XAC
A Partner You Can Trust

2025

XAC AUTOMATION CORP.

SUSTAINABILITY REPORT

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About XAC and This Report

1. Message from Management

Steadily Advancing Toward a Sustainable Future while Focusing on Core Business Innovation

With the rapid development of digital payments and cloud technologies, business models are undergoing profound changes. In response to market trends, XAC has remained committed to its core values of Pursuing Root Causes, Teamwork, Sustainable Operations, and Shared XAC Success, while focusing on the areas in which we excel. In terms of business development, XAC continues to strengthen its core advantages in payment security technology and cloud-based POS solutions. By integrating these capabilities with the XCE cloud computing service platform, we provide customers with secure and flexible automated business solutions. In 2025, XAC continued to achieve stable operational growth due to the steady recovery in demand from major customers and the gradual mass production of new products.

Pragmatically Advancing ESG and Gradually Strengthening Sustainability Governance

2025 marked a key year in which XAC Automation Corp. took an important and practical step forward in sustainable development. Recognizing the importance of corporate social responsibility, we formally established the Sustainable Development Committee to coordinate the three dimensions of environmental, social, and governance matters. This year, we re-identified nine material topics that impact the Company's operations and plan to gradually integrate sustainability concepts into our day-to-day operations.

Looking ahead, XAC will continue to move forward steadily, focusing on technological innovation and profitability while progressively implementing ESG goals. We aim to become the most trusted long-term partner for our customers worldwide, all employees, and shareholders as the Company continues on its path of stable growth.

Chairman Edmund Chang

2. About XAC

(1) Company Profile

XAC Automation Corporation was established in 1997 and is headquartered in Hsinchu Science Park, Taiwan, with its manufacturing center located in China. Since its establishment, XAC has remained focused on the research, development, and manufacturing of electronic financial transaction terminals, transaction data security protection equipment, and multifunction smart card readers/writers.

Leveraging its flexible development capabilities and commitment to high quality, XAC has successfully met the stringent security certification requirements of the payment industry and become a trusted supplier to leading international customers. XAC is committed to providing secure and convenient payment system solutions and continues to expand its product lines and scope of services to meet evolving market needs.

Company Name	XAC Automation Corporation
Company Type	TPEx-Listed Company
Stock Code	5490
Year Established	1997
Headquarters	4F., No. 30, Gongye E. 9th Rd., Hsinchu Science Park, Taiwan
Management Team	Chairman: CHANG, YENG-MING General Manager: HU, HSUAN-TSUNG
Paid-in Capital	NT$962 million
Industry Category	Computer and Peripheral Equipment
Main Products	Electronic financial transaction terminals and components, transaction data security protection equipment and components, multifunction smart card readers/writers and components
Global Operations	Taiwan (Hsinchu Headquarters, Zhonghe, New Taipei City) China (Suzhou Plant) United States (ZAKUS)

(2) Operating Locations and Division of Responsibilities

To respond promptly to global market demand, improve operational efficiency, and control costs, XAC has established a closely coordinated and professional division of responsibilities through its Taiwan parent company and overseas subsidiaries.

- **Group Operations Headquarters (Taiwan Parent Company: XAC Automation Corporation)**

  Located in Taiwan’s Hsinchu Science Park, the headquarters serves as XAC’s highest decision-making center and bears the Group’s primary operational risks. It is responsible for major Group decisions and overall development strategies. Its internal functions include marketing and sales, R&D, operations, and information security, as well as overall responsibility for hardware and software product planning, core technology R&D, international channel development, and customer technical support services.

- **Front-End Technology and Market Research (U.S. Subsidiary: ZAKUS)**

  Located in California, USA, ZAKUS primarily serves as the Group’s U.S. R&D center and market research hub. Its geographical advantage enables the team to closely track leading

technology trends and end-market demand in North America, support the parent company in market research and evaluation of front-end technologies for new products, and provide R&D support services, thereby strengthening the Company's responsiveness to developments in the international financial payment market.

- **Manufacturing and Quality Control (China Subsidiary: XAC Automation (Suzhou) Co., Ltd.)**

  Established by XAC through an overseas holding company, this subsidiary serves as the Group's principal manufacturing base and is primarily responsible for the production and sales of electronic financial transaction terminals, transaction data security protection equipment, multifunction smart card readers/writers, and related components. Leveraging the production capacity of its manufacturing base in China, XAC is able to effectively reduce manufacturing costs, improve operational efficiency, and implement strict quality control, providing global customers with competitive, high-quality products.



(3) Primary Products & Services and Target Market

- **Primary Products & Services**

  XAC's primary products include transaction security devices (PIN pads and kiosks), EFT-POS terminals, POS keyboard controller boards, and complete gaming machine assembly. Additionally, the Company is developing a cloud-centric transaction-enabling platform (the XCE Platform) to provide SaaS-based commercial automation and omni-channel integrated solutions.

- **Target Market and Distribution**

  XAC's products are primarily geared toward the global export market, with the Americas, Asia, and Europe serving as its core regions. Target customers include payment service providers, large-scale system integrators, independent software vendors, value-added distributors, and financial institutions/commercial banks. End-user applications span brick-and-mortar merchants such as hypermarkets, restaurants, retail shops, and gas stations.

(4) Value Chain Overview

XAC is a midstream manufacturer of electronic financial transaction terminals, with operations spanning product R&D and design, software and hardware development, manufacturing, quality control, packaging, and shipping. There have been no significant changes to XAC's industry sector, organizational activities, primary products and services,

markets served, supply chain model, or other business relationships when compared to the previous reporting period.

- **Upstream Supply Chain**

  XAC's upstream network mainly comprises raw material and parts/component suppliers, as well as outsourced manufacturing partners. Key inputs include System on Modules (SOMs), plastic parts, and LCD modules (LCMs). XAC maintains positive, proactive relationships with its suppliers and conducts regular comprehensive evaluations covering quality, technology, delivery, and service. Most of these suppliers are based in Taiwan and China.

- **Downstream Value Chain**

  XAC relies primarily on downstream business partners, including global payment service providers, major system integrators, independent software vendors, regional distributors, and commercial banks, to deploy customized products to end consumers and brick-and-mortar stores (such as retailers, food service providers, and gas stations) worldwide. These downstream partners are chiefly responsible for payment software integration, on-site equipment installation and maintenance, and card transaction processing. They also manage product end-of-life disposal and recycling.



XAC's Position in the Upstream, Midstream, and Downstream Value Chain

(5) Participation in Industry Associations

XAC actively monitors domestic and international industry developments and sustainability trends. In addition to complying with the highest security certification standards in the international payment industry, XAC participates in relevant domestic and international industry associations and technical exchanges, working with industry partners to promote the positive development of the electronic payment and the information and communications technology industries. Additionally, XAC maintains political neutrality and does not participate in political election activities or make political contributions in the Company's name. Accordingly, the Company incurs no political contribution-related expenditures. Employees are, however, encouraged to fulfill their civic responsibilities.

In 2025, the main industry associations in which XAC participated were as follows:

Industry Association/Organization	Status
Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC)	Member
Science Park Information Sharing and Analysis Center (SP-ISAC)	Member
PCI Security Standards Council	Member
VCCI Council	Member
EMVCo, LLC.	Public
The Allied Association for Science Park Industries	Member

3. Report Information

(1) Basis of Preparation

This report has been prepared with reference to the 2021 GRI Standards issued by the Global Reporting Initiative (GRI) and in accordance with the Taipei Exchange's *Rules Governing the Preparation and Filing of Sustainability Reports by TPEx-Listed Companies* and the *Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies*. The report describes XAC's sustainability-related management practices and performance and discloses this information to stakeholders. Relevant cross-reference tables are provided in the appendices.

(2) Reporting Period and Frequency

XAC publishes a sustainability report annually. This report is the second sustainability report issued by XAC.

- **Reporting Period:** January 1, 2025, to December 31, 2025.
  (If any information covers a different reporting period, it will be noted separately in the relevant section.)
- **Reporting Frequency:** Annually.
- **Previous Report Issued:** August 2025.
- **Current Report Issued:** August 2026.

(3) Reporting Boundary and Scope

The boundary for non-financial information disclosed in this report primarily covers the parent company XAC Automation Corporation, including the Hsinchu headquarters and Zhonghe office in New Taipei City. The covered entities differ from those included in the consolidated financial statements as this report currently does not cover overseas subsidiaries (i.e., the U.S. subsidiary and China subsidiary). If any content in the report does cover overseas subsidiaries, this will be noted separately in the relevant section. Going forward, XAC will gradually expand the scope of disclosure based on considerations including business development, management mechanisms, and regulatory requirements.

(4) Restatement of Information

Information regarding the 2024 Greenhouse Gas Emissions (Category 1 and Category 2) in the section on Greenhouse Gas Management has been restated. When the previous report was issued, the greenhouse gas emissions data for the base year (2024) had not yet been verified by a third-party organization. Accordingly, the 2024 greenhouse gas emissions data in this report have been updated to the correct data following verification. There were no other material restatements of information during the year.

(5) External Assurance

This report has not been assured or verified by an independent third-party verification body.

(6) Unit Responsible for the Sustainability Report

If you have any questions or suggestions regarding this report, please feel free to contact us:

- **Responsible Unit:** Sustainable Development Task Force
- **Contact Person:** Ms. TSAI
- **Email:** esg@xac.com.tw
- **Company ESG Website:** https://www.xac.com.tw/esg/ESG/



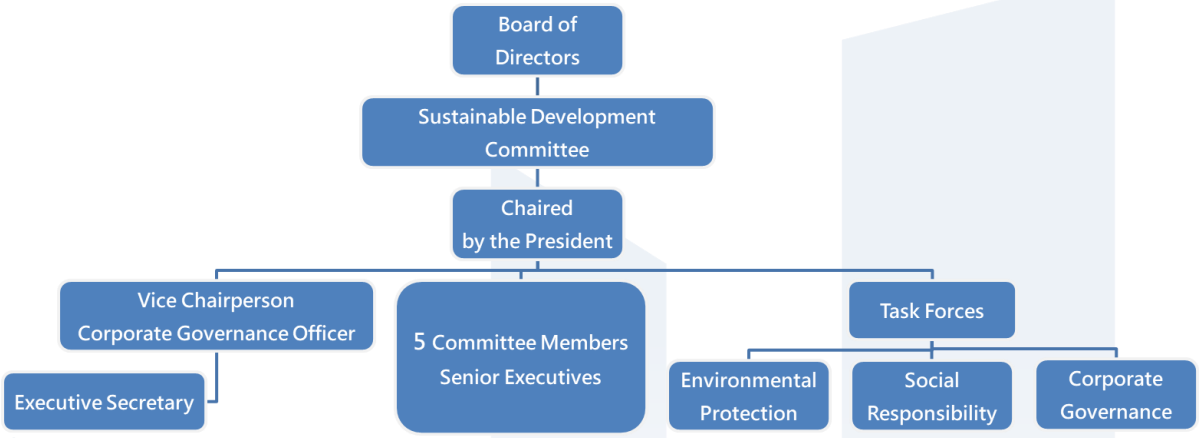
II. Sustainable Operations

1. Sustainable Development Promotion Mechanism

(1) Structure and Operations of the Sustainable Development Committee

To strengthen the effectiveness of sustainability initiatives and the governance structure, in 2025, XAC formally established the Sustainable Development Committee as the Company's highest-level dedicated sustainability unit. The Committee is responsible for coordinating the Company's overall sustainability strategy, ESG-related policies, and target management. Three implementation groups have been established under the Committee based on functional responsibilities: the Environmental Protection Task Force, the Social Responsibility Task Force, and the Corporate Governance Task Force. These groups are responsible for identifying material ESG issues related to the Company's operations, formulating management strategies and targets, preparing the annual sustainability report, and regularly tracking implementation progress and performance. They report to the Sustainable Development Committee to ensure the implementation of sustainability initiatives.

The Committee operates in accordance with the Regulations Governing the Organization of the Sustainable Development Committee. The General Manager serves as the convener, and senior executives from relevant departments serve as committee members. The Committee is responsible for setting the direction of sustainable development, formulating relevant implementation plans, tracking implementation performance, and reporting regularly to the Board of Directors. In 2025, the Sustainable Development Committee held three meetings, chaired by the General Manager, with an actual attendance rate of 100% among all committee members. The meetings included proposals, discussions, and decisions on major matters such as changes in domestic and international ESG regulations, the greenhouse gas inventory implementation roadmap, stakeholder engagement, and preparation of the annual sustainability report. These matters were subsequently reported to the Board of Directors in accordance with relevant requirements.



Organizational Chart of the Sustainable Development Committee

(2) Role and Oversight of the Board of Directors in Sustainability Governance

The Board of Directors is XAC's highest governing and oversight body for sustainable development. In terms of impact management and day-to-day implementation, the Corporate Governance Department serves as the core implementation unit of the Sustainable Development Committee. It is responsible for coordinating cross-departmental sustainability matters and coordinating the various task forces in identifying material issues and risks. The implementation progress of sustainability projects and the status of risk management are consolidated by the Corporate Governance Department and regularly reported to the

Sustainable Development Committee and the Board of Directors to ensure the effective implementation of sustainability strategies and the appropriate allocation of resources.

For sustainability reporting management, the Corporate Governance Department coordinates the annual materiality assessment and stakeholder questionnaire survey, collects report content and data from each department, and compiles the annual sustainability report. The report is submitted annually to the General Manager and Chairman for review and is formally issued after approval by the Board of Directors to ensure the transparency and reliability of information disclosure.

2. Board Structure and Operations

(1) Board Composition and Selection Mechanism

The nomination and selection of XAC's director candidates are conducted in accordance with the Company's Regulations Governing the Election of Directors, the Corporate Governance Best Practice Principles, and other relevant regulations. Consideration is given to candidates' education and professional experience, diversity, independence, and ability to respond to organizational impacts, as well as stakeholder opinions. Following review by the Board of Directors, the candidates are submitted to the shareholders' meeting for election. Additionally, pursuant to the Company Act, shareholders holding 1% or more of XAC's total issued shares may submit a list of director candidates to the Company in writing.

XAC completed the election of its 11th Board of Directors on June 18, 2025. The Board consists of seven directors, including three independent directors and one female director, which reflects the Company's commitment to promoting board diversity and gender equality. In terms of professional expertise, directors are required to possess diverse backgrounds in business management, information technology, technology R&D, and other relevant fields, as well as extensive industry experience. The term of the 11th Board of Directors runs from June 18, 2025, to June 17, 2028. *For detailed information on individual members, please refer to pages 6–10 of XAC's 2025 Annual Report.*

▶ **Board Diversity Statistics**

Diversity Statistics		11th Board		10th Board	
		Number of Directors	Percentage	Number of Directors	Percentage
Gender	Male	6	86%	7	100%
	Female	1	14%	0	0%
Age	49 and below	0	0%	0	0%
	50–60	0	0%	0	0%
	61 and above	7	100%	7	100%
Education	Graduate School	7	100%	7	100%
	College/University	0	0%	0	0%
	Other	0	0%	0	0%

(2) Board Operations and Recusal from Conflicts of Interest

The Board of Directors is XAC's highest governance body and is primarily responsible for guiding long-term business strategies and overseeing the management team to ensure stable operations and continued growth. To further strengthen corporate governance and enhance board effectiveness, XAC actively reinforces the Board's oversight functions through measures such as board performance evaluations, establishment of a diversified Board structure, and appointment of a Corporate Governance Officer. At the same time, to enable directors to fully perform their duties, the Company maintains directors' liability insurance in accordance with applicable laws, ensuring an appropriate balance of authority and responsibility and enabling directors to maximize shareholder interests. In 2025, XAC held a total of seven Board meetings, with an actual attendance rate of 92%.

