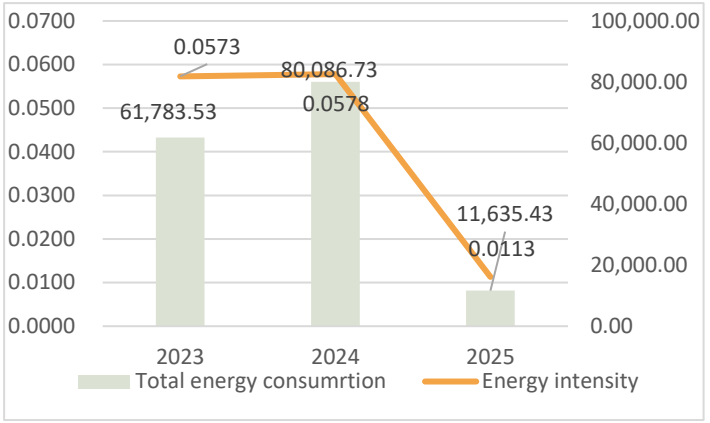
The primary energy source for OFCO production sites is outsourced electricity, accounting for about 92.37% of the OFCO total energy usage. Other energy sources include diesel, gasoline, and liquefied oil gas, with diesel being used for forklifts and transportation vehicles.

Due to the reduction in production, the total energy consumption is reduced, which will be reduced by 68,451.3GJ in 2025 compared with 2024. In terms of energy intensity, in 2025 will be 0.0113GJ/thousand dollars, an decrease of 80.45% compared to 2024.

Year	Electricity consumption	Carbon emissions	Emissions per unit of production (tCO2e/kg)
2025	2,985,467	1,415.1114	0.474
2024	20,733,513	10,242.3557	0.494
Increase/decrease	-17,748,046	-8,827.2443	-0.020

OFCO total energy consumption in the past three years

Non-renewable Energy (GJ)	Year 2023	Year 2024	Year 2025
Diesel	2,370.79	1,846.26	315.25
Use percentage	3.84%	2.31%	2.71%
Liquefied oil gas	3,355.47	3,536.84	542.98
Use percentage	5.43%	4.42%	4.67%
Gasoline	64.77	62.98	29.52
Use percentage	0.10%	0.08%	0.25%
Outsourced Taipower electricity	55,992.50	74,640.65	10,747.68
Use percentage	90.63%	93.20%	92.37%
Total energy consumption	61,783.53	80,086.73	11,635.43
Energy intensity Note 1 (GJ/thousand dollar)	0.0573	0.0578	0.0113



Note 1：Energy intensity = Total energy consumption (GJ)/ Annual revenue (thousand dollars).

Note 2: Year 2023：Diesel heating value = 8,400 kcal/L, Liquefied oil gas heating value = 6,635 kcal/L, Gasoline heating value = 7,800 kcal/L, Electricity heating value = 860 kcal/kWh.

Year 2024：Diesel heating value = 8,629 kcal/L, Liquefied oil gas heating value = 5,958 kcal/L, Gasoline heating value = 7,520 kcal/L, Electricity heating value = 860 kcal/kWh; The coefficient is derived from the Energy Administration's table of unit calorific value of energy products and the Ministry of Environment's announcement of the lower heating values of gasoline and diesel for domestic vehicles in 2024.

Year 2025：Diesel heating value = 8,636 kcal/L, Liquefied oil gas heating value = 10,972kcal/L, Gasoline heating value = 7,586 kcal/L, Electricity heating value = 860 kcal/kWh; The coefficient is derived from the Energy Administration's table of unit calorific value of energy products and the Ministry of Environment's announcement of the lower heating values of gasoline and diesel for domestic vehicles in 2025.

Note 3: The energy data statistics cover the Qiaotou Factory, Ziguan Factory No. 1, and Ziguan Factory No. 2. and head office

Note 4: Total energy consumption：887.75GJ，Percentage of coal、natural gas、Renewable fuel all are 0%

Note 5: Both the renewable energy utilization rate and the total amount of self-generated and self-consumed energy are 0.

Energy-Saving Measures

OFCO continues to implement various energy-saving measures. Regular monthly reviews of water, electricity, fuel, and raw material consumption are conducted to reduce unnecessary energy waste and achieve the goals of energy saving, carbon reduction, and greenhouse gas reduction.

Specific energy-saving measures for factories and offices include the followings:

Factory	Office
•Installing transparent roofing panels on the roof to reduce lighting fixtures. •Replacing mercury lights with LED bulbs	•Indoor air conditioning is basically set at 26~28°C. •Turn off the lights after meals during the lunch break, and turn off the power by zone after get off work. •Replacing mercury lights with LED bulbs. •Replace with refrigerators featuring level 1 energy-saving labels.

4.3 Greenhouse Gas Emissions

Material Topic Management Policy	
Impact on the Organization of the Issue	Positive Impact: Conducting an inventory on greenhouse gas emissions, implementing carbon reduction plans to reduce greenhouse gas emissions, and addressing economic losses related to energy-related risks at operational sites through energy management and energy-saving strategies. Negative Impact: Failure to manage greenhouse gas emissions will contribute to the greenhouse effect. Future carbon taxes may increase operational costs and may not meet customer expectations. Continuing to use non-renewable energy and failing to implement energy-saving programs will result in increased greenhouse gas emissions, exacerbating global warming.
Policies and Commitments	In line with the global strategy for reducing greenhouse gas emissions, a sustainable energy development goal that considers resource efficiency, energy saving, and environmental protection.
Responsible Unit	The Administrative Section and the Environmental Safety Section

Material Topic Management Policy	
Complaint Mechanism	Compliant channel for the public and employees when their rights are infringed Call to (07) 3966999, extension: Administration Section and the Environmental Safety Section.
Short, Medium, and Long-Term Goals	The carbon intensity decreased by 20% in 2025 compared to 2021.
Action Programs and Performance	To manage greenhouse gases more efficiently, a greenhouse gas inventory was conducted at the factory to understand the emission status. This serves as the foundation for proposing strategies to reduce greenhouse gas emissions. Content includes: Identification of emission sources, data collection, and emission calculation. Third-party verification statements have been obtained for Year 2025, 2024 and 2023 greenhouse gas inventories.
Effectiveness Assessment	Completed the Year 2025 ISO 14064-3:2019 greenhouse gas inventory and completed the external verification

4.3.1 Greenhouse Gas Reduction

The growing awareness of energy saving and carbon reduction over years has become a global focus for countries and businesses. In response to this trend, OFCO is actively developing and planning the use of renewable energy, implementing and promoting energy-saving measures in the office environment, and conducting greenhouse gas inventories to understand the current greenhouse gas emissions in the factory area. Through a series of measures, the aim is to achieve the government's 2050 net-zero carbon emissions goal.

With Taiwan's continued focus on climate change and the implementation of relevant policies, 2022 marked OFCO's baseline year for greenhouse gas inventory. Following ISO 14064-1:2018 standards, a greenhouse gas inventory was conducted to understand the greenhouse gas emission status at various operational sites. The aims to effectively achieve the goals of "energy saving, carbon reduction, and environmental friendliness". A third-party verification statement has already certified the greenhouse gas emission volume for 2025.

As of 2025, the total greenhouse gas emissions amounted to 7,385.4584 metric tons of CO_2e. Direct emissions of Category 1 greenhouse gases totaled 132.7479 metric tons of CO_2e. The indirect emissions from the outsourced energy sources (Category 2) totaled 1,415.1114metric tons of CO_2e. Additionally, Category 3 indirect emissions from transportation amounted to 858.3417 metric

tons of CO_2e, and Category 4 indirect emissions from organizational use of products or services totaled 4,979.2574 metric tons of CO_2e. The greenhouse gas emission statistics for OFCO in 2025 are as follows:

Category	Item	OFCO Emission volume	Consolidated subsidiaries	Total
Category 1	Direct Greenhouse Gas Emissions	132.7479	251,330.0000	251,462.7479
Category 2	Indirect Greenhouse Gas Emissions from Outsourced Energy Sources	1,415.1114	1,636.0000	3,051.1114
Category 3	Indirect Greenhouse Gas Emissions from Transportation	858.3417		
Category 4	Indirect Greenhouse Gas Emissions from the Organization's Use of Products or Services	4,979.2574		
Total		7,385.4584	252,966.0000	
Emission Intensity (Category 1 + Category 2)		1.4973		

Note 1: The unit for greenhouse gas emissions is metric tons of CO_2e. The inventory scope follows operational control regulations, encompassing various greenhouse gases, including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3).

Note 2: Emission Intensity = Category 1 + Category 2 total greenhouse gas emissions (Metric tons of CO_2e) / Annual revenue (thousand dollars)

Note 3: Sources of greenhouse gas factors: Environmental Protection Administration's Greenhouse Gas Emission Factor Management Table Version 6.0.4 announced in 2007, GWP values referenced from the IPCC's Sixth Assessment Report (2021), and the Bureau of Energy's announcement of a carbon emission factor of 0.494 kg of CO_2e/kWh for the year 2023.

Note 4:The greenhouse gas data statistics cover the Qiaotou Factory, Ziguan Factory No. 1, and Ziguan Factory No. 2 and head office.

Note 5: The consolidation scope in 2025 is consistent with that in the consolidated financial statements.

Analysis revealed that Category 4, which represents the indirect greenhouse gas emissions from the organization's use of products or services, accounts for the most significant portion at 67% of the total. This includes the organization's electricity, fuel, and raw materials procurement. Following that, Category 2, the indirect greenhouse gas emissions generated from outsourced electricity, accounts for 19%. The remaining emissions from Categories 1 and 3 constitute only 14% of the total.

4.3.2 Gas Emission Control

OFCO complies with the ISO 14001 environmental management system to monitor and prevent air pollution during manufacturing, packaging, and shipping, and continues to improve air pollution generated in the manufacturing process to minimize its impact on the natural environment. In 2025, emissions values monitored were in compliance with air pollution discharge standards.