To ensure objective and impartial decision-making, XAC strictly implements the principle of recusal from conflicts of interest in accordance with the Rules of Procedure for Board of Directors Meetings and other relevant regulations. Where a director, the director's spouse, a blood relative within the second degree of kinship, or a company under a controlling or subordinate relationship with the director has an interest in a matter under discussion that may be detrimental to the interests of the Company, the director shall proactively disclose the relevant circumstances. The director may state opinions and respond to questions, but may not participate in the discussion or voting, shall recuse themselves during the discussion and voting, and may not exercise voting rights on behalf of another director. In 2025, the principle of recusal from conflicts of interest was strictly applied to all Board proposals, and no cases involving improper conflicts of interest occurred, demonstrating the professionalism, objectivity, and impartiality of the Board's operations.

(3) Director Training and Performance Evaluation

To strengthen the highest governance body's understanding of global political and economic developments, risk management, and sustainable development trends, XAC actively encourages directors to participate in external professional training. In 2025, all XAC directors completed a total of 42 hours of training, of which 15 hours were sustainability-related, accounting for 36% of the total training hours.

In addition to continuously strengthening collective knowledge through ongoing training, XAC has established the Regulations Governing Performance Evaluation of the Board of Directors and Functional Committees to objectively review and continuously improve the effectiveness of the highest governance body. Performance evaluations are conducted annually and cover self-evaluations of the Board of Directors and functional committees, including the Audit Committee and Compensation Committee, as well as performance evaluations of individual Board members. The evaluation areas include participation in the Company's operations, quality of decision-making, composition and structure, appointment and continuing education, and internal control. In 2025, the average self-evaluation scores of the Board of Directors as a whole and individual Board members ranged from 4.7–5.0 out of 5, while the average self-evaluation scores of the functional committees ranged from 4.9–5.0 out of 5. The evaluation results were reported to the Board of Directors and serve as important references for review and improvement, individual director compensation, and future nominations for reappointment.

▶ **Performance Evaluation Items for the Board of Directors and Committees**

Scope of Evaluation	Board of Directors	Board Members	Compensation Committee	Audit Committee
Evaluation Items	1. Degree of participation in the Company's operations 2. Improvement of the quality of Board decision-making 3. Composition and structure of the Board 4. Selection and continuing education of directors 5. Internal control	1. Understanding of the Company's goals and missions 2. Awareness of directors' responsibilities 3. Degree of participation in the Company's operations 4. Internal relationship management and communication 5. Professional expertise and continuing education of directors 6. Internal control	1. Degree of participation in the Company's operations 2. Awareness of committee responsibilities 3. Improvement of the quality of committee decision-making 4. Committee composition and member selection 5. Internal control	1. Degree of participation in the Company's operations 2. Awareness of committee responsibilities 3. Improvement of the quality of committee decision-making 4. Committee composition and member selection 5. Internal control

(4) Operations of Functional Committees

To strengthen the Board's oversight function, XAC has established functional committees under the Board of Directors. All committee members are independent directors, enabling them to perform objective advisory and oversight duties. Following the re-election of the Board, XAC completed the reappointment of its functional committees on June 18, 2025. The term of office runs from June 18, 2025, to June 17, 2028. *For detailed information on committee members and operations, please refer to pages 18–19 of XAC's 2025 Annual Report.*

Committee	Members	Attendance Rate	Functions
Compensation Committee	3 Independent Directors	100%	Composed of three independent directors, with an independent director serving as convener. The Committee meets at least twice a year and is responsible for establishing and regularly reviewing the annual performance evaluation and compensation policies for directors and managers. Through regular evaluation and review of performance assessments and the methods for determining salaries, bonuses, and compensation for directors, managers, and employees, and with reference to industry levels and comparisons, the Committee ensures that the compensation system is closely aligned with the Company's long-term operating objectives and risk management. Relevant recommendations are submitted to the Board of Directors for discussion and approval. In 2025, the Committee held five meetings, with an actual attendance rate of 100%.
Audit Committee	3 Independent Directors	100%	Composed of three independent directors, the Committee holds at least one regular meeting each quarter and assists the Board of Directors in fulfilling its oversight responsibilities from an objective and professional perspective. Its scope of review includes oversight of the fair presentation of the Company's financial statements, effective implementation of internal controls, regulatory compliance, management of existing or potential risks, and the appointment or dismissal, independence, and performance of the certifying CPAs. In 2025, the Committee held five meetings with an actual attendance rate of 100%.

3. Compensation Policy

(1) Compensation Policy and Determination Process for Directors and Senior Management

- **Compensation Determination Process and Shareholder Communication**

  To ensure the objectivity and reasonableness of the compensation system, XAC's compensation determination process is overseen by the Compensation Committee. The Compensation Committee regularly reviews the methods for determining salaries, bonuses, and compensation for directors and managers and, after taking industry levels into consideration, submits its recommendations to the Board of Directors for discussion and approval. XAC values shareholder opinions. Standards for the distribution of compensation to directors and employees, profit distribution, and compensation-related provisions in the Articles of Incorporation are submitted to the shareholders' meeting for review in accordance with applicable laws. In 2025, all resolutions on the above proposals were approved by the shareholders' meeting.

- **Director Compensation Policy**

  XAC's director compensation is paid in accordance with the Company's Regulations Governing the Payment of Compensation to Directors and Functional Committee Members. Additionally, pursuant to the Articles of Incorporation, no more than 3% of the Company's annual profits is allocated each year as director compensation and paid in cash. The director compensation structure includes fixed compensation (including remuneration, retirement and pension payments, transportation allowances, special expense allowances, various allowances, housing, company vehicles, and other business execution expenses) and variable compensation (director compensation distributed based on profits). Directors do not participate in the Company's employee stock ownership plans or other stock incentive plans. Upon leaving office, no additional severance pay, signing bonuses, or recruitment incentives are provided other than payments required by law. *For directors' compensation, compensation ranges, and payment standards for 2025, please refer to page 13 of XAC's 2025 Annual Report.*

- **Linkage Between Senior Management Compensation and Sustainability Performance**

  XAC's senior management compensation consists of fixed salaries and variable performance bonuses, whereas its resignation and retirement systems are the same as those applicable to general employees. Performance bonuses for managers are currently assessed and awarded based on a comprehensive evaluation of the Company's overall operating performance, financial indicators, and achievement of individual job objectives.

  As XAC is still in the early stages of advancing sustainable development, it has not yet formally established a system that directly links senior management compensation to specific quantitative ESG performance indicators. However, to implement its corporate sustainable development policies, XAC plans to gradually assess the feasibility of incorporating various ESG impact management indicators into senior management performance evaluations in line with the progress of its internal sustainability roadmap. Moreover, XAC has not yet established a compensation clawback mechanism for directors and senior management. *For the 2025 salary ranges of senior management, please refer to page 14 of XAC's 2025 Annual Report.*

(2) Employee Compensation and Profit Sharing

XAC's compensation and benefits comply with the requirements of Taiwan laws and regulations and are never lower than the statutory minimum wage. All employees are also

covered by statutory insurance and pension plans. The Company determines salaries based on employees' education, experience, professional knowledge, individual performance, and other factors, and does not provide differential treatment based on gender, religion, race, nationality, or other differences.

In determining overall compensation, XAC takes into account factors such as overall economic conditions and changes in government regulations, as well as the Company's overall profitability and the achievement of departmental and individual performance targets when adjusting bonus payments. Upholding the concept of "profit sharing", XAC allocates 3–12% of annual profits as employee compensation in accordance with its Articles of Incorporation when the Company records a profit for the year. In 2025, employee compensation actually distributed by XAC accounted for 8.24% of annual profits. Through tangible compensation incentives, XAC aims to share the results of the Company's operational growth with employees, thereby enhancing motivation and engagement and creating mutual benefits.

(3) Employee Compensation Levels and Ratios

XAC regards employees as important assets and provides competitive compensation. Bonuses and compensation are paid annually based on the Company's operating performance and individual performance to enhance overall employee compensation levels. In 2025, the average annual compensation of full-time employees in non-managerial positions was NT$1,039,000, and the median annual compensation was NT$991,000, both representing positive growth compared with the previous year. The main reasons for the differences were annual salary adjustments, changes in employee tenure and workforce composition, and increases in operating performance bonuses, reflecting a positive cycle of XAC's continued stable operations and implementation of its talent incentive mechanisms.

▶ **Salary Statistics for XAC's Full-Time Employees in Non-Managerial Positions**

Item	2025	2024	Difference (Increase/Decrease)
Number of Employees	159	148	+7.4%
Average Annual Salary	1,039	1,023	+1.6%
Median Annual Salary	991	967	+2.5%
Notes	• Unit: NT$1000. • The scope of this table covers XAC headquarters in Taiwan.		

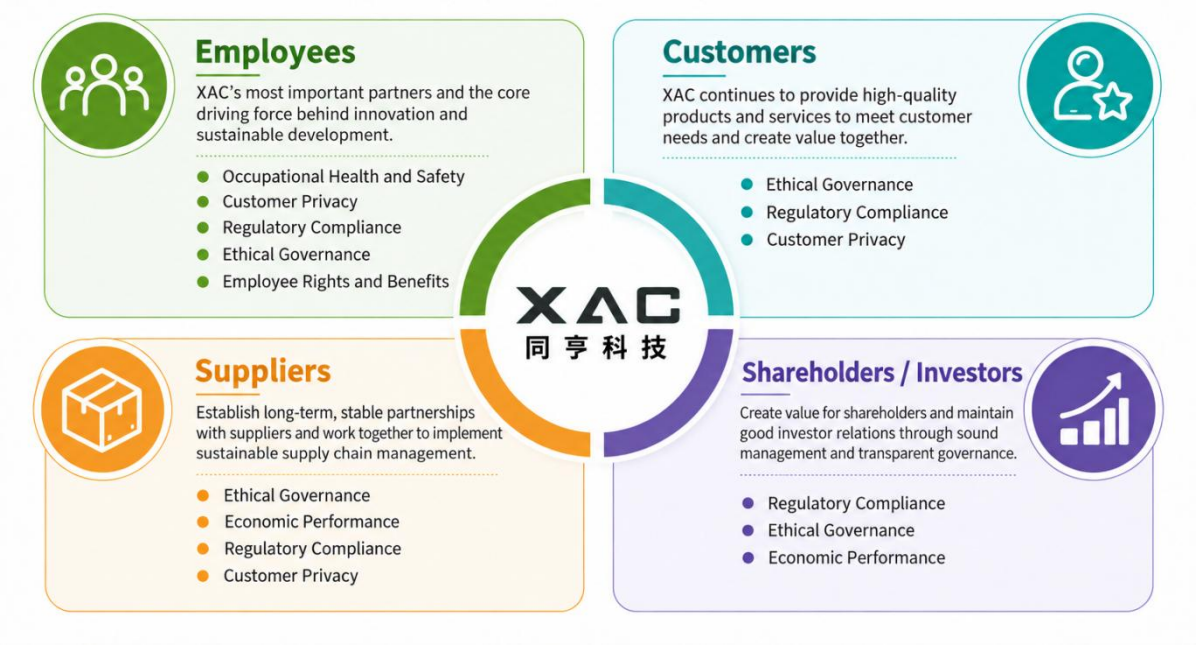
Confidentiality Restrictions: The ratio of the annual total compensation of the highest-paid individual in the organization to that of other employees is not disclosed because the compensation of the Company's senior managers constitutes internal confidential information and personal privacy. Accordingly, such information is withheld based on the principle of protecting trade secrets.

II. Stakeholders and Material Topics

1. Stakeholder Engagement

(1) Stakeholder Identification

XAC recognizes that the Company's sustainable development depends on the support and participation of its stakeholders. With reference to the five principles of the AA1000 Stakeholder Engagement Standard (2015)—Dependence, Responsibility, Influence, Diverse Perspectives, and Tension of Concerns—XAC identified the four key stakeholder groups most relevant to its operations: employees, customers, suppliers, and shareholders/investors.



(2) Stakeholder Concerns and Communication Channels

To effectively listen to and respond to stakeholder expectations, XAC has established diverse, two-way communication channels for engagement and collection of relevant feedback, enabling the Company to understand and respond to the sustainability issues of concern to different stakeholder groups. The significance of each stakeholder group to XAC, the issues of concern, and communication mechanisms in 2025 are summarized in the table below.

▶ Stakeholder Concerns and Communication Channels

Stakeholder	Importance to XAC	Key Topic of Concern	Communication Channels and Frequency	Responsible Unit	2025 Communication Results
Employees	Employees are the foundation of the Company's development and its partners in sustainable development. XAC recruits outstanding employees, provides a safe and healthy work environment, retains and develops talent, and consistently cares for and responds to employee needs.	● Occupational Health and Safety ● Customer Privacy ● Regulatory Compliance ● Ethical Governance ● Employee Rights and Benefits	● New Employee Interviews (with supervisors at various levels) ● Performance Interviews (once a year) ● Labor–Management Meetings (quarterly) ● Employee Welfare Committee Meetings (quarterly/as needed) ● Occupational Safety and Health Committee Meetings (quarterly) ● Labor Pension Fund Supervisory Committee Meetings (as needed) ● Employee Satisfaction Surveys (as needed) ● Internal Health Seminars (at least once a year/as needed) ● Education and Training (implemented as planned) ● On-Site Inspections (as needed)	● Human Resources Department ● Administrative Resources Coordination Office ● Occupational Safety Office	● Annual salary adjustments and performance appraisal mechanisms were implemented to adjust salaries and promotions based on employee performance and provide corresponding compensation. (Salary adjustments completed; announcement issued by HR.) ● The KPI SYSTEM was implemented to link employee compensation with KPIs. Employee compensation was distributed in accordance with the Employee Performance Appraisal Procedures. (Employee compensation distributed; announcement issued by HR.) ● Labo–-management meetings were held quarterly in March, June, September, and December. (Meeting minutes uploaded to PLM.) ● Occupational Safety and Health Committee meetings were held quarterly in February, May, August, and November. (Meeting minutes uploaded to PLM.) ● No major occupational accidents occurred.

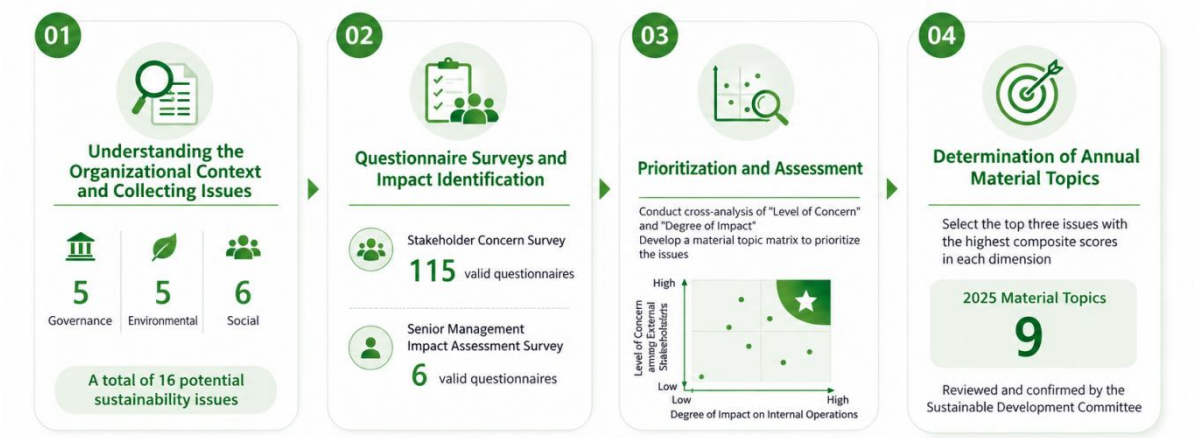
Stakeholder	Importance to XAC	Key Topic of Concern	Communication Channels and Frequency	Responsible Unit	2025 Communication Results
Customers	Customers are the Company's primary source of revenue. XAC values technological innovation and is committed to providing customers with the best products and services, striving to create mutual benefits with customers.	● Ethical Governance ● Regulatory Compliance ● Customer Privacy	● Customer Satisfaction Survey (once a year) ● Participation in Trade Shows (at least once a year) ● Sales Visits (as needed) ● Company Website Contact Form (as needed) ● Telephone and E-mail Communication (as needed)	● Customer Service Management Department	● Customer satisfaction score: 88 ● No major quality-related incidents during the year
Suppliers	Sustainable operations are part of XAC's corporate culture. XAC carefully selects suppliers to provide customers with high-quality products and to ensure a safe working environment for employees.	● Ethical Governance ● Economic Performance ● Regulatory Compliance ● Customer Privacy	● Procurement Procedures (as required) ● Procurement Staff Visits (as needed) ● Supplier Meetings (as needed) ● Supplier Audits (once a year) ● Supplier Evaluations (once a month)	● Procurement Department ● Materials Department	● Annual evaluations were conducted for 59 suppliers, confirming that they met XAC's qualified supplier requirements. ● 11 new suppliers were added and approved in accordance with the new supplier evaluation process. ● Suppliers of materials with transactions during the month were evaluated monthly in terms of quality, technology, delivery, and service. Corresponding measures, such as maintaining transactions, placing suppliers under closer observation, or revoking qualified supplier status, were taken based on the evaluation results.

Stakeholder	Importance to XAC	Key Topic of Concern	Communication Channels and Frequency	Responsible Unit	2025 Communication Results
Shareholders /Investors	Every shareholder is an important source of capital for the Company. XAC continuously strives for excellence with the aim of maximizing shareholder returns.	● Regulatory Compliance ● Ethical Governance ● Economic Performance	● Annual General Meeting of Shareholders (once a year) ● Investor Conference (at least once a year) ● Market Observation Post System (disclosed as required) ● Annual Report (once a year) ● Sustainability Report (once a year) ● Financial Reports (quarterly) ● The Investor Relations Section on the Company Website (as needed)	● Corporate Governance Division ● Finance Department ● Investor Relations Department	● One investor conference was held in December. ● One shareholders' meeting was held in June. https://www.xac.com.tw/investor-detail/22/ ● Monthly revenue data were uploaded to the Company website and the Market Observation Post System. https://www.xac.com.tw/investor/report/11/ ● Quarterly financial reports were uploaded to the Company website and the Market Observation Post System. https://www.xac.com.tw/investor/report/15/ ● The 2024 Sustainability Report was issued in August. https://www.xac.com.tw/esg/esg_report/

2. Process for Determining Material Topics

(1) Material Topic Identification Process

To ensure that the sustainability report reflects stakeholder expectations, XAC followed GRI 3: Material Topics (2021) and referred to the AA1000 AccountAbility Principles to identify its material topics for 2025. The procedure was as follows:



Material Topic Identification Process

1. Understanding the Organizational Context and Collecting Issues

XAC considered its business activities, key operating resources, supply chain, value chain, and other aspects, and referred to relevant issues under the GRI Topic Standards, common topics among domestic industry peers, industry characteristics, and international sustainability trends. A total of 16 potential sustainability issues were ultimately identified, comprising five governance issues, five environmental issues, and six social issues.

2. Questionnaire Surveys and Impact Identification

- **Stakeholder Concern Survey**

  Based on the list of 16 sustainability issues, XAC distributed an online Sustainability Issue Stakeholder Concern Survey to key stakeholders to assess their levels of concern regarding XAC's environmental, social, and governance sustainability issues. A total of 115 valid questionnaires were collected.

- **Impact Assessment**

  To assess the actual or potential positive or negative impacts that each sustainability issue may have on XAC in the environmental, social, and governance dimensions, XAC distributed an online "Sustainability Issue Impact Assessment Survey" to key senior executives of the Sustainable Development Committee. Based on their professional knowledge and experience, the executives conducted an overall assessment of the significance of the impacts. A total of six valid questionnaires were collected.

3. Prioritization and Assessment

The results of the two questionnaire surveys above were cross-analyzed quantitatively to assess the 16 potential sustainability issues from the two dimensions of "Level of Concern among External Stakeholders" and "Overall Degree of Impact on Internal Operations". Based on the results, XAC developed its 2025 material topic matrix and prioritized the issues according to their overall scores and positions in the matrix.

4. Determination of Annual Material Topics

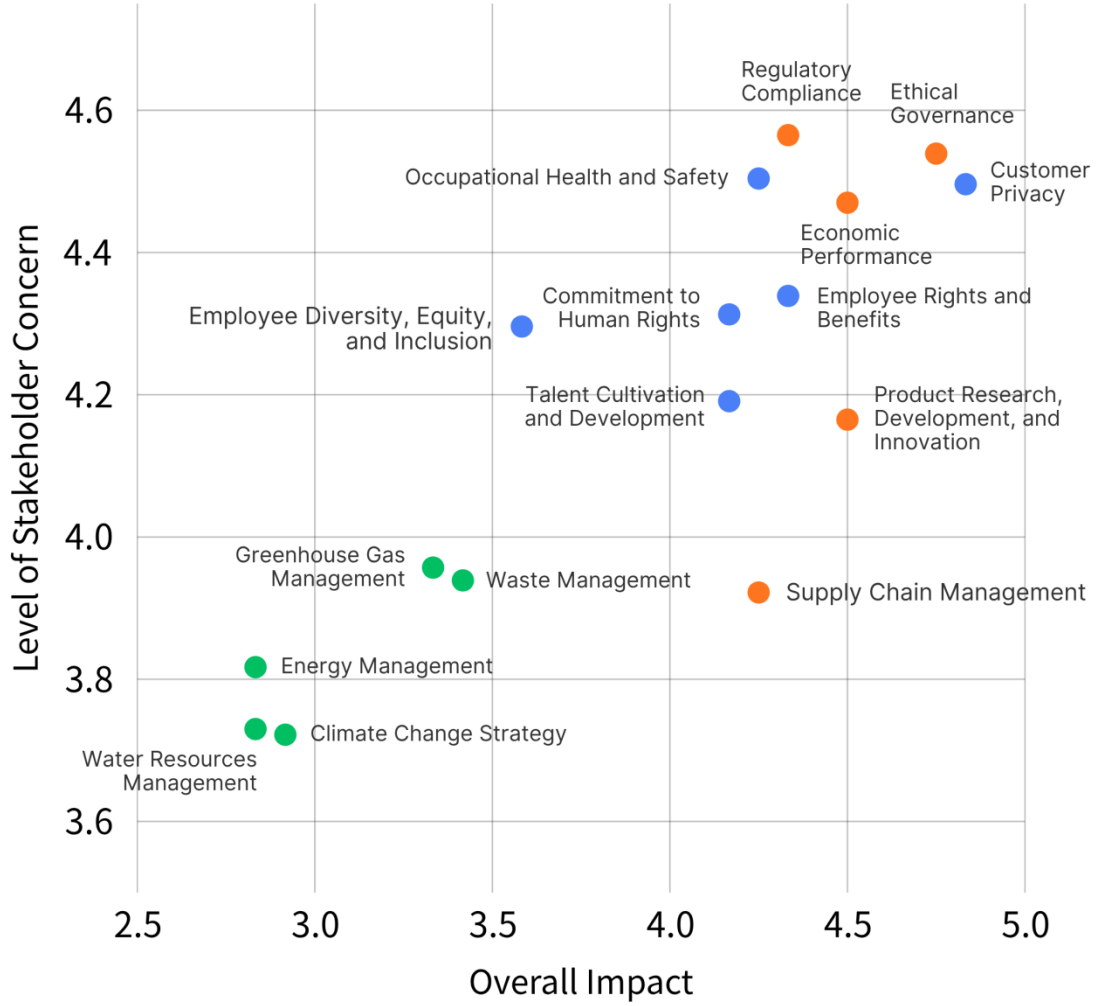
Based on the matrix results, XAC selected the top three sustainability issues with the highest overall scores in each of the environmental (E), social (S), and governance (G) dimensions, identifying a total of nine material topics. Following confirmation and discussion by the Sustainable Development Committee, these were set as XAC's material topics for 2025 and serve as the basis for information disclosure in this report and for subsequent target setting and management.



(2) Material Topic Matrix and List

Through the identification process described above, XAC identified a total of nine material topics for 2025.

ESG Dimension	Material Topics
Governance	Regulatory Compliance
	Ethical Governance
	Economic Performance
Environmental	Greenhouse Gas Management
	Waste Management
	Energy Management
Social	Occupational Health and Safety
	Customer Privacy
	Employee Rights and Benefits



Compared with the eight material topics identified in 2024, XAC considered domestic and international sustainable development trends, changes in its operating context, and stakeholder feedback in 2025. Following discussion by the Sustainable Development Committee, nine material topics were ultimately determined to promote balanced development across all ESG dimensions and demonstrate XAC's commitment and management efforts toward steadily advancing sustainable operations.

▶ **Changes in Material Topics Over the Years**

ESG Dimension	2024 Material Topics	2025 Material Topics	Description of Changes and Adjustments
Governance	Regulatory Compliance	Regulatory Compliance	-
	Ethical Business Practices	Ethical Governance	Consolidated into one topic
	Anti-Corruption		
	Operating Performance	Economic Performance	Name revised
Environmental	Greenhouse Gas Emissions Management	Greenhouse Gas Management	Name revised
	-	Waste Management	Added in response to the circular economy and stakeholder concerns
	-	Energy Management	Added in response to decarbonization trends and stakeholder concerns
Social	Occupational Safety	Occupational Health and Safety	Name revised
	Customer Privacy	Customer Privacy	-
	Employee Rights and Benefits	Employee Rights and Benefits	Name revised (Chinese text only)



(3) Material Topics and Impact Boundaries

For the nine material topics identified in 2025, XAC reviewed the actual or potential positive or negative impacts arising from its business activities and value chain and defined the internal and external impact boundaries as the basis for developing subsequent management approaches.

ESG Dimension	Material Topic	Description of Positive/Negative Impacts	Internal Impact Boundary	External Impact Boundary	Corresponding GRI Standard
Governance	Regulatory Compliance	**Positive**: Strict compliance with laws and regulations can enhance customer and investor trust, strengthen market competitiveness, and provide employees with a lawful and safe working environment. **Negative**: Failure to keep abreast of regulatory changes or violations of laws and regulations may result in substantial fines, contractual disputes and litigation, and serious damage to the Company's reputation and financial position.	XAC	Government/regulatory authorities, customers, suppliers, investors	GRI 2-27 Compliance with Laws and Regulations
	Ethical Governance	**Positive**: Establishing an ethical and transparent corporate culture can strengthen the trust of customers, suppliers, and investors in XAC. **Negative**: Violations of ethical and anti-corruption principles may result in legal penalties, reputational damage, and the risk of losing orders.	XAC	Customers, suppliers, investors, regulatory authorities	GRI 205 Anti-corruption GRI 206 Anti-competitive Behavior
	Economic Performance	**Positive**: Creating employment opportunities, improving employee benefits, providing shareholders/investors with stable investment returns, and ensuring stable cooperation within the supply chain. **Negative**: Declining revenue and profitability may directly affect shareholders' interests and the Company's long-term growth momentum.	XAC	Shareholders/investors, customers, suppliers	GRI 201 Economic Performance
Environmental	Greenhouse Gas Management	**Positive**: Implementing greenhouse gas inventories and carbon reduction measures can enhance customer trust, improve energy efficiency, and demonstrate corporate responsibility. **Negative**: Failure to respond early may result in increased carbon fee and carbon tax costs, failure to meet customers' green procurement requirements, and risks of operational disruption caused by extreme weather events.	XAC	Customers, global environment	GRI 305 Emissions

ESG Dimension	Material Topic	Description of Positive/Negative Impacts	Internal Impact Boundary	External Impact Boundary	Corresponding GRI Standard
	Waste Management	**Positive**: Promoting resource recycling and reuse can improve resource efficiency and support environmentally friendly practices. **Negative**: Improper waste disposal may cause local environmental pollution and result in regulatory penalties.	XAC	Waste collection and disposal contractors, surrounding communities	GRI 306 Waste
	Energy Management	**Positive**: Improving equipment operating efficiency can reduce electricity expenses and other operating costs and align with green manufacturing trends. **Negative**: Unstable energy supply may affect production schedules, while excessive energy consumption may indirectly increase operating costs and carbon emissions.	XAC	Supply chain, customers	GRI 302 Energy
Social	**Occupational Health and Safety**	**Positive**: Providing a safe and healthy work environment can effectively prevent occupational accidents and protect employee safety and health. **Negative**: Occupational accidents may directly endanger employee safety, cause production disruptions and compensation losses, and damage the Company's image.	XAC employees	Contractors, dispatched workers, visitors	GRI 403 Occupational Health and Safety
	Customer Privacy	**Positive**: Proper protection of customer confidential information and project technologies can enhance the trust of international customers, strengthen market competitiveness, and improve the Company's ability to secure orders. **Negative**: Data breaches may cause financial losses to both parties, result in litigation arising from breach of contract, and seriously damage the Company's reputation.	XAC employees	Customers, suppliers, investors	GRI 418 Customer Privacy
	Employee Rights and Benefits	**Positive**: A comprehensive compensation and benefits system can improve job satisfaction and retention rates, foster a positive corporate culture, and strengthen internal cohesion. **Negative**: If the benefits system falls below industry standards, it may result in talent loss and reduced operational efficiency.	XAC employees	Potential job applicants, employees' family members	GRI 401 Employment GRI 405 Diversity and Equal Opportunity