OFCO primarily generates air pollutants like sulfur oxides (SOx), nitrogen oxides (NOx), volatile organic compounds (VOCs), and suspended particulates in the manufacturing process. OFCO utilizes electrostatic dust collectors and constantly monitors emission data for management purposes, actively deploying measures to reduce and prevent air pollution. By March 2025, the company had ceased its own production and manufacturing, and the emissions of VOCs, SOx, NOx, and particulate matter were already relatively low, so they would no longer be disclosed.

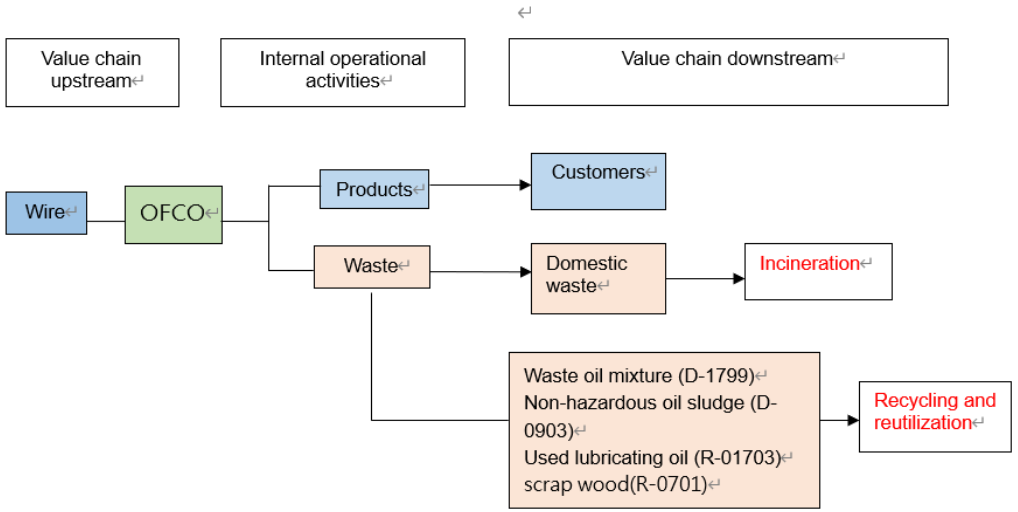
4.4 Waste Management

Material Topic Management Policy	
Impact on the Organization of the Issue	Positive Impact: Reducing waste generation through the usage and management system of raw materials Negative Impact: Outsourcing waste removal and disposal. If the removal and disposal service provider violates environmental regulations by indiscriminately dumping waste, the Company is jointly responsible under Waste Disposal Act.
Policies and Commitments	OFCO strictly adheres to environmental protection regulations, implementing effective control measures to prevent any form of pollution and waste generation. The Company requires employees to engage in proper waste sorting and recycling. It also insists that contractors cooperatively implement the controlling of the subsequent flow of waste. This demonstrates the commitment to an eco-friendly environment, reduced environmental impact, and optimized use of natural resources.
Responsible Unit	The Administrative Section
Complaint Mechanism	Compliant channel for the public and employees when their rights are infringed Call to (07) 3966999, extension: Administration Section and the Environmental Safety Section
Short, Medium, and Long-Term Goals	• Strict adherence to government regulations is ensured by implementing waste disposal plant inspections and car-following to ensure compliance with legal requirements. • To achieve a circular economy and maximize resource reuse, waste oil is recycled for process use to maximize the value of resource reuse.
Action Programs and Performance	• Increased waste recovery rate through recycling and reusing etc. • Regular campaign to employees to sort domestic waste and to recycle, including plastics, paper, glass, etc., to reduce

Material Topic Management Policy	
	waste. • Business waste is managed in compliance with Waste Disposal Act by employing authorized waste management companies, and periodic reporting to the supervisory authorities is carried out to track the waste flow accurately.
Effectiveness Assessment	The waste in 2025 was all handed over to legal, professional recycle, removal and disposal service providers for recycling and disposal.

In response to reducing waste, promoting resource reusing, and reducing waste pollution risks, OFCO strictly adheres to Waste Disposal Act. The Company enforces stringent in-house waste control measures at operational sites, actively seeks recycling and reusing channels, and conducts regular site visits and car-followings to waste removal and disposal facilities. The goal is to minimize the negative environmental impact to the greatest extent possible.

Waste Value Chain Process Diagram



OFCO's waste is classified as non-hazardous industrial waste, with a total waste generation of 29.87 metric tons in 2025. Production will cease from March 2025, resulting in a significant reduction in waste generation. The waste management practices include incineration and recycling, with an 55.24% recycling rate for non-hazardous waste in 2025. OFCO outsources waste collection to qualified waste treatment facilities, with annual contracts signed with approved waste cleaners. By making sure of relevant regulations and practices, the cleaners will regularly do the cleanings based on the waste production situation. Conduct at least one annual visit to waste cleaners. The environmental safety personnel will do the car-following, gaining insights into the operations and managements of handling, removing, disposing, and reusing the entrusted waste. During each cleaning, a

controlled three-part form is delivered to verify that the waste is handed over to legal entities and the records are retained. No contractual breaches occurred with waste cleaners in 2025.





Waste Cleaner Car-following and Inspection Operations

Waste production in the past three years

Unit：tons

Types of waste	Waste details	2023	2024	2025	Disposing method
Non-hazardous waste	Household garbage (D-1801)	131.26	113.85	13.37	Incineration (Non-energy recovery)
	Non-hazardous oil sludge (D-0903)	57.86	0.00	0	Created into solid fuel after physical recycled processing
	Waste oil mixture (D-1799)	236.42	445.69	0	Created into solid fuel after physical recycled processing
	Used lubricating oil (R-1703)	27.52	86.31	16.5	Recycled
	Scrap wood(R-0799)	18.16	0.00	0.00	Incineration (Non-energy recovery)
	Total	471.22	645.85	29.87	

Note 1：The waste data statistics cover the Qiaotou Factory, Ziguan Factory No. 1, and Ziguan Factory No. 2.

Note 2：Recycling rate for non-hazardous waste：55.24%，Recycling rate for hazardous waste：0%

4.5 Water Resource Management

OFCO is located in Low Medium water risk area



Country	Province	Overall Water Risk
Taiwan	Kaohsiung	Low - Medium (1-2)

Over the years, typhoons are most active from July to September every year in Taiwan, often bringing abundant water and quenching the summer heat. On the assumption that no disasters are reported, typhoons serve an important role in replenishing the country's reservoirs every year. However, 《Nature》research has discovered that the frequency of the most destructive typhoons on Earth has decreased significantly over the past century. According to scientists, "Since global warming occurred in the 20th century, the number of typhoons, hurricanes, and tropical storms or cyclones is down 13% compared to the last century". Although there may be fewer typhoons in the future, their potential threat and intensity is likely to increase.

In recent years, the risk of insufficient domestic water resources has gradually increased due to factors such as Taiwan’s limited land, dense population, and finite soil and water resources. The water resource issue has become a key and concerning challenge. OFCO has always valued and efficiently utilized water resources. In managing water resource risks, the Company adopts the Aqueduct Water Risk Atlas from the World Resources Institute (WRI) to identify each factory’s water resource pressures and risks. All OFCO factories utilize water from the Nanhua Reservoir. The identification results indicate a moderate to low level of risk, not categorizing the areas as high-risk regions for water resources. This suggests no significant impact on water sources.

OFCO sources its water from a third party (Taiwan Water Corporation), primarily for domestic use. In 2025, the water consumption

was 4.08 million liters, representing a 86.70% decrease compared to 2024. This is because the production line ceased operation in March 2025.

OFCO’s manufacturing process ensures no wastewater discharge from the production of goods. The only wastewater generated within the facility is from employees’ daily activities. The wastewater from daily use is collected and properly treated, meeting regulatory requirements and being discharged into the municipal public sewage system. The sewage is unified through sewage pipelines to nearby water resource recovery centers (sewage treatment plants). It is released after treatment until meeting environmental standards to reduce the pollution load on rivers, drains, and other water bodies.

Water withdrawal in the past three years

Unit：million liters

	Year 2023	Year 2024	Year 2025
Total water consumption	29.75	30.67	4.08
Total water discharge	0	0	0.14
Total water consumption	29.75	30.67	3.94
Water consumption intensity	0.00003	0.00002	0.0000039

Note 1: Water consumption intensity = Total water consumption (million liters) / Annual revenue (thousand dollars)
Note 2: The water resource data statistics cover the Qiaotou Factory, Ziguan Factory No. 1, Ziguan Factory No. 2 and head office.

5 Social Inclusion

5.1 Employee Diversity and Inclusion

5.1.1 Human rights policy

To fulfill corporate social responsibility and safeguard the fundamental human rights of all employees, customers, and stakeholders, OFCO adheres to the principles outlined in International Bill of Human Rights, such as the “Universal Declaration of Human Rights”, “United Nations Guiding Principles on Business and Human Rights”, “United Nations Global Compact”, and “International Labour Organization”. The Company respects internationally recognized fundamental human rights, including freedom of association, concern for underprivileged groups, prohibition of child labor, elimination of all forms of forced labor, and the eradication of employment and workplace discrimination. OFCO also complies with labor-related regulations in Taiwan and takes actions consistent with the “Responsible Business Alliance Code of Conduct”, treating all employees, contract and temporary workers, interns, etc., with dignity and respect.

OFCO does not conduct any different treatment on language, attitudes, and behaviors based on individual gender, race, socioeconomic status, age, marital status, family status, language, religion, political affiliation, nationality, appearance, facial features, disabilities etc. The Company guarantees equal treatment in employment policies, implementing fairness and equity in employment, remuneration and benefits, training, evaluation, and promotion opportunities. Adequate and appropriate complaint mechanisms are provided to prevent and address situations that may harm employee rights, aiming to create a working environment of equal employment free from discrimination and harassment. No events such as discrimination, child labor, forced labor, or violations of freedom of association occurred in 2025.

Human Rights-related Execution in 2025

Content of Human Rights Policy	Execution Programs and Implementation Status
Providing a safe and healthy working environment	•Establishing a safe and healthy working environment, preventing accidents, and ensuring employee safety. OFCO mandates that new and existing employees undergo regular three-hour labor safety and health training sessions on a rotating basis. •In 2025, 2 lectures were held in total, for a total of 20 attendees/60 hours.
Assisting employees in maintaining physical and mental health as well as work-life balance	•One-hour lunch break, providing colleagues with an ample break. •Regularly organizes company trips and Employee Welfare Committee activities to promote the physical and mental health of employees. In 2025, a family day event was held at Lotus Pond in Kaohsiung, with approximately 13 employees and their families participating.
Eliminating unlawful discrimination and ensuring equal job opportunities	Not to conduct different treatment or any form of discrimination based on personal factors such as race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, disabilities, zodiac sign, blood type, etc., and to implement the respect for workplace diversity.
Prohibition of child labor	As of the end of December 2025, the number of child laborers is 0.
Prohibition of forced labor	If there is a need to extend working hours beyond regular working hours, the consent of the employee must be obtained first.
Creating a communication-friendly environment and establishing an open management style	The Company has diverse communication channels to promote harmonious labor-management relations, including an employee suggestion box and regular management meetings. In 2025 , a total of four labor-management meetings were convened.

5.1.2 Diversity in Employee Structure

By the end of 2025, OFCO had a total of 16 full-time employees, with no temporary employees, no employees with guaranteed hours, no foreign employees or part-time employees, and no non-employee workers. Since March 2025, OFCO has ceased its own production, and employees have been transferred to related companies, resulting in a significant fluctuation in the number of employees in 2025.

OFCO Industry is a labor-intensive industry that requires a large number of people with science and engineering-related professional backgrounds. In 2025, male employees accounted for approximately 66% of the total workforce. Although there is a majority of male employees, there is no gender-based employment discrimination or any unfair treatment. Colleagues between 30 and 50 years old constitute the most significant proportion, accounting for approximately 63% of the workforce. The breakdown of employees includes 2 senior executives (male: female = 1:1), 3 middle-level managers (male: female = 1:2), and 11 general staff (male: female = 1:10), aligning with the characteristics of OFCO's industry chain. Additionally, OFCO supports employment for people with disabilities; however, with a small workforce in 2025, it did not hire any employees with disabilities. OFCO does not have factories overseas, and all its employees work in Taiwan.

Employees' gender and age in 2025

Male		Age	Female	
percentage	Number of people		Number of people	percentage
6%	1	<30 years old	2	13%
0%	0	30-50 years old	9	56%
13%	2	>50 years old	2	13%
19%	3	Total	13	81%

Note 1: Employee count and distribution as of December 31, 2025
Note 2: The employee count data statistics cover the Qiaotou Factory, and head office.
Note 3. :all its employees work in Taiwan.

Employee gender and job level details for the year 2025



Note 1: Senior Executives include: General Manager, Deputy General Manager, and levels above
Note 2: Middle-level Managers include: Department Manager,Deputy Department Manager, and levels above
Note 3: The employee count data statistics cover the Qiaotou Factory, and head office

5.1.3 Equal Wages and Compensation System

To achieve equal pay for equal work and equal promotion opportunities of both genders, implement a friendly workplace, promote gender equality and develop sustainable and co-prosperous operating performance, OFCO's promotion, rewards and disciplinary actions and wages does not discriminate based on gender. OFCO has the same wage determination conditions for male and female employees and without difference between genders. Based on the Company's personnel management regulations, the Company employs the selected personnel according to the qualifications of each grade and pays wages based on the standards set in the employee wages and job grade schedule. The wages of personnel at each level does not differ due to gender, to establish a working environment with equal pay for equal work and truly implement the concept of gender equality in the workplace.

(1)Salary information for full-time employees who do not hold supervisory positions in the past two years

Unit：Number of people / NT.Tthousand dollar

Item	2025	2024	change %
Number of full-time employees who are not supervisors	39	187	-79.14%
Total salary of full-time employees who are not supervisors	23,149	113,710	-79.64%
Average salary" of full-time employees who are not supervisors	594	608	-2.30%
Salary medium" of full-time employees who are not supervisors	509	564	-9.75%

(2) Gender and salary information: Not required to be disclosed (for companies with paid-in capital below 10 billion dollar)

5.1.4 Senior Management Compensation System

OFCO has established relevant compensation policies for senior management, which are based on job responsibilities, performance, and work ability. The compensation system for senior management is proposed by the Compensation and Remuneration Committee to the Board of Directors and approved by the Board of Directors. In addition to fixed salary and retirement pension, performance bonuses are calculated based on the achievement of various performance indicators. The retirement system for senior management is the same as that for other employees.

Total Compensation Ratio in 2025

The ratio of the highest-paid individual's annual salary to the median annual salary of other employees	The ratio of the highest-paid individual's annual total income increase (%) to the median ratio of other employees' annual total income increases (%)
3.74	211.81%

Note: 1. The statistics are based on employees who were employed and received full compensation throughout 2025.
2.The highest-paid individual in 2025 was the Deputy General Manager of Finance (excluding the Chairman who did not concurrently serve as an employee and the General Manager whose term was less than one year)

5.2 Talent Attraction and Retention

Material Topic Management Policy	
Impact on the Organization of the Issue	OFCO offers comprehensive remuneration, promotion, and benefits systems in compliance with legal requirements to safeguard employees' rights. The Company aims to create a safe and stable working environment that allows employees to utilize their skills, grow with the Company, provide employment opportunities in the local community, and contribute to regional economic growth.
Policies and Commitments	Policies: Adhering to the belief that employees are the Company's most valuable assets, we strive to create a stable and secure working environment for employees Commitments: 1.Providing equal employment opportunities, safeguarding labor rights 2.Promoting talent retention plans to enhance retention rates of suitable personnel 3.Enhancing industry competitiveness by improving remuneration, benefits, and promotion systems
Responsible Unit	General Manager and Labor-Management Committee Members
Resources	Salary and welfare adjustment：In 2025, the salary was adjusted by 3-5% based on the employee performance appraisal.

Material Topic Management Policy	
Complaint Mechanism	1.Labor-Management Meetings 2.Complaint hotline: ☎ 07-3966999#128
Short, Medium, and Long-Term Goals	Short-term (2025): New employee retention rate 43% turnover rate 57% (Statistics until Dec.31 2025) Medium to long-term: New employee retention rate 80%; turnover rate 20%
Action Programs and Performance	1.Each year, according to the Company's profit, employee compensation is allocated to the staff in accordance with the Company's Articles of Association. In 2025, due to operating losses, no employee compensation was paid. 2.A free physical check is provided to employees every year. In October 2025, the annual employee physical check was completed. 3.The Employee Welfare Committee provides gift money for Chinese new year, Dragon Boat Festival, Mid-Autumn Festival and Labor Day. In 2025, a total of NT$880,000 were provided in cash and gift certificates.
Effectiveness Assessment	1.Employee performance assessments are conducted annually. 2.Have held regular labor-management meetings every three months. 3.Each year, an annual educational training plan is formulated and implemented effectively.

Employees are the Company's vital assets and are crucial to maintaining the enterprise's competitiveness. Attracting excellent talents and establishing a manpower development system are the critical foundations of a fulfilling workplace. OFCO opens public recruitment according to business needs and actively develops diverse recruitment channels. Selections are based on suitability without influence from factors like race, religion, skin color, nationality, gender, etc. Additionally, OFCO has established defined systems for promotion, assessment, training, reward and punishment to ensure everyone has fair opportunities for career development.

Number and % of newcomers in 2025

Male		Ages	Female	
Ratio	Number		Ratio	Number
21%	4	<30 years old	5%	1
5%	1	30-50 years old	47%	9
16%	3	>50 years old	5%	1
42%	8	Total	58%	11

Number and % of resigned employees in 2025

Male		Ages	Female	
Number	Ratio		Number	Ratio
43	21%	<30 years old	14	7%
90	43%	30-50 years old	45	22%
11	5%	>50 years old	6	3%
144	69%	Total	65	31%

5.2.1 Labor-Management Communication and Exchange

OFCO establishes a diverse communication system, fostering an honest and harmonious work atmosphere to maintain good labor-management interactions. It includes an employee suggestion box, a dedicated employee complaint hotline, regular management meetings, and periodic labor-management meetings to build consensus for a win-win labor-management relationship. OFCO holds quarterly labor-management meetings. In 2025, four meetings were convened, with representatives from labor and management participating in discussions in each meeting.

OFCO has not established a labor union or a collective bargaining agreement, but it holds regular quarterly labor-management meetings with transparent communication channels. Resolutions passed at these meetings apply to all employees. Over the past three years, no labor-management disputes have occurred, and no losses have resulted from such disputes.

In cases of significant operational changes, employees are notified in compliance with relevant laws. When adjustments in work hours, remuneration, job responsibilities, or announcement of new policies is needed, OFCO ensures adherence to

government regulations and procedures. Employees are proactively informed and provided with necessary explanations in a timely manner. Employees are given prior notice if labor contracts need to be terminated, as required by the “Labor Standards Act”. Those terminated without proper notice receive the wages for the notice period.

Standard Notification Period for Companies

For employees who have served more than three months but less than one year	Notify 10 days in advance
For employees who have served more than one year but less than three years	Notify 20 days in advance
For employees who have served for more than three years	Notify 30 days in advance

5.2.2 Complete Benefit Measures

OFCO values the health and welfare of employees, offering comprehensive welfare measures. The Company formulates employee welfare policies following the Labor Standards Act and relevant laws to establish organization functions with a sound management system. Moreover, establish an “Employee Welfare Committee” within the organization to plan employee welfare measures. This aims to provide stability in their lives, safeguard their rights, and foster harmonious labor-management relations. The Employee Welfare Committee of OFCO is responsible for coordinating the use of funds for employee welfare. It actively promotes various welfare programs, embodying the Company’s responsibility to care for and support its employees, ensuring their quality of life, and promoting a balance between work and life. OFCO uses internal emails or company LINE groups to periodically announce various employee benefits and welfare committee information, ensuring that employees are always up-to-date with the latest news!