3. Management Approach for Material Topics

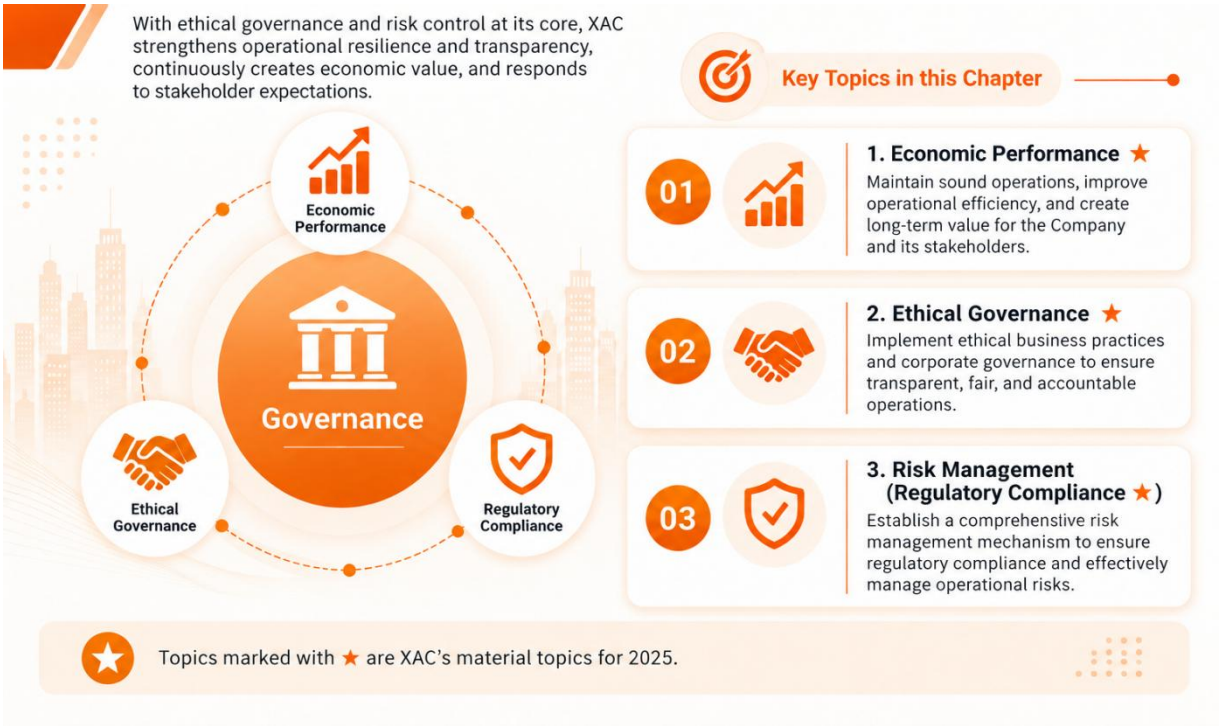
XAC regards sustainable development as a core corporate value and has established the Sustainable Development Best Practice Principles, gradually incorporating their principles into daily operations. Management approaches have been established for all nine identified material topics, with the responsible units planning and implementing relevant measures and regularly tracking performance. To safeguard stakeholder rights and provide channels for seeking advice and remedying negative impacts, XAC has also established diverse communication and grievance mechanisms. These are handled confidentially by dedicated units to ensure that all feedback is properly addressed and responded to.

For the specific management policies, target setting, management actions, and 2025 implementation results for each material topic, please refer to the relevant topic chapters of this report. The corresponding chapters for each material topic are as follows:

- **Governance: Economic Performance, Ethical Governance, and Regulatory Compliance.** Please refer to **Chapter 3: Governance.**
- **Environmental: Greenhouse Gas Management, Energy Management, and Waste Management.** Please refer to **Chapter 4: Environmental.**
- **Social: Employee Rights and Benefits, Occupational Health and Safety, and Customer Privacy.** Please refer to **Chapter 5: Social.**



III. Governance



Upholding its core corporate values of Pursuing Root Causes, Teamwork, Sustainable Operations, and Shared XAC Success, XAC regards transparency and integrity as the foundation of stable operations. This chapter on governance discloses the 2025 material topics of Economic Performance, Ethical Governance, and Regulatory Compliance, which XAC has prioritized in terms of resource allocation and management. It also voluntarily discloses related content on risk management.

Considering its current stage of development, XAC has begun by strengthening its sustainability governance structure and preventive control mechanisms. In 2025, XAC formally established the Sustainable Development Committee as the highest-level platform for cross-departmental sustainability initiatives. The Committee is responsible for overall coordination and formulation of ESG strategies, and it plans to gradually integrate sustainability targets into business operations. With regard to internal management, XAC implements audit reviews and legal compliance awareness programs to prevent corruption and operational risks and ensure compliant operations. In terms of operations and finance, XAC manages production, sales, and financial risks to maintain stable growth in revenue and profitability. Going forward, XAC will continue to build on its existing foundation, progressively strengthen Board functions and corporate resilience, and safeguard the long-term interests of stakeholders through transparent and accountable business practices.

1. Economic Performance★

GRI 201-1, GRI 201-4	
Management Purpose and Impacts	Stable economic performance and profitability form the foundation for maintaining daily business operations and sustaining investment in R&D and innovation. Strong economic performance not only enables returns to shareholders and investors, but also provides employees with stable employment, improves compensation and benefits, and ensures stable cooperation with supply chain partners. Poor operating or profitability performance may affect employees' livelihoods, reduce R&D resources, and impair investor interests. The main stakeholders affected by this topic include shareholders/investors, employees, customers, and suppliers.
Policies/Commitments	Upholding its core values of Pursuing Root Causes, Teamwork, Sustainable Operations, and Shared XAC Success, XAC is committed to ethical business practices and compliance with relevant domestic and international laws and regulations. The Company strives to maintain legal and regulatory compliance, with no major violations or fines, while continuing to develop safer and more efficient electronic financial transaction terminal equipment and optimizing its product portfolio to enhance market competitiveness and create long-term business value.
Targets	**Short-Term** • Control operating costs and expenses to maintain stable growth in revenue and profitability. • Closely assess global market conditions and customers' inventory digestion, and flexibly adjust production and sales strategies in a timely manner.
	Medium- to Long-Term • Continue to strengthen the financial structure and implement risk controls for exchange rates, taxation, and operating costs to ensure long-term sustainable profitability. • Continue to deepen core technologies in payment security and cloud-based POS, integrating hardware, software, cloud computing, and AI applications, with the goal of becoming a global POS solution provider and strengthening long-term profitability. • Continue to respond to customers' sustainability-related needs.
Specific Management Actions in 2025	• Regular Performance Reviews: Hold monthly management reporting meetings to report and review financial indicators and operating results for the month; hold an annual MGM business performance review meeting to review overall operating strategies and progress toward targets. • Enhance Information Transparency: Hold investor conferences and shareholders' meetings in accordance with applicable laws and regulations, and disclose financial information on the Market Observation Post System on a monthly/quarterly basis. • Continuous Optimization and Expansion: Continue to develop digital payment solutions and expand business opportunities for Omni-Channel integrated systems to drive overall revenue growth.
Specific Results in 2025	• Revenue Performance: Annual operating revenue reached NT$1,536,687,000, an increase of 12% compared with the previous year. • Profit Performance: Annual net income after tax reached NT$157,855,000, an increase of 380% compared with the previous year. • Shareholders' Equity: Annual earnings per share were NT$1.69, reflecting steady growth in operating performance.
Responsible Department/ Grievance Mechanism	Corporate Governance Division (Company Spokesperson)/ Shareholders' Meeting, Investor Relations E-mail (spokesperson@xac.com.tw)
Corresponding SDGs	SDG 8: Decent Work and Economic Growth SDG 9: Industry, Innovation and Infrastructure

(1) Financial Performance and Distribution of Economic Value

XAC focuses on the R&D and manufacturing of electronic financial transaction terminal equipment and actively responds to market changes and challenges. In 2025, XAC Group's total revenue was NT$1,536,687,000, an increase of 12% compared with the previous year. Annual net income after tax was NT$157,855,000, and earnings per share were NT$1.69. XAC distributes the economic value it creates reasonably among stakeholders through salaries and benefits, dividend payments, tax payments in accordance with law, and other means, thereby promoting shared social prosperity. *For further explanation and analysis of financial performance, please refer to page 75 of XAC's 2025 Annual Report.*

▶ **XAC's Financial Performance over the Past 3 Years**

Item		2025	2024	2023	Notes
Direct Economic Value Generated (A)		1,536,687	1,371,949	767,333	Net operating revenue
Economic Value Distributed (B)	Operating Costs	867,697	906,125	584,472	Cost of goods sold + operating expenses (excluding employee salaries and other items separately listed below)
	Employee Salaries and Benefits	473,978	437,942	411,196	Total expenses including salaries, labor and health insurance, pensions, etc.
	Payments to Providers of Capital	34,226	633	898	Cash dividends + interest expenses
	Payments to Government	31,055	5,362	123	Current income tax and various fees
	Community Investment	6	8	-	Donations, sponsorships, or charitable expenditures
Economic Value Retained (A - B)		129,725	21,879	-229,356	Economic value retained by the Company for the period
Government Grants		291	210	184	

Notes

- The financial data in this table are based on the consolidated financial statements, covering XAC headquarters in Taiwan and overseas subsidiaries, consistent with the scope of disclosure in XAC's annual financial statements.
- Operating revenue, operating costs, and other items are based on the consolidated information of XAC; government grants primarily relate to XAC headquarters in Taiwan.
- In accordance with the GRI Standards, retained economic value is calculated as revenue less costs and expenditures. However, because the issue of double counting may arise when calculating operating costs and direct employee salaries, the audited financial statements should be regarded as the authoritative source for actual financial data.
- Unit: NT$1000.

(2) Financial Assistance Received from Government

XAC's operating funds are primarily sourced from its own funds or financing from financial institutions. Upon review, XAC did not receive any material financial assistance from the government in 2025, nor was there any government shareholding.

2. Ethical Governance★

GRI 205-1, GRI 205-2, GRI 205-3, GRI 206-1, GRI 2-25, GRI 2-26	
Management Purpose and Impacts	Ethical business practices are the foundation of XAC's corporate culture and are essential to maintaining market competitiveness and stakeholder trust. Sound ethical governance can strengthen market and customer confidence, protect shareholder interests, and promote the positive development of the supply chain. If corruption, bribery, or violations of fair-trade principles occur, the Company may face severe legal penalties and reputational damage, resulting in customer loss and disruption of stable operations. The main stakeholders affected by this topic include employees, customers, suppliers, shareholders/investors, and regulatory authorities.
Policies/Commitments	XAC has established the Ethical Corporate Management Best Practice Principles, the Code of Ethical Conduct, the Procedures for Handling Material Internal Information, and the Procedures for the Prevention of Insider Trading. The Company adopts a zero tolerance approach toward all forms of corruption, bribery, extortion, embezzlement, and monopolistic practices.
Targets	**Short-Term** • Achieve 100% coverage of relevant education and training for Board members and employees. • Maintain zero incidents of corruption and zero violations of fair competition. **Medium- to Long-Term** • Continue to improve risk assessments and internal control mechanisms related to ethical business practices. • Maintain zero major violations of laws and regulations and align with international sustainability governance trends. • Strengthen ethical business awareness and management across the supply chain.
Specific Management Actions in 2025	• Implement Internal Controls: Conduct routine inspections of key operating activities at the Taiwan headquarters through the annual internal audit plan to prevent fraud risks. • Strengthen a Culture of Integrity: Include ethical business practices and professional ethics in the mandatory training for new employees, and conduct internal legal and regulatory awareness programs on an as-needed basis. • Prevent Insider Trading: Establish requirements for directors and relevant personnel and strictly prohibit trading of the Company's shares before material information is publicly disclosed and within 18 hours after disclosure to maintain market fairness.
Specific Results in 2025	• **No** litigation cases involving corruption, bribery, or anti-competitive conduct occurred. • Internal audit assessments identified **no** material corruption risks. • Relevant education and awareness programs for Board members and employees achieved 100% coverage.
Responsible Department/ Grievance Mechanism	Audit Office/ Dedicated Whistleblowing E-mail (speakup@xac.com.tw)
Corresponding SDGs	SDG 16: Peace, Justice and Strong Institutions SDG 8: Decent Work and Economic Growth



(1) Ethical Business Practices and Internal Control System

To implement ethical business practices and prevent misconduct, XAC prioritizes the monitoring of potential fraud and corruption risks in its operations and incorporates such risks into its overall internal control system and annual audit plan. Each year, based on the results of risk assessments, routine audits are conducted on key day-to-day operating activities, including sales, procurement, and finance, with XAC headquarters and major production sites achieving 100% coverage. In 2025, internal audit results identified no material corruption risks at any of XAC's operating locations.

(2) Anti-Corruption Communication, Education, and Training

To ensure that all employees fully understand and implement the principles of integrity, XAC conducts anti-corruption awareness and training activities on an as-needed basis. For new employees, the Employee Ethical Business Practices Code and the Anti-Corruption Guidelines are included as mandatory topics in new employee training, covering ethical business requirements, prevention of unlawful infringement, grievance procedures, and disciplinary measures. For current employees, XAC continues to enhance anti-corruption awareness through internal announcements, education and training, and other measures conducted on an as-needed basis. To further implement regulatory compliance, XAC adopts the following management measures for different levels of personnel:

- **External Advanced Training**

  Relevant external training is provided to senior executives. In 2025, the head of finance participated in training related to anti-money laundering, and the Corporate Governance Officer participated in training on corporate integrity and fraud prevention.

- **Regular Internal Awareness Programs (Prevention of Insider Trading)**

  To enhance the knowledge of senior managers, XAC compiles monthly statistics on changes in their shareholdings and issues awareness communications reinforcing the securities trading regulations that insiders are required to comply with, thereby reducing integrity risks arising from securities market transactions. At the same time, in accordance with the Procedures for Handling Material Internal Information, the Company strictly prohibits the trading of Company shares before material information is publicly disclosed and within 18 hours after disclosure.

In 2025, XAC's anti-corruption awareness and training for the governance body (Board of Directors) and all employees were as follows:

▶ **Statistics on Integrity and Anti-Corruption Education and Training**

Category	Total Number of Persons (A)	Number of Persons Who Completed Integrity/Anti-Corruption/Ethics-Related Awareness or Training (B)	Coverage Rate (B/A)
Governance Body (Board of Directors)	7	7	100%
Management	43	43	100%
General Employees (Non-Managerial)	136	136	100%

(3) Prevention of Anti-Competitive Conduct

XAC supports and maintains a free and fair competitive market environment and strictly complies with relevant laws, regulations, and policies concerning anti-competitive conduct. The Company does not participate in any form of anti-competitive conduct, antitrust violations, or monopolistic practices. In 2025, XAC was not involved in any legal

proceedings concerning anti-competitive conduct, antitrust violations, or monopolistic practices.

(4) Whistleblowing and Grievance Mechanisms and Corruption Incidents

- **Diverse and Transparent Whistleblowing Channels and Whistleblower Protection**

  To provide internal and external parties, including employees, customers, and suppliers, with safe and accessible communication channels, XAC has established multiple grievance and whistleblowing mechanisms. Suspected violations of ethical business practices, corruption, or other misconduct may be reported through the dedicated whistleblowing e-mail (speakup@xac.com.tw), hotline (03-5772738 #8135), or physical suggestion box.

  To encourage the reporting of misconduct, XAC has also implemented whistleblower protection mechanisms and is committed to maintaining strict confidentiality regarding the identity of whistleblowers and the content of reports. Any form of retaliation against whistleblowers, such as dismissal, demotion, salary reduction, or improper treatment, is expressly prohibited. Upon receipt of a report, the responsible unit will initiate an independent investigation. If the allegation is substantiated, disciplinary action will be taken in accordance with the Company's reward and disciplinary rules, and follow-up remedial and preventive measures will be implemented.

- **Annual Corruption Incidents**

  In 2025, XAC received no reports involving corruption, bribery, or violations of ethical conduct and integrity. There were also no confirmed incidents of corruption, bribery, or fraud, and no cases in which employees were subject to disciplinary action or dismissal, or business partner contracts were terminated due to corruption.



3. Risk Management

XAC believes that sound risk management is fundamental to sustainable operations. As challenges arising from the global political and economic environment, climate change, regulatory changes, and information security continue to increase, XAC has established and continues to improve its risk management mechanisms, actively strengthening regulatory compliance and information security protection to prevent potential crises and transform risks into opportunities for growth.

(1) Risk Management Mechanism and Process

XAC adopts a preventive approach to risk management. It has established a rigorous internal control system in accordance with applicable laws and conducts regular and ad hoc audits to ensure that implementation complies with relevant requirements. XAC has adopted the Company Risk Control Regulations, which clearly define the responsible units for each risk factor and assign responsibility for impact management to the relevant departments. In accordance with these regulations, each department follows the processes described below to comprehensively identify the scope of risks and take appropriate response measures, thereby ensuring effective risk management.

For major crisis events involving multiple departments or operating sites, the Executive Vice President or a designated representative is responsible for overall command and coordination to ensure prompt and effective response actions and minimize potential impacts on operations.

▶ **XAC Risk Management Process**

Risk Identification	Each department identifies potential operational and strategic risks within its scope of responsibilities, which are then confirmed by the Risk Management Committee to ensure that the identified risks constitute material matters at the Company level. Stakeholder needs are also identified and updated regularly and incorporated into risk and opportunity assessments. (In principle, the Risk Management Committee conducts a reassessment of risk identification every 2 years.)
Risk Assessment	Identified risks are quantitatively scored based on the “likelihood of occurrence” and “degree of potential impact”. Risk values are calculated and classified into three levels—high, medium, and low—to determine the severity and priority of risks and provide a basis for subsequent resource allocation and management measures.
Risk Control and Monitoring	Different levels of management and monitoring are applied according to the risk level: high-risk items are reviewed quarterly, medium-risk items semiannually, and low-risk items annually. When an abnormal event occurs, impact assessment, root cause analysis, formulation of improvement measures, and implementation monitoring are initiated promptly to minimize the impact of the risk.
Risk Communication and Decision-Making	Transparent internal and external communication mechanisms are established, with regular stakeholder engagement and records maintained. The results of Risk Management Committee meetings and review reports are regularly submitted to senior management and department heads to ensure that risk information is transparent and timely and that decisions can be implemented promptly.

(2) Operational Risk Identification and Response Measures

In 2025, XAC conducted its annual risk identification covering key dimensions including environmental, operational, and governance aspects. The respective responsible departments formulated and implemented relevant response measures.

▶ XAC Risk Management Table

Risk	Risk Description	Responsible Department	Response Measures	2025 Implementation Results or Highlights
Climate Change Risk	Climate Change and Environmental Regulatory Risks	Corporate Governance Division	1. Continue to conduct greenhouse gas inventories to gradually understand the Company's carbon emissions profile, and plan to expand the inventory scope and related verification activities based on operational needs. 2. Continue to implement energy-saving measures and electricity management, and promote electricity conservation in office areas and plant facilities. 3. Evaluate the introduction of energy-efficient or low-carbon operating equipment.	1. Conducted regular greenhouse gas inventories and reviewed energy conservation and carbon reduction measures. 2. Replaced certain lighting equipment in phases based on actual needs to improve energy efficiency.
	Customer Sustainability and Green Supply Chain Requirements	Corporate Governance Division Hardware Quality Assurance Department Product Planning and Management Department	1. Continue to monitor international environmental regulations and customers' green procurement requirements. 2. Evaluate the adoption of design approaches that comply with green requirements during product design and R&D.	1. Considered environmentally friendly design concepts, such as ease of disassembly and recyclability, for certain products under development or trial production. 2. Evaluated the establishment of a product energy consumption tracking mechanism based on future customer needs.
Operational Risk	Supply Disruption Risk	Procurement Department	1. Establish backup suppliers for customized products to ensure that molds can be transferred or replicated to resume production. 2. Establish an EOL (end-of-life) investigation mechanism for standard products to identify alternative solutions in a timely manner. 3. For standard components, select well-known brands. Most branded manufacturers have multiple production sites. If supply risk arises from the first source, promptly initiate the search for alternative brands. 4. Most standard materials can be supported through available inventory in the short term.	1. Continued to implement a dual-supplier mechanism. 2. When introducing second-source suppliers into production, strengthened preventive measures against previous abnormalities and reinforced communication and key controls to prevent recurrence.
	Product Quality Risk (process/raw material abnormalities resulting in increased defect rates and internal costs)	Hardware Quality Assurance Department Channel Development and Customer Service Division Financial Division	1. In accordance with the Design Control Procedure, strictly implement quality management in accordance with SOPs at each stage to effectively reduce product defect rates. 2. Implement incoming material inspections, and ensure that product design complies with international environmental requirements. 3. Optimize production processes and implement production-line education and training to improve product quality and reduce defect rates and losses.	1. When introducing second-source suppliers into production, strengthened preventive measures against previous abnormalities and communication and controls to prevent recurrence. 2. Properly recorded and tracked product issues to ensure that quality abnormalities were effectively resolved.

Risk	Risk Description	Responsible Department	Response Measures	2025 Implementation Results or Highlights
Operational Risk	Cargo Transportation Risk	Materials Department	1. Establish a freight forwarder selection system and subsequent management mechanism, and select qualified service providers to reduce the likelihood of risk occurrence. 2. Obtain cargo transportation insurance in accordance with the Company Insurance Policy to transfer the risk of financial losses during transportation.	Implemented global logistics and local freight forwarder delivery management, with no major incidents involving cargo damage or delays resulting in contractual breaches.
	Talent Loss Risk	Human Resources Department	1. Establish long-term retention mechanisms for key managers and critical talent to ensure a highly stable and cohesive management team. 2. Implement people-oriented management and a compensation system linked to performance to strengthen team cohesion and employees' identification with the Company. 3. Recruit talent through multiple channels, including campus recruitment, government employment platforms, and recruitment consultants, and implement open and transparent recruitment procedures to avoid nepotism.	1. Implemented multiple talent retention measures, with the average turnover rate remaining low and workforce stability improving. 2. Participated in campus recruitment activities to collect résumés from potential candidates.
	Public Liability Risk (accidents at operating sites resulting in injury, death, or property damage to third parties, such as visitors or contractors)	Administrative Resources Coordination Office	1. Establish safety management requirements and implement entry and exit registration for visitors. Visitors entering other areas must be accompanied by relevant personnel throughout their visit. 2. Contractors entering the site for construction work must sign a safety notification and liability form and be accompanied by facility personnel throughout the work until leaving the site. 3. Obtain public liability insurance in accordance with the Company Insurance Policy to transfer potential compensation risks.	No public liability claims or major injuries or fatalities involving third parties occurred at the workplace, and no major occupational accidents involving non-employees (contractors/visitors) occurred.
	Property Loss Risk (damage to plant facilities, equipment, or inventory caused by unexpected incidents such as fire or theft)	Administrative Resources Coordination Office	1. In accordance with the Access Control Management Guidelines, security personnel conduct patrols at designated times and locations and implement physical security controls. 2. Obtain commercial fire insurance and related property insurance in accordance with the Company Insurance Policy to transfer risks. 3. Regularly conduct fire safety inspections, equipment inspections and maintenance, and fire prevention inspections. 4. Strengthen employees' disaster prevention awareness and regularly conduct fire drills that include incident reporting, fire extinguishing, evacuation, and other procedures.	1. No fires or property loss incidents occurred at the workplace. 2. Fire drills and first-aid training were conducted regularly.

Risk	Risk Description	Responsible Department	Response Measures	2025 Implementation Results or Highlights
Operational Risk	Foreign Exchange Risk (exchange rate fluctuations resulting from international developments)	Financial Division	1. Continuously monitor changes in major foreign currency exchange rates. 2. Implement the Foreign Currency Risk Management Procedures and assess foreign currency information daily. 3. Use hedging to lock in exchange rates and reduce exposure to exchange rate appreciation or depreciation. 4. Promote the use of the same foreign currency for purchases and sales to achieve natural hedging.	Implemented foreign exchange hedging in accordance with relevant requirements to minimize the impact of foreign exchange gains and losses and protect the Company's profitability.
	Credit Risk	Financial Division Channel Development and Customer Service Division	1. Process customer credit applications in accordance with the Credit Management Regulations. 2. Conduct credit investigations. 3. Credit Control: order review and special approval. 4. Conduct annual reviews of customer payment ratings. 5. Initiate rating downgrades or legal action when necessary. 6. Event-driven reviews.	Strictly implemented credit control and account reconciliation procedures, with accounts receivable collection remaining satisfactory.
	Bad Debt Risk	Financial Division Channel Development and Customer Service Division	1. Conduct credit assessments in accordance with the Credit Management Regulations. 2. Follow up on overdue receivables in accordance with the Regulations Governing Collection of Overdue Accounts Receivable. (1) Hold an AR review meeting by the 10th of each month. (2) FIN distributes the monthly AR collection status report every Friday. (3) CST reports the status of AR collection follow-up every Tuesday. 3. Initiate legal action when necessary. 4. A 1% allowance has been estimated in accordance with tax regulations.	Strictly implemented credit control and account reconciliation procedures, with accounts receivable collection remaining satisfactory.
Governance Risk	Intellectual Property (IP) Risk	Legal Department Human Resources Department	1. All employees are required to sign confidentiality agreements, and access controls are implemented at designated restricted areas, including the Key Injection Room and CA Room. 2. Implement the Design Control Procedure. Before the EVT review meeting, the RD supervisor (IP Team Leader) is responsible for submitting an infringement review report and a new patent evaluation report.	No major patent infringement or trade secret leakage incidents occurred.
	Risk of Accidents Involving the Senior Management Team	Corporate Governance Division	1. Give preference to reputable airlines for senior management business travel. 2. Stagger the departure times of senior management business trips to diversify risk, with managers assigned to different flights. 3. Establish and develop a succession system.	Strictly implemented senior management travel requirements to ensure continuity of operational decision-making.

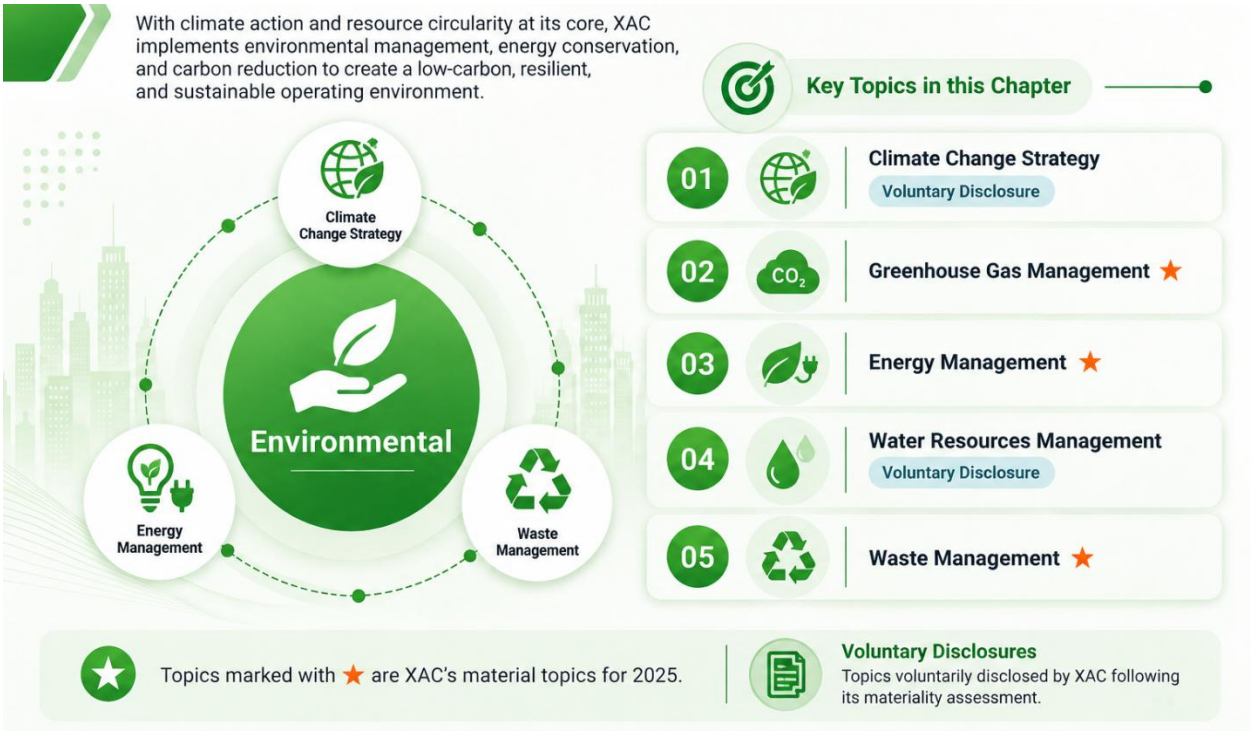
Risk	Risk Description	Responsible Department	Response Measures	2025 Implementation Results or Highlights
Information Risk	Information Security Risk	Information Security Division	1. Conduct regular and ad hoc risk assessments and risk mitigation plans, and require encryption for file transfers. 2. Strengthen individual information security awareness through regular phishing tests and education and training.	1. Completed the ISO 27001:2022 external surveillance audit and initiated an evaluation of DLP (Data Loss Prevention) systems. 2. The antivirus system detected thousands of virus alerts.
Product Liability Risk	Product Liability Risk (defective products resulting in customer complaints, compensation claims, or violations of green regulations)	Financial Division Channel Development and Customer Service Division	1. Transfer risks through the Company Insurance Policy, including coverage for potential damages. 2. Estimate after-sales service and warranty expenses in accordance with the After-Sales Service Provision Policy. 3. Record customer complaints and provide prompt feedback and handling to ensure customer satisfaction.	1. All new products passed RoHS/WEEE/REACH testing. 2. Incoming components were 100% compliant with HSF (Hazardous Substance Free) requirements. 3. Achieved a customer satisfaction score of 88, with no major quality concerns or related customer complaints during the year.
Compliance Risk	Compliance Risk	All Departments	1. All external contracts and documents are reviewed by the Legal Department/legal counsel; legal changes are monitored regularly, and communication is maintained with relevant government authorities. 2. Conduct regular inspections for safety hazards and periodic inspections of equipment such as air compressors and elevators; implement occupational health and safety education and training for employees.	1. No major regulatory penalties or major occupational accidents occurred. 2. Continued to optimize the exhaust ducting of UV ovens and conducted regular environmental testing to ensure that no odors were released.