Benefit item	Content
Employee insurance	from the day employees go onboard, they are insured with the labor insurance, national health insurance and group insurance (life insurance, accident insurance, hospitalization insurance, cancer insurance), international travel safety insurance.
Employee dormitory	Dormitories are provided for foreign laborers to meet the accommodation needs of foreign employees.
Year-end party	The year-end party is coordinated by the management department, for all employees to gather to dine and have fun, with various programs, competitions, lucky draw and other activities to form the loyalty of employees.
Employee uniforms	Employees are provided with summer and winter uniforms every year based on the nature of their works
Health check	In addition to the physical check required for new employees, a free physical check is provided to employees every year. A hospital is contacted to send medical staff to the plants, to provide medical consultation and inspection for employees (the physician visit is once a quarter, and the nurse visit is twice a month). In October 2025, a total of 10 people participated in the annual employee physical check was completed.
Travelling	Due to a significant decrease in the number of employees in 2025, no employee trip was organized. A Family Day event was held at Lotus Pond in 2025, with 13 people participating. Employees were also invited to watch professional basketball and baseball games (approximately 180 people participated in 2025). The company provides a variety of recreational activities to allow employees to relax and improve their physical and mental health outside of work. The Welfare Committee further encourages employees to organize club activities and provides subsidies for these activities.
Employees' subscription warrants	The subscription warrant project is set up as a long-term incentive. Employees of the Company and the subsidiaries with outstanding job performance are included in the incentive plan. Each year, depending on the operating conditions, a certain quantity of employee subscription warrants is issued and distributed to qualified employees. The Company issued 3,000 units of employee subscription warrants upon the approval of the competent authority in 2020. From October 2022, the warrants may be converted to subscribe the Company's common shares. In 2025, a total of 0 employees of the Company and its Subsidiary exercised the transfer into 0 thousand Ordinary shares.
Subsidies for	Employees may apply for subsidies according to regulations for their weddings, childbirths or death of family members. In

Benefit item	Content
weddings and funerals	2025, a total of 3 employees applied for subsidies of NT$12,000.
Gift money for festivals	The Employee Welfare Committee provides gift money for Chinese New Year, Dragon Boat Festival, Mid-Autumn Festival and Labor Day. In 2025, a total of NT$880,000 were provided in cash and gift certificates.
Employee clubs	The expenses for employees organizing group sports and other recreational activities will be subsidized by the welfare fund.



Louts Pond Family Day Activities

Maternity Support

To help employees balance personal and family care needs, OFCO allows colleagues facing extended periods of leave due to situations like maternity, major illness, or significant events to apply for suspension without pay. They can reapply for reinstatement before or after the expiration. The Company also supports employees to nurture their next generation diligently and with ease by

providing nursing rooms equipped with recliners, power outlets, internally lockable doors, emergency button or other assistance options, hand-washing facilities, and a discreet, secure environment. In 2025, two employees applied for parental leave without pay. The reinstatement rate for employees who applied earlier in 2025 was 0%, as the employees considered their own circumstances and prioritized their families, choosing not to return to their jobs.

Year	Item	Number of Male	Number of Female	Total
2025	Employees who actually applied for parental leave(A)	1	1	2
	Employees who actually used for parental leave(B)	1	1	2
	Number of employee reinstatements after parental leave(C)	1	0	1
	Actual number of employee reinstatements after parental leave in 2025(D)	0	0	0
2024	Total number of employee reinstatements after parental leave(E)	1	3	4
	The number of people who have served for 12 months after being reinstated following a parental leave(F)	0	0	0
	Application rate for suspension without pay due to paternal leave (B/A)	100%	100%	100%
	Reinstatement rate (D/C)	0%	0%	0%

Retirement system

To take care of employees and stabilize their lives after retirement, the Company has formulated labor retirement regulations in accordance with the provisions of the Labor Standards Act. Pursuant to the regulations, 2% of the total salary paid is contributed to the retirement reserve fund every month (the full amount has been provided and the provision has been suspended upon the approval of the competent authority). For the employees applicable to the new system of retirement methods, 6% of the monthly salaries are provided as their pension in accordance with the regulations.

Category	Specific content	Implementation
New pension system	To take care of employees and stabilize their lives after retirement, the Company has contributed 6% of the monthly salaries as the pension for the new recruits and employees who opted to apply the new retirement system since from July 1, 2005, to their individual accounts monthly.	Paid on time as required by laws Total NT$1,909 thousand was contributed as the new system pension for 2025.
Old pension system	For employees who opted to apply the old pension system, 2% of the total salary paid is contributed to the retirement reserve fund every month to the pension account with Bank of Taiwan.	• Local employees with years of service under the old system have had their pensions fully settled by the end of 2023. • As of December 31, 2025, the special account balance was NT$5,880 thousand. The overpaid pension has been applied for from the Taiwan Bank pension special account since the beginning of 2026.

5.3 Talent Development and Educational Training

5.3.1 Talent Development and Character Education

To enhance the overall competence of the colleagues and facilitate employees in gaining the required knowledge and skills for their positions, OFCO quantifies the Company's annual training objectives based on goals, members, and organizational structure. These objectives are specifically delegated to authorized project teams for planning. With participative leadership as its primary focus, OFCO's executives often adopt a leadership style involving minimal guidance and increased support, fostering an open Company culture. Once the General Manager approves the Training Policy, the "Training Policy and Commitment Notice" is posted on the bulletin board for all colleagues to be informed.

Two-core Training	Training Contents
New employee training	OFCO provides new employee training for all new employees, allowing them to gain an understanding of the working environment and job requirements through a series of planned courses. For administrative and engineering staff, additional professional trainings related to processes and operations are included, aiming to provide colleagues with a deeper understanding of production, processes, and product services.
Systematic training for various specialist systems	Each specialist follows relevant certification systems for training operations. Each year, specific themes align with the training agenda, providing related personnel with thematic training courses of all functions. Apart from specialists, training is also conducted for different management levels as per their role requirements.

In 2025, OFCO reduced its employee training courses due to a decrease in the number of employees.

Education and training statistics in 2025 (based on actual participants)

Male			Employee Categories	Female		
Headcount	Training Hours	Average Training Hours		Headcount	Training Hours	Average Training Hour
0	0	0	Senior Executives	6	25	4.17
0	0	0	Middle-level Managers	3	6	2.00
15	45	3	General Staff	36	316	8.77
15	45	3	Total	45	347	7.71

Note 1: Senior Executives include: General Manager, Deputy General Manager, and levels above
Note 2: Middle-level Managers include: Department Manager, Deputy Department Manager, and levels above
Note 3: The employee count data statistics cover the Qiaotou Factory and head office.



Educational Training

In 2025, the total training hours for OFCO employees reached 392 hours, averaging 6.53 hours per employee. Male employees received a total training time of 45 hours, averaging 3 hours, while female employees received a total of 347 hours, averaging 7.71 hours of training.

5.3.2 Performance Management Mechanism

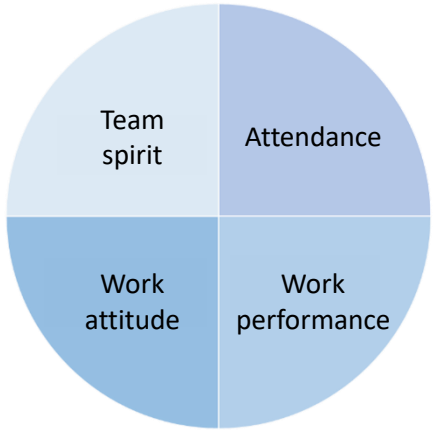
To effectively understand the work performance of colleagues for purposes such as promotions, training and development, salary adjustments, employee compensation, and performance improvement, OFCO has established a performance assessment system. Department executives assess and score their subordinates based on attendance, work performance (achievements or disciplinary actions), work attitude, team spirit, and similar criteria. This annual assessment doesn't include employees who have worked for less than three months, but will have their performance assessed separately by their immediate supervisor to determine their

continued employment according to the onboard time. OFCO offers a performance-based reward system to motivate outstanding departments and employees. Performance bonuses is provided based on business conditions, departmental and individual performance, and adhering to Labor Standards Act and relevant regulations in salary adjustments. Furthermore, besides accomplishing the Company's established work goals, OFCO emphasizes environmental friendliness, integrating nature-centric and societal benefit concepts into the incentive reward system throughout the company to give back to hard-working colleagues. The system incorporates various indicators such as occupational safety, environmental-friendly pollution disposal, carbon reduction, and quality indicator etc., ensuring the continuation of social responsibility within the Company's

operations, thereby fostering sustainable business practices. For 2025, male employees completed the assessment at a 100% rate, and female employees also achieved a 100% completion rate, excluding newly employed individuals who have worked for less than three months and those who left during the year.

Employee Category	Number of Employees to be Assessed	Actual Number of Employees Complete Assessment	Assessment Completion Rate
Senior executive	1	1	100%
Mid-level executive	1	1	100%
General staff	14	14	100%

Performance Assessment Standards



5.4 Occupational Safety and Health

Material Topic Management Policy	
Impact on the Organization of the Issue	OFCO is committed to creating a safe and stable working environment. The Company implement hazard identification and risk assessment to reduce potentially dangerous events and actively promotes employee well-being through various physical examination and environmental checks, fostering a balanced physical and mental state for employees while ensuring the highest product quality in a safe and healthy working environment.
Policies and Commitments	OFCO is committed to building a safe and healthy working environment, ensuring employees' physical and mental well-being. The Company provides various resources to enrich the professional value of our employees, enhancing the Company's competitiveness.
Responsible Unit	Human Resources Administration Division, Environment and Work Safety Division
Resources	1.Employee physical examination: An employee physical examination was conducted in 2025, and the Company covered the costs 2.In 2025, two workplace environmental inspections were conducted. 3.In 2025, 60 participants attended internal employee health and safety training session organized by the Company 4.In 2025, two fire drills were conducted internally
Complaint Mechanism	Employee complaint hotline: (07) 3966999
Short, Medium, and Long-Term Goals	**Short-term (2024):** FR ≤ 3.34; SR ≤ 30 **Medium to long-term:** 1. Creating a workplace environment with 0 occupational injuries and 0 accidents 2.FR ≤ 0; SR ≤ 0
Action Programs and Performance	Achieved external audit verification for ISO 45001 and ISO14001
Effectiveness Assessment	Following ISO 45001, the dedicated unit regularly conducts hazard identification, risk assessment, and control for the working environment and operational hazards. Unacceptable moderate to high-level risks are included in the management programs to reduce the risk level. Internal audits and external verification methods are employed for continuous monitoring and improvement to ensure the management system's effectiveness and compliance with legal regulations

To prevent occupational safety accidents, provide a friendly working environment, and protect the safety of employees and

employees of contractors (suppliers), since 2020, the occupational safety and health management system was introduced and assessment the impact on everyone involved in the company, including all employees, contractors, visitors, the ISO 45001 certificate was obtained in 2020, valid from April 30, 2023 to April 29, 2026.

Regarding the implementation status of the ISO 45001 Management System, OFCO has designated personnel from the Occupational Safety and Environmental Protection Department to check the progress of relevant programs periodically. In case of delays, corrective and preventive measures proposed following the “Occupational Safety and Health Correction and Preventive Measures Management Procedure” are submitted to the responsible unit. The effectiveness of their implementation is to be tracked and confirmed. If the expected results are not achieved, the improvement measures will be re-planned until confirmation of correction.


CERTIFICATE

ARES

特此授予:

久陽精密股份有限公司

高雄市楠頭區芋林路299號

管理體系符合

ISO 45001:2018

IAS ACCREDITED

IAF

ARES International Certification Co., Ltd.

Obtained ISO 45001:2018

5.4.1 Involvement and Communication of Occupational Safety and Health Personnel

To ensure consensus within the Company's internal Occupational Safety and Health Management System and establish effective channels for communication and consultation with stakeholders such as customers, government agencies, suppliers, and contractors. OFCO has established an Occupational Safety Committee, convening regular meetings of the Occupational Safety and Health Committee every quarter. Each meeting involves 2 representatives from the management side and 5 from the labor side. Both sides engage in discussions and communication and propose improvement suggestions. OFCO considers all records of internal and external communication as essential references for the implementation of the Occupational Safety and Health Management System, preserving them for three years following the "Occupational Safety and Health Documents and Records Control Procedure". Key Communication Topics of the Occupational Safety and Health Committee Meetings in 2025 are as follow:

Communication Topics	Improvement of Facilities and Completion Time
1. Site 5S related matters	Daily safety personnel inspections. Any deficiencies are immediately reported to the supervisor for improvement. Weekly reports during management meetings

In addition, OFCO actively promotes new occupational safety and health knowledge to employees (such as regulations, unacceptable risks, relevant emergency responses, etc.) through educational training, online announcements, promotional cards, emails, internal signatures, posters, and other methods. All colleagues are required to read and understand, and executives of all units are requested to cooperate in strengthening the promotion for effective implementation.

5.4.2 Prevention and Handling of Occupational Accidents

OFCO considers the importance of identifying occupational safety and health hazards for company operations. OFCO has established the Taiwan Occupational Safety and Health Management System Project Promotion Team under the General Administration Department to promptly respond to situations that may pose risks and opportunities and implement measures or controls. This team is responsible for conducting hazard identification and risk assessment for occupational safety and health and

conducting environmental monitoring for labor operations twice a year. The table below indicates potential risks identified in 2025 and the corresponding measures taken by OFCO:

Noise

- Provide Employees with Earplugs to Reduce Harm to the Human Body.



air pollution

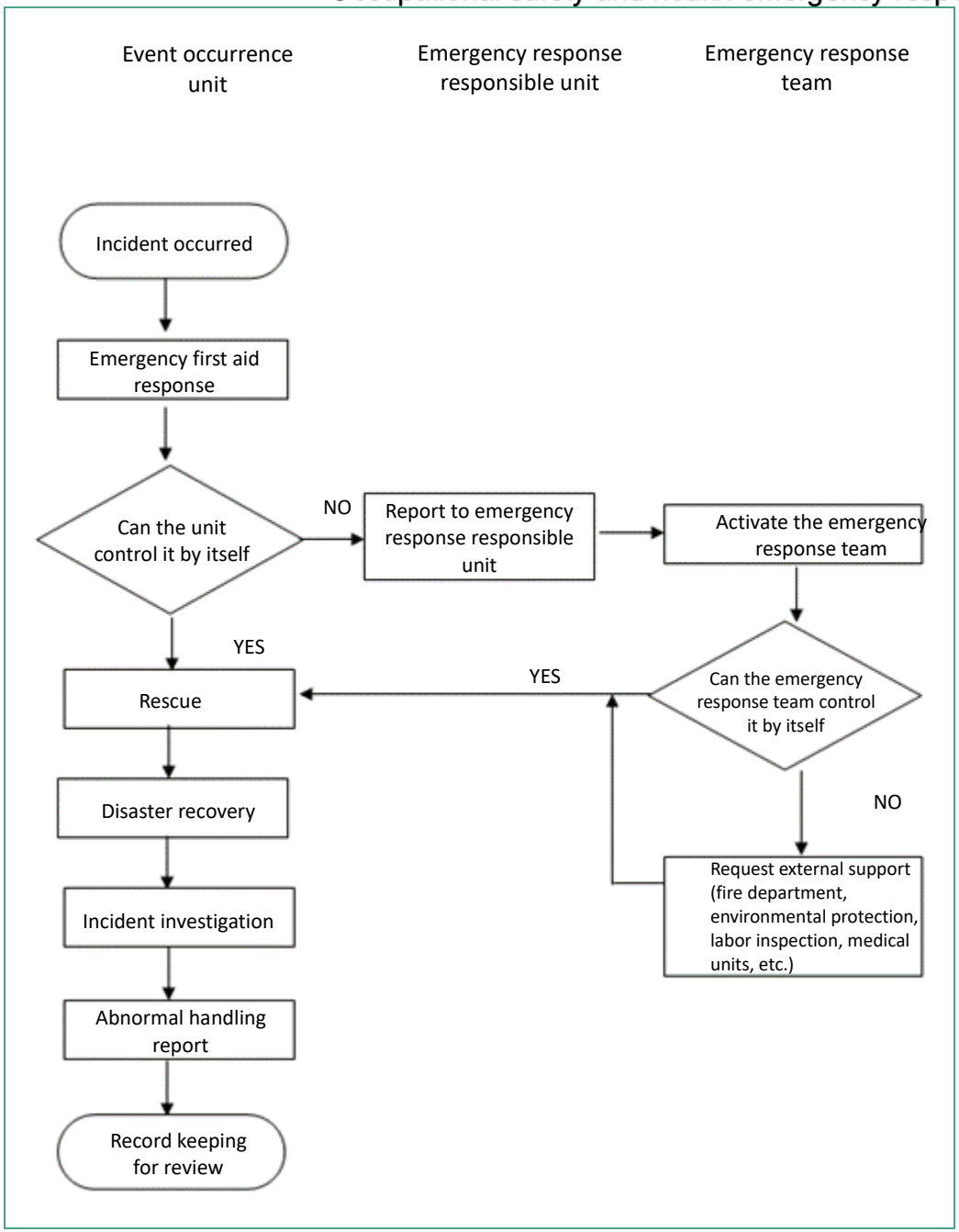
- Install Preventive Devices, Electrostatic Dust Collection and Exhaust Equipment.

High Temperature

- Strictly adhere to regulatory rest hours to avoid prolonged exposure of personnel and equipment to high temperatures.
- Install solar panels or ventilation balls on the roof to reduce production line temperature and improve ventilation quality.
- Provide water dispensers and beverage vending machines to meet the hydration needs of employees.
- Provide industrial electric fans at the workplace to reduce heat-related injuries.

OFCO has established the “Occupational Safety and Health Emergency Response Management Procedure” for all personnels, including visitors and contractors, to outline the response processes in the event of accidents and emergencies. OFCO designates units with high operational risks to propose relevant emergency response plans and conduct drills. At least one emergency response drill, including a fire protection plan, is conducted annually. The Occupational Safety Department is responsible for occupational safety inspections and safety and health promotion in the park, formulating and reviewing emergency response plans, and tracking implementation to prevent accidents. To enhance employee protection in their operations, OFCO spent NT$16 thousand in 2025 in total. This included procuring 443 dozens of gloves, 49 boxes of masks, and other protective equipment to reduce the probability of occupational injuries among employees.

Occupational safety and health emergency response management flowchat



Contractor Safety Management

To ensure that contractors who come to the Company adopt relevant safety measures to reduce employee harm, OFCO communicates its latest occupational safety and health policy to suppliers or contractors when entering into contracts. This information is conveyed through fax, email notifications, inclusion in contracts, or during “work safety agreement team” meetings. OFCO encourages owners to conduct their own occupational safety and health-related education and training or delegate this responsibility to the unit undertaking the contracted business. Before commencing any project, regardless of the amount involved, the unit undertaking the contract is required by OFCO to sign the “Project Contracting Labor Safety and Health Precautions”. It aims to comprehensively prevent occupational disasters and safeguard the safety and health of labors.

5.4.3 Occupational Safety Performance

OFCO places great importance on immediate reporting, thorough investigation, and re-occurrence prevention after every incident. The Company regularly monitors employees’ health and the working environment’s condition. Over the past three years, neither OFCO’s employees nor external contractors have experienced any cases of occupational diseases. Furthermore, from 2021 to 2025, no fatalities or severe occupational injuries resulted from work-related accidents involving OFCO employees and external contractors.

In 2025, there were no traffic accident involved an OFCO employee who returned to work after one day. Throughout the year, there were no general occupational injuries caused by machine operation errors or adverse working conditions. OFCO is committed to continuously improving occupational safety, implementing the Labor Safety and Health Regulations. The Company aims to reduce the number of occupational injuries and strives to achieve the goal of zero occupational injuries in the future.