(3) Regulatory Compliance★

GRI 2-27	
Management Purpose and Impacts	To ensure that XAC's overall operations and business activities comply with the laws and regulations of the locations in which it operates, thereby reducing potential risks and protecting the Company's reputation. Strict regulatory compliance can enhance customer and investor trust, strengthen competitiveness, and provide employees with a lawful and safe working environment. Failure to keep abreast of regulatory changes or violations of laws and regulations may result in substantial penalties, legal proceedings arising from contractual breaches, and serious impacts on the Company's reputation and financial position. The main stakeholders affected by this topic include employees, customers, suppliers, shareholders/investors, and regulatory authorities.
Policies/Commitments	XAC is committed to strictly complying with all laws and regulations applicable to the locations in which it operates, considering this a fundamental requirement for implementing ethical business practices. The Company strives to maintain legal and regulatory compliance with no major violations or fines.
Targets	**Short-Term** • Maintain zero major violations of laws and regulations. • Complete all statutory inspections and renewal procedures in accordance with applicable laws and maintain 100% compliance. **Medium- to Long-Term** • Continue to monitor relevant domestic and international laws and regulations, international trends, and major compliance incidents to ensure that the Company can prepare for and respond to relevant issues in advance, such as cross-border labor rights and personal data breaches. • Strengthen internal compliance awareness and enhance employees' legal knowledge and compliance literacy through regular education and training.
Specific Management Actions in 2025	• Contract Review: All contracts and contractual documents signed with external parties are strictly reviewed by the Legal Department to reduce legal risks at the source. • Regulatory Monitoring: Relevant personnel are required to regularly monitor and update laws and regulations related to their business responsibilities. • Education and Training: Compliance-related courses and seminars are conducted on an as-needed basis and included as mandatory orientation topics for new employees to ensure proper legal awareness.
Specific Results in 2025	• **No** major violations of laws and regulations occurred. • Environmental monitoring at operating sites and all statutory inspections were conducted in accordance with applicable laws, and all required renewals were obtained, achieving a 100% compliance rate. • **No** grievance or whistleblowing cases involving violations of laws and regulations or ethical business practices were received.
Responsible Department/ Grievance Mechanism	Audit Office/ Dedicated Whistleblowing E-mail (speakup@xac.com.tw)
Corresponding SDGs	SDG 16: Peace, Justice and Strong Institutions

XAC will continue to monitor changes in relevant domestic and international policies and regulations and, through its risk management mechanisms and internal control system, ensure that corporate governance, environmental protection, labor rights, product responsibility, and other areas comply with the laws and regulations applicable to its operating locations. In 2025, XAC had no major violations related to environmental, social, or corporate governance matters and was not subject to any major fines imposed by regulatory authorities.
(Materiality is determined based on whether an incident involves the Company's core operations and has a significant impact on the Company's reputation or financial position.)

IV. Environmental



Environmental protection is closely linked to corporate sustainability. Since publishing its first sustainability report in 2024, XAC has continued to focus on "practical management and continuous improvement". The current report provides comprehensive disclosure across five environmental areas: climate change, greenhouse gases, energy, water resources, and waste. Among these, Greenhouse Gas Management, Energy Management, and Waste Management have been identified as material topics for 2025 and will receive priority in resource allocation and management.

Considering its current stage of development and available resources, XAC has begun by establishing a foundation for greenhouse gas inventories and data, and will gradually integrate its ongoing goals into daily operations. Through specific green actions such as promoting electricity conservation in office areas and plant facilities, replacing aging equipment, and reducing waste at the source, XAC is gradually reducing the environmental impacts of its operations. Going forward, XAC will continue to build on its existing foundation, steadily advancing toward low-carbon operations and contributing to the sustainable development of the planet.

1. Climate Change Strategy

GRI 201-2

Facing the serious challenges of global climate change, XAC recognizes that climate issues may affect the overall industry supply chain and market demand. To strengthen operational resilience and initiate climate governance, XAC has referred to the Task Force on Climate-related Financial Disclosures (TCFD) framework to identify climate-related risks and opportunities associated with its operations, formulate response strategies, and gradually establish the corresponding basic management mechanisms.

(1) Governance

To implement climate governance, XAC is gradually establishing a top-down oversight and implementation mechanism, with the Board of Directors serving as the highest oversight body for sustainable development and climate change. In February 2025, XAC formally established the cross-departmental Sustainable Development Committee, chaired by the General Manager, to coordinate senior executives and promote initiatives including preliminary identification of climate risks, greenhouse gas inventories, and the planning and implementation of energy conservation and carbon reduction measures. The Committee regularly tracks the implementation progress of relevant plans and reports the results to the Board of Directors as appropriate to ensure the sound operation and implementation of sustainability and climate governance mechanisms.

(2) Strategy

In accordance with the TCFD framework and taking into account the Company's operating and decision-making cycles, XAC categorizes the time horizons for the impacts of climate-related risks and opportunities as short term (1–2 years), medium term (3–5 years), and long term (more than 5 years), and conducts preliminary risk identification and assessment accordingly. At the initial stage of TCFD implementation, international climate scenarios are used as the basis for assessment assumptions to support the identification of potential transition and physical risks. Quantitative financial analysis under these scenarios has not yet been conducted.

Considering that XAC's operations primarily consist of office work, R&D, and electronic terminal equipment assembly, its overall exposure to physical disaster risks is relatively low. XAC has also preliminarily identified climate risks and opportunities that may potentially affect its operations and formulated corresponding development strategies.

1. Climate Scenario Assumptions and Assessment

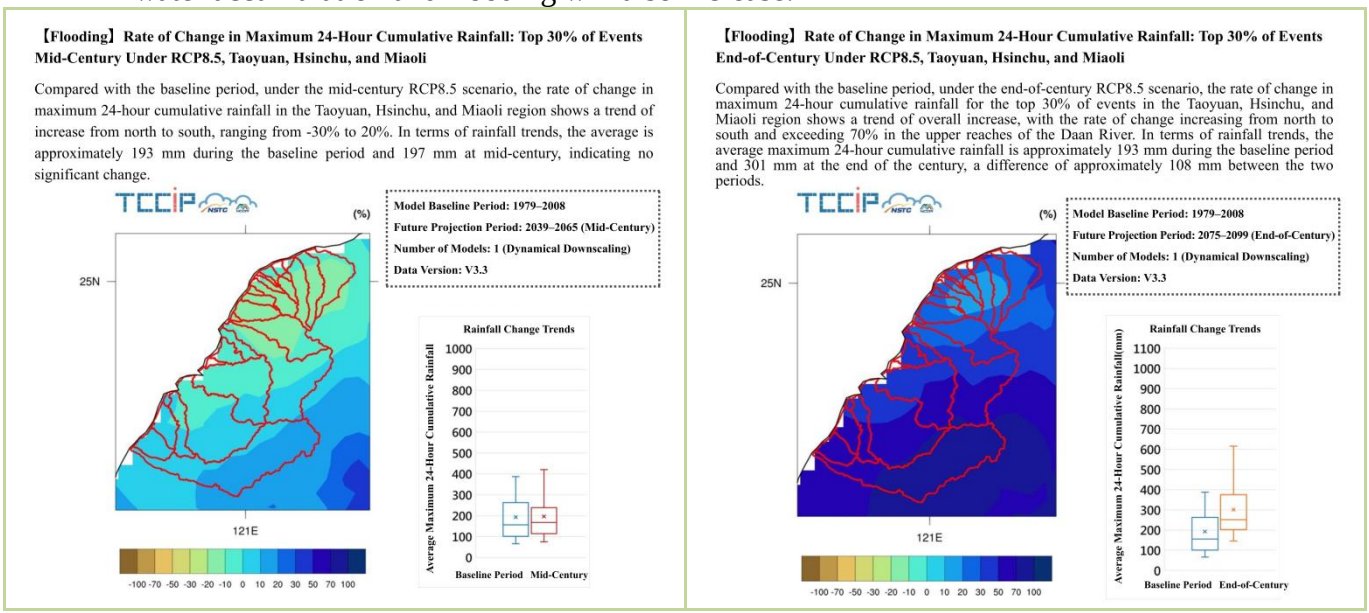
(1) Physical Risk Scenario Analysis (Extreme Climate, RCP 8.5):

To understand the potential impacts of climate change on XAC's operations, XAC reviewed publicly available information from sources including the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the National Science and Technology Center for Disaster Reduction (NCDR). Using the most severe RCP 8.5 scenario, XAC assessed the potential impacts of extreme climate events on its major operating locations in Taiwan.

- **Climate Projection Data**

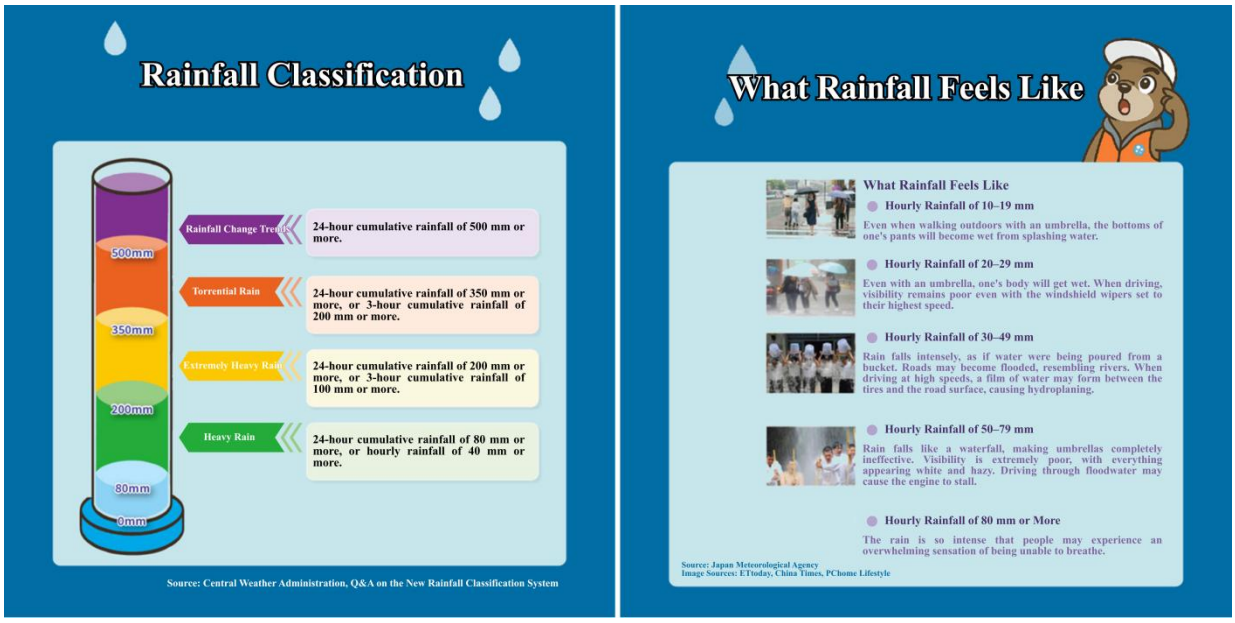
  According to TCCIP projection data, under the RCP 8.5 scenario, the maximum 24-hour cumulative rainfall in XAC's major operating area in Taiwan (Hsinchu) shows an increasing trend at both mid-century and end-of-century, indicating a significantly higher likelihood of short-duration heavy rainfall and extreme rainfall events. According to the rainfall classification definitions of the Central Weather Administration, 24-hour cumulative rainfall of 200 mm or more is classified as torrential rain, 350 mm or more as

extremely torrential rain, and 500 mm or more as extremely heavy torrential rain. If the frequency of such extreme rainfall events increases in the future, the risks of localized water accumulation and flooding will also increase.



(Left) Mid-Century under RCP 8.5; (Right) End-of-Century under RCP 8.5, Taoyuan, Hsinchu, and Miaoli — Rate of Change in Maximum 24-Hour Cumulative Rainfall

Source: National Science and Technology Council, Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP)

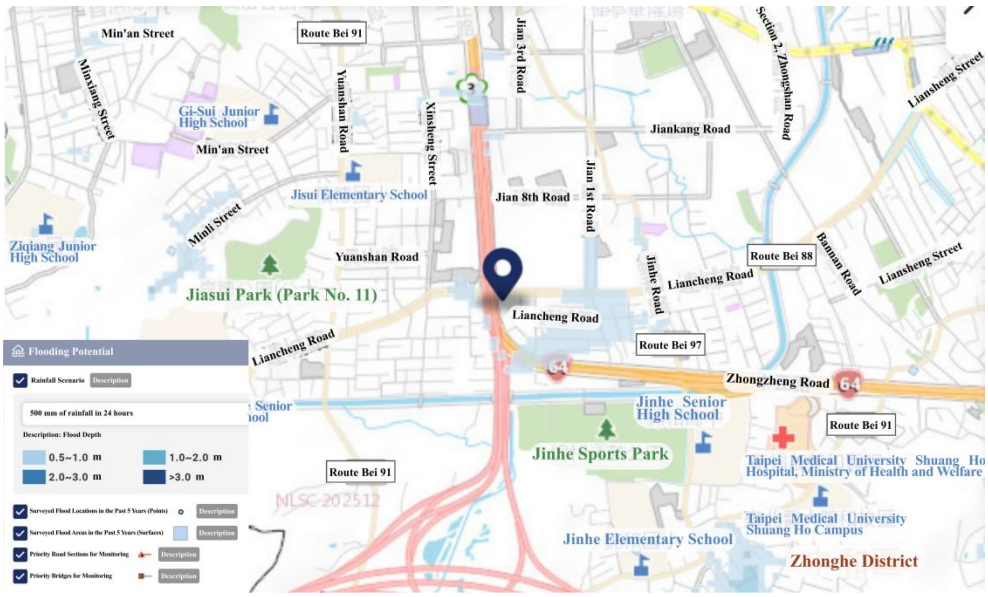


Rainfall Classification Chart

Source: Central Weather Administration, Ministry of Transportation and Communications; Water Resources Agency, Ministry of Economic Affairs

- **Local Hazard Potential Analysis**

  Based on analysis using NCDR's 3D Disaster Potential Map, under short-duration heavy rainfall scenarios, such as torrential rain with 24-hour cumulative rainfall of 200 mm or more, flood-prone areas are present within a 500-meter radius of XAC's office location in Zhonghe District, New Taipei City. As shown in the figure, if an extremely heavy rainfall event occurs, roads and low-lying areas surrounding the office building may experience short-term water accumulation, flooding, or traffic disruption.



Zhonghe, New Taipei City — 500 mm of Cumulative Rainfall in 24 Hours
Source: National Science and Technology Council, Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP)

- **Risks and Response Measures**

  Considering that XAC's operations in Taiwan primarily consist of office and R&D activities, its overall physical climate risk is relatively low, and the likelihood of damage to office building facilities is limited. However, as climate change increases the likelihood of extreme rainfall events, indirect impacts may arise in areas such as employee commuting safety, surrounding transportation, and logistics. XAC therefore considers this an important physical risk issue that requires continued attention and inclusion in business continuity management, and plans to continue strengthening employee disaster preparedness drills and flexible work backup mechanisms to ensure personnel safety and operational continuity.



2. Climate Risk and Opportunity Identification Table

Risk/Opportunity Category	Risk Item	Risk Factor	Impact Period	Impact Scenario Description	Impact on Operations	Financial Impact	Specific Response Strategies
Physical Risk	Heavy Rainfall and Flooding	Increased frequency and intensity of extreme rainfall events	Short-Term	The frequency and intensity of extreme rainfall events increase, potentially resulting in temporary water accumulation and flooding, insufficient drainage capacity, or unstable power supply near operating locations.	Short-term traffic disruptions, increased risks to employee commuting safety, temporary operational adjustments, etc.	Increased indirect operating costs	Establish notification procedures for extreme weather events and flexible work mechanisms to reduce the risk of operational disruption.
	High Temperatures and Rising Average Temperatures	Rising average temperatures and an increase in the number of high-temperature days	Medium- to Long-Term	Long-term increases in average temperatures and the number of high-temperature days may increase electricity demand for indoor air conditioning and equipment cooling.	Impacts on employee comfort and work efficiency, and increased pressure on energy management and the environment	Increased energy costs	Gradually replace aging air-conditioning equipment and implement energy conservation and indoor temperature control in office areas.
Transition Risk	Tightening Regulations and Policies	Increasing carbon management, disclosure, and compliance requirements	Short- to Medium-Term	Climate-related regulations and disclosure requirements are becoming increasingly stringent, requiring companies to invest more resources in data collection, system establishment, and internal management adjustments. Inadequate preparation may increase compliance and operational risks.	Additional personnel and resources are required to meet regulatory and disclosure requirements and avoid the risk of penalties for non-compliance.	Increased compliance and management costs	Closely monitor regulatory developments. XAC has completed the greenhouse gas inventory for the base year and will conduct greenhouse gas inventories annually going forward, gradually expand inventory coverage to subsidiaries in accordance with regulatory timelines, and obtain third-party assurance as required.

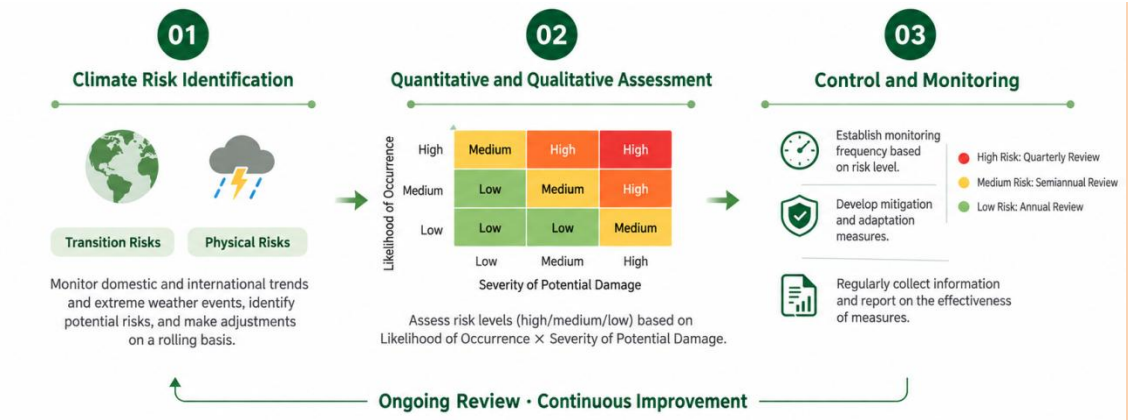
Risk/Opportunity Category	Risk Item	Risk Factor	Impact Period	Impact Scenario Description	Impact on Operations	Financial Impact	Specific Response Strategies
	Changes in Market and Customer Demand	Increasing customer sustainability and low-carbon requirements	Medium- to Long-Term	Customers are placing greater emphasis on product environmental performance and sustainability information, including a preference for product designs featuring lower carbon emissions, lower energy consumption, and environmentally friendly materials. Inadequate response may affect product competitiveness, customer relationships, and orders.	Increased requirements for product R&D and design and customer communication	Potential pressure on revenue	Gradually integrate sustainability concepts into product design and develop low-energy-consumption transaction terminal equipment.
Transition Risk	Sustainable Supply Chain Pressure	Supply chain carbon emissions and sustainability management requirements	Medium-Term	Sustainability requirements are gradually extending to supply chain management. Companies may face varying levels of supplier cooperation or difficulties in collecting information, which may increase the complexity of supply chain management and affect supply chain stability.	Increased complexity in supplier communication and management	Increased supply chain management and procurement costs	Gradually promote the collection and communication of supply chain sustainability information and strengthen supply chain resilience.

Risk/Opportunity Category	Risk Item	Risk Factor	Impact Period	Impact Scenario Description	Impact on Operations	Financial Impact	Specific Response Strategies
Transition Opportunity	Low-Carbon and High-Efficiency Products	Growing market demand for energy-saving and low-energy-consumption products	Medium- to Long-Term	Demand for low-carbon and energy-saving products continues to grow. Incorporating sustainability considerations such as energy efficiency, environmental friendliness, and environmentally friendly materials into product design can help enhance product value and market competitiveness.	Helps differentiate products and enhance technological competitiveness	Increased potential revenue opportunities	Invest resources in the R&D of high-efficiency products incorporating cloud system technologies to reduce users' energy consumption.
	Corporate Image and External Evaluation	Increasing attention to sustainability and investment trends	Medium-Term	As attention to climate and sustainability issues increases, proactively identifying and responding to climate-related risks can help strengthen trust and visibility among customers, investors, and other stakeholders.	Helps enhance corporate trust and market visibility	Potential improvement in financing and collaboration terms	Publish a sustainability report annually and establish a transparent sustainability management communication mechanism.

(3) Risk Management and Response Measures

1. Climate Risk Assessment and Management Process

At this stage, XAC manages climate risks based on the principles of gradual implementation and ongoing review, incorporating climate-related risks into its existing management framework and operational considerations to ensure that climate risks are managed consistently with general operational risks. The assessment process for climate change issues is as follows:



(1) Climate Risk Identification

To improve efficiency, at this stage the sustainability promotion unit first monitors international climate initiatives, domestic and international regulatory developments, and extreme climate events on a regular basis, and conducts a preliminary review to identify transition risks and physical risks that may have financial and operational impacts on the Company. The respective responsible departments then review and adjust the identified risks on a rolling basis according to actual operating conditions.

(2) Quantitative and Qualitative Assessment

XAC applies its existing risk assessment matrix and analyzes each climate risk based on likelihood of occurrence × potential severity of damage, classifying the risks as high, medium, or low to determine priorities for resource allocation.

(3) Control and Monitoring

Corresponding monitoring frequencies are applied based on the assessed risk level: high risks are reviewed quarterly, medium risks semiannually, and low risks annually. For material climate risks identified during the preliminary assessment, the respective responsible departments jointly review and adjust appropriate mitigation and adaptation measures, and regularly collect relevant information and report it at related working meetings to review implementation effectiveness.

2. Climate-Related Mitigation and Adaptation Measures

To address the physical and transition risks that climate change may pose to operations, XAC adopts the following mitigation and adaptation measures based on the results of its climate risk and opportunity identification to strengthen operational resilience:

- **Continue to monitor climate-related regulations and policy trends** as a reference for internal management systems and information disclosure planning, thereby reducing future compliance and operational risks.
- Based on the Company's operating characteristics and available resources, **gradually establish and expand baseline data for greenhouse gas inventories and energy use management** as a basis for subsequent risk assessment, management, and improvement.

- **Incorporate climate risks into operational management and internal assessment processes**, continuously monitor the potential impacts of climate events such as extreme rainfall and high temperatures on operations, and assess necessary adjustment measures as appropriate, such as establishing extreme weather notification and flexible work mechanisms, to reduce potential impacts on business continuity.
- In response to **increasing customer attention to sustainability issues**, gradually **incorporate energy efficiency and environmental considerations into the assessment of product design and service planning**, such as the development of cloud system technologies, to strengthen the competitiveness of green products.
- Based on operating conditions, **gradually promote the collection and communication of supply chain sustainability information**, encourage joint efforts to strengthen energy conservation and carbon reduction capabilities, and establish a basis for assessing supply chain climate risks and enhancing overall resilience.

(4) Metrics and Targets

1. Climate and Environmental Assessment Metrics

At this stage, XAC prioritizes data that can be collected consistently. The Company uses greenhouse gas emissions (Category 1 and Category 2), greenhouse gas emissions intensity, and energy consumption (purchased electricity and fuel used by company motorcycles) as its core metrics for measuring climate management performance.

2. Greenhouse Gas Inventory and Assurance

To ensure the accuracy of climate-related data, XAC defines its organizational boundary based on the operational control approach and plans to improve its greenhouse gas inventory and third-party verification framework in phases:

- **Base Year:** In accordance with ISO 14064-1, 2024 has been designated as the base year for the greenhouse gas inventory.
- **Category 1 and Category 2 Inventories:** Greenhouse gas inventories are conducted annually. In accordance with the implementation schedule of the Sustainable Development Roadmap, XAC will gradually expand inventory coverage to subsidiaries and obtain external third-party assurance.
- **Scope 3 (Value Chain Emissions):** Given the current difficulty in obtaining supply chain data, XAC plans to gradually begin Scope 3 inventories in 2028 in line with the schedules of the Financial Supervisory Commission and IFRS Sustainability Disclosure Standards, thereby progressively improving its carbon management.

3. Carbon Reduction Targets and Specific Action Plans

For the identified climate transition risks, XAC has established preliminary reduction targets and is implementing them in its daily operations:

- **Short-Term Target:** Reduce Category 1 and Category 2 greenhouse gas emissions intensity by 1% annually compared with the base year.
- **2025 Specific Action Plan:** To achieve the above reduction target and strengthen operational resilience, XAC will implement the following measures:
  - ◇ Replace aging machinery and equipment to improve energy efficiency.
  - ◇ Replace lighting facilities in phases and fully adopt high-efficiency, energy-saving lighting.
  - ◇ Promote low-carbon operating measures in office areas and implement daily carbon reduction actions.
  - ◇ Encourage internal environmental protection activities to promote awareness of sustainable development.

2. Greenhouse Gas Management★

GRI 305-1, GRI 305-2, GRI 305-4, GRI 305-5	
Management Purpose and Impacts	The promotion of greenhouse gas management is intended to build the Company's climate resilience, align with international carbon reduction trends, and effectively reduce long-term operating costs. Failure to properly manage and reduce greenhouse gas emissions may expose the Company to financial pressure from increased future carbon fees and the loss of orders due to failure to meet customers' green requirements. Proactive implementation of greenhouse gas inventories and carbon reduction actions can improve energy efficiency, enhance customer trust, and demonstrate the Company's commitment to environmental sustainability. The main impact boundaries of this topic include the Company's operating locations, customers, supply chain, and the overall environment.
Policies/Commitments	XAC conducts greenhouse gas inventories in accordance with ISO 14064-1:2018 and applies the operational control approach to define its inventory boundary. In line with the government's Sustainable Development Roadmap for TWSE- and TPEx-Listed Companies, XAC is committed to continuously monitoring its emissions and reducing operational carbon emissions through various management measures and the replacement of outdated equipment with energy-efficient models.
Targets	**Short-Term** • Expansion of Inventory Scope: Conduct an organizational greenhouse gas inventory for the parent company annually, and include overseas subsidiaries in the organizational greenhouse gas inventory in 2027 in accordance with regulatory requirements. • External Assurance: Obtain third-party assurance in 2028 in accordance with regulatory requirements.
	Medium- to Long-Term • Expansion of Inventory Scope: Assess the feasibility and timeline for including Scope 3 emissions in the inventory. • Reduction in Emissions Intensity: Gradually reduce emissions intensity.
Specific Management Actions in 2025	• Implementation of Internal Inventory: Completed the 2024 (base year) organizational greenhouse gas inventory for Category 1 and Category 2 emissions. • Source Data Management: Established records for fuel used by company vehicles and refrigerant refills, and regularly tracked electricity consumption data. • Energy Conservation and Carbon Reduction: Implemented measures such as turning off office lights during lunch breaks, controlling air-conditioning temperatures, and evaluating the replacement of aging lighting and energy-consuming equipment.
Specific Results in 2025	• Total Category 1 and Category 2 emissions increased slightly by 12.52% compared with 2024 (base year). • Category 1 and Category 2 emissions intensity increased slightly by 0.32% compared with 2024 (base year), with the increase lower than the growth in revenue.
Responsible Department/ Grievance Mechanism	Administrative Resources Coordination Office/ Employee Suggestion Box, Department Contact E-mail (xac_arcso@xac.com.tw)
Corresponding SDGs	SDG 13: Climate Action

(1) Greenhouse Gas Emissions

XAC uses 2024 as the base year for its greenhouse gas inventory. Based on a review of its 2025 greenhouse gas emissions data, total Category 1 and Category 2 emissions were 480.043 metric tons CO_2e. Compared with the previous year, absolute emissions increased slightly. The differences between the 2 years and the reasons for the increase are explained below:

1. Increase in Absolute Emissions

- **Expansion of Operations and Production Capacity:** Due to strong customer demand and the gradual mass production of new products in 2025, XAC's overall operations, revenue, and production capacity expanded. Revenue increased by 12% compared with the previous year, resulting in a natural increase in electricity demand in office areas and plant facilities. Consequently, total Category 1 and Category 2 emissions increased slightly by 12.52% compared with 2024 (base year).

2. Appropriate Control of Emissions Intensity, Demonstrating Progress in Both Operational Growth and Carbon Reduction

XAC's revenue increased by 12% in 2025, naturally driving higher electricity demand. However, the Company actively implemented various energy-saving measures, including phased replacement of office lighting with LED fixtures, replacement of aging high-energy-consumption refrigerators, and turning off lights during lunch breaks and after work, effectively improving overall energy efficiency. Based on calculations, XAC's Category 1 and Category 2 greenhouse gas emissions intensity in 2025 was 0.312 metric tons CO_2e/NT$1 million, representing only a slight increase of 0.32% from the base year. The data show that XAC kept the increase in carbon emissions intensity below the rate of revenue growth, demonstrating progress in gradually decoupling operational expansion from carbon emissions.

▶ **Greenhouse Gas Emissions Statistics**

Year	Item	Category 1	Category 2	Total	Emissions Intensity (metric tons CO_2e/NT$1 million)
2025	Greenhouse Gas Emissions	7.6726	472.3702	480.043	0.312
	Percentage of Total Emissions	1.60%	98.40%		
2024	Greenhouse Gas Emissions	5.5904	421.0209	426.611	0.311
	Percentage of Total Emissions	1.31%	98.69%		
Notes	▪ The inventory boundary for carbon emissions data covers XAC headquarters in Taiwan, and the data are compiled from Taiwan operations. Gasoline consumption by company motorcycles is calculated based on refueling records and relevant receipts; carbon dioxide consumption is calculated based on procurement records; and electricity used by forklifts is calculated based on electricity bills. ▪ Greenhouse gas emissions = Activity Data × Greenhouse Gas Emission Factor × GWP. Greenhouse gas emissions are consolidated using the operational control approach. Greenhouse gas emission factors and GWP values are based on Version 6.0.4 of the Greenhouse Gas Emission Factor Management Table announced by the Environmental Protection Administration and values from the IPCC Sixth Assessment Report (AR6). The electricity emission factor is based on the electricity emission factor published by the Bureau of Energy, Ministry of Economic Affairs. Greenhouse gases covered include CO_2, N_2O, and CH_4. ▪ Greenhouse gas emissions intensity = Total Greenhouse Gas Emissions ÷ Net Revenue of the Parent Company for the Year (NT$1 million). Net revenue of the parent company was NT$1,536.687 million in 2025 and NT$1,371.949 million in 2024. ▪ The 2024 data were retrospectively revised this year. The revised figures are the verified data. ▪ Unit: metric tons CO_2e.				