2023 – 2025 Occupational Accident Categories and Figures

Item/year	Year **2023**	Year **2024**	Year **2025**
Caught/Draw in	0	1	0
Fall	0	0	1
Traffic accident	0	0	0
Cut/scrape/stab wound	0	3	0
Total	0	4	1

OFCO's Occupational Safety Performance over the Years			
Item/year	Year 2023	Year 2024	Year 2025
Annual work hours for all employees	396,736	418,014	152,966
The number of general occupational injuries cases	0	4	1
Occupational injury loss days	0	46.1875	19
Number of deaths due to occupational injuries	0	0	0
Occupational fatality rate due to occupational injuries	0	0	0
Number of severe occupational injuries (Excluding number of deaths)	0	0	0
Severe occupational injury rate (Excluding number of deaths)	0	0	0
Frequency rate of disability injuries (FR)	0	9.56	6.53
Severity rate of disability injuries (SR)	0	110	124
Total Recordable Incident Rate (TRIR)	0	1.91	1.30
Near Miss Frequency Rate (NMFR)	0	0	0

Note 1: Death rate caused by occupational injuries = (Number of deaths due to occupational injuries / Total annual working hours) x1,000,000.
Note 2: Severe occupational injuries: Refers to injuries where workers are unable or have difficulty recovering to their pre-injury health status within six months (excluding those resulting in death due to occupational injuries).
Note 3: Rate of severe occupational injuries = (Number of severe occupational injuries (excluding deaths) / Total annual working hours) x1,000,000.
Note 4: Frequency rate of disability injuries = The number of registered occupational injuries per million working hours, calculated as the number of injuries to be recorded x 1,000,000 ÷ Total accumulated work hours.
Note 5: Severity rate of disability injuries = The number of days lost due to disabling injuries per million working hours, calculated as the number of days lost due to disabling injuries x 1,000,000 ÷ Total accumulated work hours.
Note 6: TRIR = Number of recordable occupational injuries (including disability and death) per million hours worked, calculated as number of recordable occupational injuries x 200,000 ÷ total hours worked.
Note 7: NMFR = Number of false alarms per million hours worked, calculated as number of false alarms x200,000 ÷ total hours worked.
Note 8: In 2025, the formulas for the Total Recordable Incident Rate (TRIR) and the Near Miss Frequency Rate (NMFR) will be adjusted to use 200,000 to calculate the rates. Data for 2023-2024 have been recalculated.

5.4.4 Occupational Safety and Health Training

To effectively reduce occupational disasters, at the end of each year, the Occupational Safety and Health Unit at OFCO compiles the “Occupational Safety and Health Training Request Form” for the following year based on the actual operational needs of each department for the following year, Occupational Safety and Health Act requirements (including statutory on-the-job training for specialists), and considering the results of hazard identification. The Company has designated personnel responsible for labor safety and health management, organizing monthly labor safety and health training sessions to familiarize all employees with safety and health regulations. In 2025, a total of 2 sessions were held, with 20 participants/60 hours. In addition, for machinery used in the workplace, such as manufacturing machines, forklifts, overhead cranes, etc., employees are irregularly assigned to receive operation training to provide a healthy, comfortable, and safe working environment for workers. OFCO conducts fire drills every six months to familiarize employees with fire service concepts and equipment usage, providing additional protection in case of disasters. In 2025, fire drills were held in October at the Qiaotou Factories, with each department assigning approximately 20 to 30 colleagues to participate in each drill. Training content includes fire extinguishing, reporting, evacuation guidance, and more.

Training Course	Number of Participants	Educational Training Hours	Amount (NTD)
Fire drill	24	4H/person	0







2025 Fire Drill

5.4.5 Occupational Health Service and Health Promotion

OFCO provides health protection services, physical examination, and abnormality management for all workers, taking on the responsibility of safeguarding employee health services, physical examinations, and health promotion. This ensures that employees receive comprehensive health care. Additionally, the Administrative Section is responsible for managing employees' health-related information to protect employee privacy. The following are the health services items offered by OFCO in 2025:

Health Service Items	Service Content
Employee physical examination	In caring for the well-being of colleagues, OFCO conducts an annual employee physical examination. The Company covers the cost, ensuring the staff's physical and mental health. In October 2025, the annual employee physical examination was completed, with a total of 10 individuals having undergone the examination. The checkup included the following items: •General physical check-up (height, weight, waist circumference, blood pressure, hearing, color blindness, vision test), Systemic physical check-up of head and neck, respiratory system, cardiovascular system, digestive system, nervous system, musculoskeletal system, skin system, Inquiry (self-reported symptoms and sleep conditions, etc.), Chest X-ray, Urine examination (urine protein, occult blood), Blood examination (hemoglobin, white blood cell count), Biochemical examination (total cholesterol, serum glutamic

Health Service Items	Service Content
	pyruvic transaminase (GPT), fasting blood sugar, creatinine, triglycerides, high-density lipoprotein cholesterol, low-density lipoprotein cholesterol).
Health Promotion	To enhance employees' knowledge of weight management and promote healthy weight control, a health lecture held at the Qiaotou plant and the head office in 2025. • On May 7, 2025, a health lecture entitled "Combating High Blood Pressure, High Cholesterol, and High Blood Sugar: A Success Story" was held at the Qiaotou factory, with 15 employees in attendance. • On November 27, 2025, a health lecture entitled "Eating Out Can Be Healthy Too: Enjoy Healthy Food Without Regaining Weight" was held at the head office, with 11 employees in attendance.

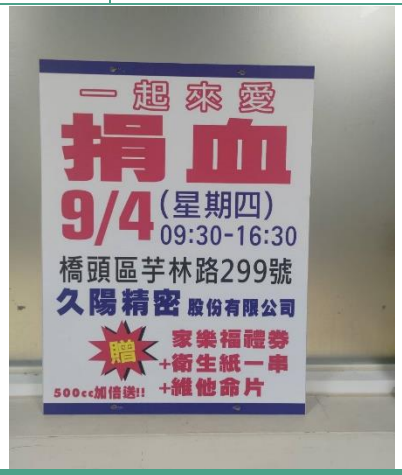
5.5 Social Engagement and Public Welfare

In addition to emphasizing the Company's sustainable operations, OFCO actively participates in social welfare with the belief of taking from society and giving back to society, giving back to the society with our own effort and promote local development. OFCO engages in various forms of social care, including cash and material donations, providing part-time opportunities, organizing blood donation, and more. It extends the care to areas such as energy saving, education, caring the underprivileged, and medical issues, as well as encouraging employees to participate together with the neighboring community in creating a better home. The table below shows the charitable activities participated in 2025:

Issue	Initiative	Implementation Effectiveness
Energy saving	Responding to government's environmental protection policies - donating energy-saving appliances	To promote energy conservation and carbon reduction and in response to the Government's environmental protection policies, the Company donated LED tubes to the Kaohsiung Fengshan District Office Live Center through the Kaohsiung City Environmental Protection Bureau in September 2025, helping the center reduce carbon emissions by 3,790 (kgCO2e/year) annually.

Issue	Initiative	Implementation Effectiveness
Education	Dream Fulfillment Project - Donating scholarships and teacher counseling funds for indigenous children	Recognizing the challenges faced by economically underprivileged children in indigenous areas in pursuing education. In 2025, OFCO donated 50,000 NTD to the Pingtung Indigenous Cultural and Educational Association for scholarships and teacher counseling, expressing support for the education of indigenous children.
Caring the underprivileged	Caring to underprivileged families - Donating essential supplies	OFCO extends care to underprivileged groups in nearby neighborhoods, including elderly individuals living alone and single-parent families. In 2025, OFCO donated a batch of essential supplies such as rice and cooking oil to support them.
Medical	Hosting blood donation event	In 2025, OFCO brought together employees, suppliers, nearby companies, and residents to join in a charitable blood donation, helping more lives in danger. A total of 40 bags of blood were collected.

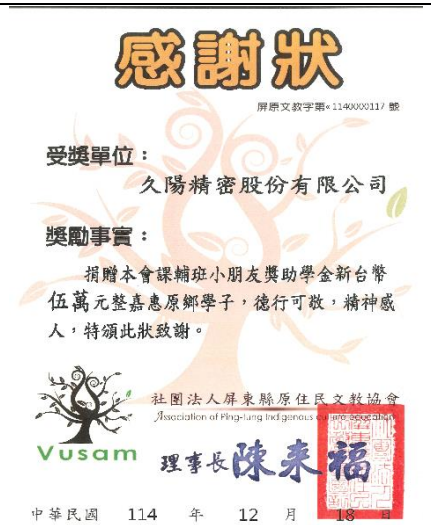




Blood Donation Event



Employee health lecture

<table>
<tr>
<td>
感謝狀
屏原文教字第0114000117 號
受獎單位：
久陽精密股份有限公司
獎勵事實：
捐贈本會課輔班小朋友獎助學金新台幣伍萬元整嘉惠原鄉學子，德行可敬，精神感人，特頒此狀致謝。
社團法人屏東縣原住民文教協會
Association of Ping-Tung Indigenous Culture Education
Vusam
理事長陳来福
中華民國 114 年 12 月 18 日</td>
<td>
</td>
<td>
感謝狀
茲感謝 久陽精密股份有限公司
樂善好施、捐贈物資、熱心公益，資助經濟弱勢之善心義舉。
特此銘記，敬表謝忱
中華民國 114 年 09 月 04 日</td>
</tr>
<tr>
<td>Donating Scholarships and Teacher Counseling Funds for Indigenous Children</td>
<td colspan="2">Donating essential supplies</td>
</tr>
</table>

Appendix 1 GRI Index table

GRI Standards	Disclosure Items	Corresponding Chapters	Page	Supplementary Explanation
GRI 2: General Disclosure (2021)				
GRI 2: General Disclosure (2021)	2-1 Organization details	About OFCO	11	
	2-2 Entities included in the organization sustainability report	About this report	3	
	2-3 Reporting period, frequency, and contact person	About this report	3	
	2-4 Information restated	No restatement for the initial report	-	
	2-5 External assurance/certification	About this report	3	
	2-6 Activities, value chain, and other business relationships	About OFCO	11	
	2-7 Employees	5.1 Employee diversity and inclusion	86	
	2-8 Non-employee workers	5.1 Employee diversity and inclusion	86	
	2-9 Governance structure and composition	2.1 Corporate governance	26	
	2-10 Nomination and selection of the highest governance unit	2.1 Corporate governance	26	
	2-11 Chair of the highest governance unit	2.1 Corporate governance	26,33	
	2-12 Role of the highest governance unit in supervising impact management	2.1 Corporate governance	26,29	
	2-13 Person responsible for impact management	2.1 Corporate governance	24	
	2-14 Role of the highest governance unit in sustainability reporting	About OFCO	11	
		2.1 Corporate governance	24	
	2-15 Conflicts of interest	2.1 Corporate governance	33	
	2-16 Communication of key material events	1.2 Analysis of Material topics	18	
		1.3 Response to the Impact of Material Issues	21	
		2.1 Corporate governance	26	

GRI Standards	Disclosure Items	Corresponding Chapters	Page	Supplementary Explanation
	2-17 Collective intelligence of the highest governance unit	2.1 Corporate governance	32	
	2-18 Performance evaluation of the highest governance unit	2.1 Corporate governance	31	
	2-19 Remuneration Policies	2.1 Corporate governance	31,33	
	2-20 Remuneration determination process	2.1 Corporate governance	31	
	2-21 Annual total remuneration ratio	5.1 Employee Diversity and Inclusion	83	
	2-22 Statement of sustainable development strategy	Letter from the Chairman	6	
	2-23 Policy commitments	Letter from the Chairman; policies on material topics	6,37,42,49,59,61,67,70,73,83,94	
		5.1 Employee Diversity and Inclusion	79	
	2-24 Incorporated into policy commitments	Letter from the Chairman; policies on material topics	6,37,42,49,59,61,67,70,73,83,94	
	2-25 Remediation procedures for negative impacts	2.2 Integrity Management policies on material topics	34,37,42,49,59,61,67,70,73,83,94	
	2-26 Mechanisms for seeking advice and raising concerns	2.2 Integrity Management policies on material topics	34,37,42,49,59,61,67,70,73,83,94	
	2-27 Compliance	2.3 Compliance	36	
	2-28 Membership for the association	About OFCO	11	
	2-29 Stakeholder engagement policy	1.1 Stakeholder engagement	14	
	2-30 Collective agreement		-	The Company has not established a labor union

GRI Standards	Disclosure Items	Corresponding Chapters	Page	Supplementary Explanation
GRI 3: Material Topic (2021)				
GRI 3: Material Topic (2021)	3-1 Decision-making process for material topics	1.2 Analysis of Material Topics	18	
	3-2 List of material topics	1.2 Analysis of Material Topics	19	
Economic Performance				
3-3 Management of material topics		2.4 Economic Performance	37	
GRI 201 (2016): Economic Performance	201-1 Direct economic value generated and distributed by the organization	2.4 Economic Performance	40	
	201-4 Financial subsidies from the government	2.4 Economic Performance	41	
Risk management				
3-3 Material Topics management		2.5 Risk management	42	
Product quality and safety、Customer service management				
3-3 Material Topics management		3.1 Product quality and safety 3.2 Customer service	49 55	
GRI 416 (2016): Customer health and safety	416-2 Incidents of non-compliance with health and safety regulations related to products and services	3.1 Product quality and safety	54	
	417-2 Incidents of non-compliance with information and labeling regulations for products and services	3.1 Product quality and safety	54	
GRI 417 (2016): Marketing and labeling	417-3 Incidents of non-compliance with marketing communication regulations	3.1 Product quality and safety	54	
GRI 418 (2016): Customer privacy	418-1 Confirmed violations of customer privacy or complaints regarding the loss of customer data	3.2 Customer service	57	
Climate change adaption				
3-3 Material Topics management		4.1 Climate change risk management	61	

GRI Standards	Disclosure Items	Corresponding Chapters	Page	Supplementary Explanation
GRI 201 (2016): Economic performance	201-2 Financial impacts and other risks and opportunities arising from climate change	4.1 Climate change risk management	63	
Energy management				
3-3 Material Topics management		4.2 Energy Management	67	
GRI 302 (2016): Energy	302-1 Energy consumption in the organization	4.2 Energy Management	69	
	302-3 Energy intensity	4.2 Energy Management	69	
	302-4 Reduce energy consumption	4.2 Energy Management	70	
Greenhouse gas emissions				
3-3 Material Topics management		4.3 Greenhouse gas emissions	70	
GRI 305 (2016): Emission	305-1 Direct (Scope 1) greenhouse gas emissions	4.3 Greenhouse gas emissions	72	
	305-2 Energy indirect (Scope 2) greenhouse gas emissions	4.3 Greenhouse gas emissions	72	
	305-4 Greenhouse gas emission intensity	4.3 Greenhouse gas emissions	72	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant gas emissions	4.3 Greenhouse gas emissions	73	
Waste management				
3-3 Material Topics management		4.4 Waste management	73	
GRI 306 (2020): Waste	306-1 Generation of waste and significant impacts related to waste	4.4 Waste management	74	
	306-2 Management of significant impacts related to waste	4.4 Waste management	74	
	306-3 Generation of waste	4.4 Waste management	75	

GRI Standards	Disclosure Items	Corresponding Chapters	Page	Supplementary Explanation
	306-4 Disposal and transfer of waste	4.4 Waste management	74	
	306-5 Direct disposal of waste	4.4 Waste management	74	
Occupational health and safety				
3-3 Material Topics management		5.4 Occupational health and safety	94	
GRI 403 (2018): Occupational safety and health	403-1 Occupational safety and health management system	5.4 Occupational health and safety	94	
	403-2 Hazard identification, risk assessment, and incident investigation	5.4 Occupational health and safety	96	
	403-3 Occupational health services	5.4 Occupational health and safety	102	
	403-4 Worker participation, consultation, and communication in occupational health and safety	5.4 Occupational health and safety	96	
	403-5 Workers training for occupational safety and health	5.4 Occupational health and safety	101	
	403-6 Promoting worker’s health	5.4 Occupational health and safety	102	
	403-7 Preventing and mitigating occupational health and safety impacts directly related to business operations	5.4 Occupational health and safety	96	
	403-8 The workers covered by the occupational health and safety management system	5.4 Occupational health and safety	94	
	403-9 Occupational injuries	5.4 Occupational health and safety	99	
	403-10 Occupational diseases	5.4 Occupational health and safety	99	
Talent attraction and retention				
3-3 Material Topics management		5.2 Talent attraction and retention	83	
	401-1 New and resigned employees	5.2 Talent attraction and retention	85	

GRI Standards	Disclosure Items	Corresponding Chapters	Page	Supplementary Explanation
GRI 401 (2016): Labor-employer relationship	401-2 Welfare provided to full-time employees	5.2 Talent attraction and retention	86	
	401-3 Parental leave	5.2 Talent attraction and retention	88	
GRI 402 (2016): Labor-management relations	402-1 Shortest notice period for operational changes	5.2 Talent attraction and retention	86	
GRI 201 (2016): Economic performance	201-3 Define service plan obligations and other retirement plans	5.2 Talent attraction and retention	89	
Other Topics				
GRI 200: Economy				
Integrity Management				
GRI 205 (2016): Anti-corruption	205-1 Operational locations where corruption risk evaluations have been conducted	2.2 Integrity Management	34	
	205-2 Communication and training on anti-corruption policies and procedures	2.2 Integrity Management	34	
	205-3 Confirmed corruption incidents and actions taken	2.2 Integrity Management	35	
GRI 206 (2016): Anti-competitive behavior	206-1 Legal actions against anti-competitive, anti-trust, and monopolistic practices	2.2 Integrity Management	35	
GRI 300: Environment				
GRI 303 (2018): Water and discharged water	303-1 The mutual impact of shared water resources	4.5 Water resource management	76	
	303-2 Management of impacts related to drainage	4.5 Water resource management	76	
	303-3 Water intake	4.5 Water resource management	77	

GRI Standards	Disclosure Items	Corresponding Chapters	Page	Supplementary Explanation
GRI 400: Society				
Talent development and educational training				
GRI 404 (2016): Training and education	404-1 Average hours of training received per employee per year	5.3 Talent development and educational training	92	
	404-2 Enhancing employee capabilities and transition assistance programs	5.3 Talent development and educational training	91	
	404-3 The proportion of employees undergoing regular performance and career development assessments	5.3 Talent development and educational training	93	
Employee diversity and inclusion				
GRI 405 (2016): Diversity and equal opportunity for employees	405-1 Diversity in governance units and employees	5.1 Employee diversity and inclusion	80	
GRI 406 (2016): Non-discrimination	406-1 Incidents of discrimination and improvement actions taken by the organization	5.1 Employee diversity and inclusion	78	
Social engagement and public welfare				
GRI 413 (2016): Local community	413-1 Operational activities involving local community communication, impact evaluations, and development planning	5.5 Social engagement and public welfare	103	

Appendix 2 Climate-Related Information for TPEx Listed Companies

Item	Disclosure Content	Page	Corresponding Chapters
I	Describe board and management level supervision and governance on climate-related risks and opportunities	61	4.1 Climate change risk management
II	Describe the climate-related risks and opportunities the organization has identified and their impact on businesses, strategies and financial planning over the short, medium and long term.	61	
III	Describe the financial impacts of extreme weather events and transformational actions.	61	
IV	Describe how the climate risk identification, assessment, and management processes are integrated into the overall risk management system.	62	
V	If situational analysis is used to assess the resilience to climate change risks, describe the contexts, parameters, assumptions, analysis factors, and key financial implications	-	Under planning
VI	If there is a transformation plan for managing climate related risks, describe the plan and the metrics and targets used to identify and manage physical and transformation risks.	63	4.1 Climate change risk management
VII	VII. If internal carbon pricing is used as a planning tool, the basis for the pricing should be described.	-	Under planning
VIII	If climate related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be stated; and if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) should be stated.	-	Under planning
IX	Greenhouse gas inventory, assurance status and reduction targets, strategies and concrete action plans.	72 114	4.3 Greenhouse gas emissions and Appendix 3

Appendix 3　Greenhouse Gas Inventory and Verification Status

GHG emissions: GHG emissions (ton CO2e), intensity (ton CO2e/NTD million), and data coverage in the last two years.

	Greenhouse gas emissions **2025**(ton CO2e)	Intensity in 2025 (Metric tons of CO2e/NT$ million)	Greenhouse gas emissions **2024**ton CO2e)	Intensity in 2024 (Metric tons of CO2e/NT$ million)
Category I	133	0.1284	798	0.5764
Category II	1,415	1.3689	10,242	7.3978
Total volume	1,548	1.4973	11,040	7.9742

Greenhouse Gas Assurance Information：The status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

YEAR	Scope of Assurance:	Assurance Unit	Principle of Assurance	Verification Conclusion
2025	The company's　Qiaotou Factory, Ziguan Factory No. 1, and head Office.	British Standards Institution	ISO14064-3：2019	Declares that the reasonable assurance level of the inventory data is Category 1 and Category 2.
2024	The company's　Qiaotou Factory, Ziguan Factory No. 1, and Ziguan Factory No. 2.	British Standards Institution	ISO14064-3：2019	Declares that the reasonable assurance level of the inventory data is Category 1 and Category 2.

(Note: Please visit OFCO's website for the BSI Verification Statement at https://www.ofco.com.tw/?q=tw/certificate)

T

Appendix 4 Sustainability Accounting Standard Index (SASB)–Industrial Machinery & Goods

Topics	Indicator Code	Indicator Disclosure	Nature	Page	Corresponding chapter
Energy Management	RT-IG-130a.1	Total energy consumption：11,635.43GJ Percentage grid electricity (%)：92..37% Percentage of renewable energy consumption：0%	Quanti-tative	69	4.2 Energy Management
Employees Health and Safety	RT-IG-320a.1	Total recordable incident rate(TRIR)：1.3% Fatality rate：0% Relevant work Near Miss Frequency Rate (NMFR): 0%	Quanti-tative	100	5.4 Occupational Safety and Health
Fuel Economy & Emissions in Usephase	RT-IG-410a.1	Sales-weight fleet fuel efficiency for medium and heavy-duty vehicles	Quanti-tative	–	The indicator is not applicable to the Company's products
	RT-IG-410a.2	Sales-weight fuel efficiency for non-road equipment	Quanti-tative		
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators Efficiency	Quanti-tative		
	RT-IG-410a.4	Calculated based on the weighted sales volume of the following product types: (1)Nitrogen oxides (NOx) (2) Emissions of Particulate matte(PM)： (a) marine diesel engines, (b) locomotive diesel engines (c) on-road medium- and heavy-duty engines (d) other non-road diesel engines	Quanti-tative		
Materials Sourcing	RT-IG-440a.1	Description of the management of risks associated with	Discussion and analysis	–	–

Topics	Indicator Code	Indicator Disclosure	Nature	Page	Corresponding chapter
		the use of critical materials： The Company has procurement contracts with major raw material suppliers, and the price of raw materials is mainly driven by the trend of international steel prices. Unless the Company fails to make payment according to the contract, the suppliers may not cancel orders without cause. The Company maintains good, long-term partnerships with major raw material suppliers, vigorously managing production costs and enhancing the added value of products to effectively control the raw material price fluctuation-related risks.			
Remanufacturing Design & Services	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	Quanti-tative	–	Not applicable as the Company does not sell such product
Activity Metric	RT-IG-000.A	Number of units produced by product category： screw 4.052Tons	Quanti-tative	–	–
	RT-IG-000.B	No. of employees：16	Quanti-tative	80	5.1 Employee Diversity and Inclusion

Appendix 5 Assurance Item Summary

<table>
<tr><th>No.</th><th>Information Assured</th><th>Reporting Criteria</th><th>Page</th></tr>
<tr><td>1</td><td>Total energy consumption, percentage of externally purchased electricity, utilization rate of renewable energy, and total energy generated for self-consumption
Total energy consumption: 11,635.43 GJ
Percentage of purchased electricity: 92.37%
Renewable energy utilization rate and total energy generated for self-consumption: 0</td><td>Total energy consumption, percentage of externally purchased electricity, utilization rate of renewable energy, and total energy generated for self-consumption in 2025.</td><td>69</td></tr>
<tr><td>2</td><td>Total fuel consumption, percentage of coal, percentage of natural gas, and percentage of renewable fuel
Year 2025
<table>
<tr><td>Total fuel consumption</td><td>887.75GJ</td></tr>
<tr><td>percentage of coal</td><td>0%</td></tr>
<tr><td>percentage of natural gas,</td><td>0%</td></tr>
<tr><td>percentage of renewable fuel</td><td>0%</td></tr>
</table></td><td>Total fuel consumption, percentage of coal, percentage of natural gas, and percentage of renewable fuels in 2025.</td><td>69</td></tr>
<tr><td>3</td><td>Total water withdrawal and consumption
Total water withdrawal: 4.08 million liters
Total water consumption: 3.94 million liters</td><td>Total water withdrawal and consumption in 2025.</td><td>77</td></tr>
<tr><td>4</td><td>Weight of generated waste, percentage of hazardous waste, and percentage recycled
Total waste generation of 29.87 metric tons in 2025.
Hazardous waste percentage: 0%
Waste recycling rate：55.24%</td><td>The weight of the waste generated, the percentage of hazardous waste, and the percentage recycled in 2025.</td><td>75</td></tr>
</table>

<table>
<tr><th>No.</th><th>Information Assured</th><th>Reporting Criteria</th><th>Page</th></tr>
<tr><td>5</td><td>Explain of the number and percentage of occupational accidents
<table>
<tr><td>Item/year</td><td>Year 2025</td></tr>
<tr><td>Annual work hours for all employees</td><td>152,966</td></tr>
<tr><td>The number of general occupational injuries cases</td><td>1</td></tr>
<tr><td>Occupational injury loss days</td><td>19</td></tr>
<tr><td>Number of deaths due to occupational injuries</td><td>0</td></tr>
<tr><td>Occupational fatality rate due to occupational injuries</td><td>0</td></tr>
<tr><td>Number of severe occupational injuries (Excluding number of deaths)</td><td>0</td></tr>
<tr><td>Severe occupational injury rate (Excluding number of deaths)</td><td>0</td></tr>
<tr><td>Frequency rate of disability injuries (FR)</td><td>6.53</td></tr>
<tr><td>Severity rate of disability injuries (SR)</td><td>124</td></tr>
<tr><td>Total Recordable Incident Rate (TRIR)</td><td>1.30</td></tr>
<tr><td>Near Miss Frequency Rate (NMFR)</td><td>0</td></tr>
</table></td><td>Number and percentage of occupational accidents in 2025.</td><td>99</td></tr>
<tr><td>6</td><td>Production volume of major products by product type:
4,052 tonnes of screws</td><td>Production volume of major products by product category in 2025.</td><td>116</td></tr>
</table>

Appendix 6 Independent Limited Assurance Report

Independent Limited Assurance Report

To OFCO INDUSTRIAL CORP.

We have been engaged by OFCO INDUSTRIAL CORP. (the "Company") to perform assurance procedures in respect of the key performance indicators identified by the Company and reported in the 2025 Sustainability Report (hereinafter referred to as the "Identified Key Performance Indicators") and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The subject matter information is the Identified Key Performance Indicators of the Company. The Identified Key Performance Indicators and the respective applicable criteria are stated in the " Assurance Item Summary" of the Sustainability Report. The scope of the Identified Key Performance Indicators is set out in the "Report Boundaries and Scope" of the Sustainability Report.

Management's Responsibility

The Management of the Company is responsible for the preparation of the Identified Key Performance Indicators disclosed in the Sustainability Report in accordance with the Applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Identified Key Performance Indicators that are free from material misstatement, whether due to fraud or error.

Inherent Limitation

Certain subject matter information assured involves non-financial data which is subject to more inherent limitations than financial information. Qualitative interpretations of the relevance, materiality and the accuracy of data are more dependent on individual assumptions and judgments.

Compliance of Independence and Quality Management Requirement

We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies the Standard on Quality Management 1, "Quality Management for Public Accounting Firms" of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Key Performance Indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" of Republic of China. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Identified Key Performance Indicators are free from material misstatement.

Under the requirements of the aforementioned standards, our limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the criteria as the basis for the preparation of the Identified Key Performance Indicators, assessing the risks of material misstatement of the Identified Key Performance Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified key Performance Indicators. A limited assurance engagement is substantially less in scope than a reasonable

assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, and agreeing or reconciling with underlying records.

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

• Made inquiries of the persons responsible for the Identified Key Performance Indicators to obtain an understanding of the processes and the relevant internal controls relating to the preparation of the aforementioned information, to identify the areas where there may be risks of material misstatement.
• Based on the above understanding and the areas identified, samples of the Identified Key Performance Indicators have been tested through inquiries, observations, inspections, and other procedures to obtain evidence for limited assurance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Key Performance Indicators have been prepared, in all material respects, in accordance with the respective applicable criteria.

We also do not provide any assurance on the Year 2025 Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls.

Limited Assurance Conclusion
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Key Performance Indicators in the Sustainability Report are not prepared, in all material respects, in accordance with the Applicable Criteria.

Other Matter

The Management of the Company is responsible for maintaining the Company's website. We have no responsibility to re-perform any procedures regarding the Identified Key Performance Indicators after the date of our assurance report, even if the Identified Key Performance Indicators or the Applicable Criteria have been subsequently modified.

PwC Taiwan Certified Public Accountant

Chung-Yu Tien

August 11, 2026