(2) Greenhouse Gas Reduction Targets and Action Plan

To respond to international carbon reduction trends and advance its sustainability vision, XAC has designated 2024 as the base year and established short-, medium-, and long-term greenhouse gas reduction and management targets, while gradually planning and implementing carbon reduction actions in daily operations.

Item	Period	Content
Reduction Targets	Short-Term	▪ Reduce greenhouse gas emissions intensity by 1% compared with the base year. ▪ Complete the parent company's organizational greenhouse gas inventory and external verification annually (Category 1 and Category 2). ▪ Complete organizational greenhouse gas inventories and external verification for overseas subsidiaries (Category 1 and Category 2). ▪ Continue to implement daily energy conservation and carbon reduction measures. ▪ Continue to assess and replace aging energy-consuming office equipment. ▪ Gradually plan the Scope 3 (value chain) greenhouse gas inventory.
	Medium- to Long-Term	▪ Continue to monitor domestic and international net-zero carbon trends and regulatory developments. ▪ Assess the introduction of low-carbon, energy-efficient equipment and energy efficiency optimization strategies. ▪ Plan the R&D of products that are low-carbon, low-energy-consuming, or use materials with a high recycled content. ▪ Assess the inclusion of environmental and carbon reduction items in the supply chain evaluation mechanism. ▪ Assess the feasibility of small-scale green electricity procurement.

▶ **2025 Carbon Reduction Measures**

Area of Implementation	Implementation Details
Equipment Optimization and Replacement	• Replaced the second non-inverter refrigerator with one 570-liter inverter refrigerator rated Grade 1 for energy efficiency. Over 3 months of use, electricity savings totaled 136.11 kWh, with a carbon reduction of 63.43 kg CO_2e. • Replaced lighting equipment with energy-efficient LED fixtures in phases, with a cumulative total of 137 fixtures replaced (implementation rate: Hsinchu 75%; Taipei 100%).
Promotion of Low-Carbon Offices	• Promoted low-carbon measures in office areas and implemented daily energy conservation and carbon reduction actions, such as turning off lights during lunch breaks, centrally controlling air-conditioning temperatures, and setting computers to sleep mode.
Promotion of Sustainability Awareness	• Regularly promoted energy conservation and carbon reduction and participated in Earth Hour activities, achieving a total carbon reduction of 18.09 kg CO_2e. • Promoted the concept of cherishing resources and reducing waste by organizing an internal secondhand charity sale to enhance employees' overall environmental and sustainability awareness.

Moreover, as the data collection mechanism for Scope 3 greenhouse gas emissions outside the organization, including upstream and downstream activities in the value chain, is still under development, complete information is not yet available. Accordingly, Scope 3 data are not

disclosed in the current inventory. Meanwhile, as XAC's primary operating activities involve the R&D, assembly, and manufacturing of electronic financial transaction terminal equipment, no ozone-depleting substances (ODS) are used in the production process, nor are nitrogen oxides (NOx), sulfur oxides (SOx), or similar pollutants emitted. To improve the completeness of greenhouse gas inventory information, XAC plans to gradually launch and implement a Scope 3 inventory mechanism beginning in 2028, in line with domestic regulatory timelines and international trends.

3. Energy Management★

GRI 302-1, GRI 302-3, GRI 302-4	
Management Purpose and Impacts	Reducing energy consumption is an important goal for XAC's sustainable operations. Wasting energy increases operating costs and exacerbates greenhouse gas emissions and climate change risks. By implementing energy management, promoting electricity conservation, and gradually replacing aging equipment, XAC can improve energy performance and demonstrate its commitment to environmental protection. The main impact boundaries of this topic include XAC's internal operations and supply chain.
Policies/Commitments	XAC complies with the Energy Administration Act and strives to improve energy efficiency by continuously optimizing daily energy-saving management, replacing aging energy-consuming equipment, and considering energy-efficient equipment as a priority during procurement. Going forward, XAC will gradually assess the introduction of low-carbon equipment and renewable energy.
Targets	**Short-Term** • Electricity-Saving Target: Achieve an average annual electricity-saving rate of more than 1% (or reduce energy consumption per unit of product/revenue compared with the base year). • Equipment Optimization: Replace 100% of lighting in office areas and plant facilities with energy-efficient LED lighting.
	Medium- to Long-Term • Management System: Assess the feasibility of introducing an ISO energy management system. • Green Energy Assessment: Assess the feasibility of increasing the use of low-carbon or renewable energy and its share in the energy mix.
Specific Management Actions in 2025	• Equipment Optimization and Replacement: Clean and maintain air-conditioning equipment annually to improve operating efficiency; continue to assess the replacement of aging, high-energy-consuming machinery and equipment with energy-efficient models. • Low-Carbon Offices: Promote low-carbon practices in office areas, such as turning off lights during lunch breaks, adjusting air-conditioning temperatures according to the season, and setting computers to sleep mode • Employee Awareness: Promote energy conservation and carbon reduction on an as-needed basis and organize internal environmental activities to raise sustainability awareness.
Specific Results in 2025	• Participated in Earth Hour on March 22, achieving a total carbon reduction of 18.09 kg CO_2e. • All lighting in the Taipei office was replaced with energy-efficient LED lighting, totaling 57 fixtures. In Hsinchu, replacement was carried out in phases, with 80 fixtures replaced and an implementation rate of 75%. • Replaced one refrigerator with a 570-liter inverter refrigerator rated Grade 1 for energy efficiency. Over 3 months of use, electricity savings totaled 136.11 kWh, with a carbon reduction of 63.43 kg CO_2e.
Responsible Department/ Grievance Mechanism	Administrative Resources Coordination Office/ Employee Suggestion Box, Department Contact E-mail (xac_arcso@xac.com.tw), Facility Maintenance Request System/Hotline
Corresponding SDGs	SDG 7: Affordable and Clean Energy SDG 12: Responsible Consumption and Production

(1) Energy Consumption Within the Organization

XAC's headquarters in Taiwan primarily consists of office operations and product assembly and testing. Forklifts used internally are electrically powered, and there are no generators or large-scale energy-intensive manufacturing processes. Therefore, XAC's primary energy sources are purchased electricity and gasoline used by company motorcycles, both of which are non-renewable energy sources.

In 2025, XAC consumed 1,013,670 kWh of purchased electricity (accounting for 99.99% of energy consumption) and 12.70 liters of gasoline for company motorcycles (accounting for 0.01% of energy consumption). After conversion based on calorific values, total energy consumption in 2025 was 3,649.62 GJ. The difference in energy consumption over the past 2 years was mainly due to the expansion of the Company's overall production capacity and operating scale, which increased basic electricity demand in plant and office areas, resulting in an approximately 14.12% increase in total energy consumption compared with the previous year.

▶ **Internal Energy Consumption Statistics**

Year	Item	Purchased Electricity (kWh)	Purchased Electricity (GJ)	Gasoline (L)	Gasoline (GJ)	Total (GJ)
2025	Consumption	1,013,670	3,649.2120	12.70	0.4034	3,649.6154
	Percentage	99.99%		0.01%		
2024	Consumption	888,230	3,197.6280	9.80	0.3122	3,197.9402
	Percentage	99.99%		0.01%		
Notes	▪ The inventory boundary for energy data covers XAC headquarters in Taiwan. The data are compiled from actual purchased electricity consumption and gasoline consumption by company motorcycles in Taiwan. ▪ Electricity conversion: 1 MWh = 3.6 GJ; 1 kWh = 0.0036 GJ. ▪ Gasoline conversion is calculated using the lower heating value of motor gasoline published on the Ministry of Environment's Greenhouse Gas Emissions Information Platform for Enterprises: 7,586 kcal/L for 2025 and 7,609 kcal/L for 2024; 1 kcal = 4.1868 kJ. Calculation formula: Liters × Lower Heating Value for the Year × 4.1868 ÷ 1,000,000 = GJ. ▪ Energy intensity = Total Energy Consumption (GJ) ÷ Net Revenue of the Parent Company for the Year (NT$1 million). Net revenue of the parent company was NT$1,536.687 million in 2025 and NT$1,371.949 million in 2024.					

(2) Energy Intensity Within the Organization

In 2025, the Company's revenue growth and increased equipment utilization drove an increase in overall energy consumption. Based on revenue, energy intensity in 2025 was 2.375 GJ/NT$1 million, representing a slight increase compared with the previous year. Going forward, XAC will continue to replace equipment and implement daily energy management mechanisms, with the aim of gradually controlling the growth of energy consumption and improving overall energy efficiency.

▶ **Energy Intensity Statistics**

Item	2025	2024
Total Energy Consumption (GJ)	3,649.6154	3,197.9402
Year-on-Year Increase/Decrease in Purchased Electricity (GJ)	14.12%	-
Year-on-Year Increase/Decrease in Gasoline (GJ)	29.20%	-
Net Operating Revenue (NT$ million)	1,536.687	1,371.949
Energy Intensity (GJ/NT$1 million)	2.375	2.331

(3) Improving Energy Efficiency/Energy-Saving Measures

Regarding energy management and transition, XAC has yet to introduce renewable energy, but has included it in its medium- to long-term evaluation plans. To promote energy conservation and carbon reduction and reduce energy consumption, XAC is taking a dual approach of equipment replacement and daily management, thereby gradually incorporating carbon reduction strategies into its daily operational action plans.

▶ **2025 Energy-Saving Measures**

Area of Implementation	Implementation Details
Equipment Optimization and Replacement	•Replaced the second non-inverter refrigerator with one 570-liter inverter refrigerator rated Grade 1 for energy efficiency. Over 3 months of use, electricity savings totaled 136.11 kWh, with a carbon reduction of 63.43 kg CO_2e. •Replaced lighting equipment with energy-efficient LED fixtures in phases, with a cumulative total of 137 fixtures replaced to date (Hsinchu: 75%; Taipei: 100%).
Promotion of Low-Carbon Offices	•Promoted low-carbon measures in office areas and implemented daily energy conservation and carbon reduction actions, such as turning off lights during lunch breaks, centrally controlling air-conditioning temperatures, and setting computers to sleep mode.
Promotion of Sustainability Awareness	•Regularly promoted energy conservation and carbon reduction and participated in Earth Hour activities, achieving a total carbon reduction of 18.09 kg CO_2e. •Promoted the concept of cherishing resources and reducing waste by organizing an internal secondhand charity sale to enhance employees' overall environmental and sustainability awareness.

Furthermore, as the data collection mechanism for energy consumption outside the organization, including upstream and downstream activities in the value chain, is still under development, complete information is not yet available and is therefore not disclosed at this stage. Meanwhile, XAC's current energy management strategy focuses primarily on improving the energy efficiency of its own operations and production equipment. As there is currently no standardized mechanism for tracking and quantitatively assessing electricity savings during the customer-use phase of its electronic products, such data are also not disclosed at this stage. To obtain more complete information, XAC will align with the timetable for its Scope 3 greenhouse gas inventory and, taking into account international regulatory trends and customer requirements, gradually assess the establishment of statistical mechanisms for energy consumption across the external supply chain and at the product-use stage.

4. Water Resources Management

GRI 303-3, GRI 303-4, GRI 303-5

XAC primarily engages in the R&D, assembly, and processing of electronic financial transaction terminal equipment. Water is not required in its production and manufacturing processes; therefore, all wastewater discharged is domestic sewage. Although XAC is not a water-intensive industry and none of its operating sites are located in water-stressed areas, water conservation remains part of its daily environmental practices. Water-saving reminders are posted in restrooms and pantries to promote awareness of water conservation, and daily water-use management continues to be implemented.

XAC's operating headquarters in Hsinchu and New Taipei, Taiwan, both use tap water supplied by Taiwan Water Corporation, which is classified as third-party water. No groundwater or other water sources are used.

With reference to the latest National Average Daily Domestic Water Consumption per Capita published by the Water Resources Agency, Ministry of Economic Affairs, water use is estimated based on the actual number of employees and working days for each year. Based on general patterns of domestic water use, 90% of water withdrawal is estimated to become domestic sewage, representing water discharge, while approximately 10% is assumed to be lost through natural evaporation or drinking, representing water consumption. Based on these estimates, XAC's water intensity in 2025 was 0.0038 liters/NT$1 million, with overall water consumption remaining stable and at a low-risk level.

▶ **XAC Water Use**

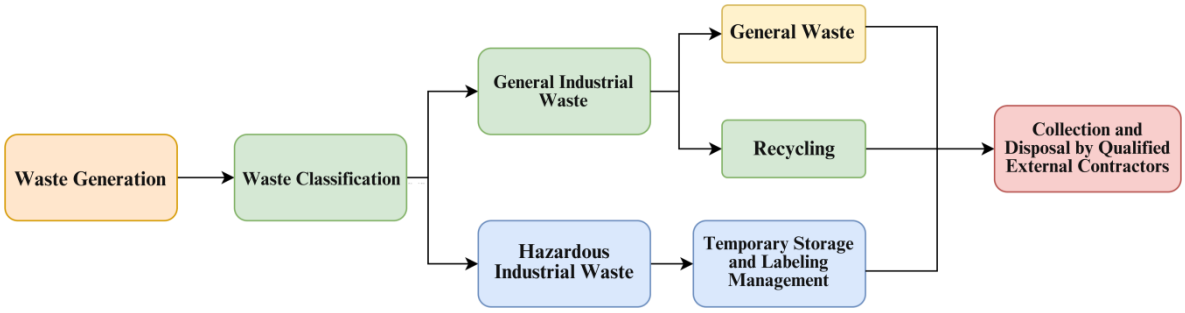
Year	Water Withdrawal Category	Site	Water Withdrawal (ML)	Water Discharge (ML)	Water Consumption (ML)	Water Intensity (Water Withdrawal/ NT$1 million Revenue)
2025	Third-Party Water	Hsinchu + New Taipei	5.8180	5.2362	0.5818	0.0038
2024	Third-Party Water	Hsinchu + New Taipei	4.7926	4.3133	0.4793	0.0035
Notes	▪ Unit conversion: 1 megaliter (ML) = 1,000 cubic meters = 1,000 metric tons. ▪ Water withdrawal for 2025 was estimated based on 242 XAC employees, 8 working hours per day, 247 working days, and the 2025 Average Daily Domestic Water Consumption per Capita of 292 liters (L) published by the Water Resources Agency, Ministry of Economic Affairs. Water withdrawal for 2024 was estimated based on 199 XAC employees, 8 working hours per day, 250 working days, and the 2024 Average Daily Domestic Water Consumption per Capita of 289 liters (L) published by the Water Resources Agency, Ministry of Economic Affairs. ▪ Water consumption = Water Withdrawal − Water Discharge. Water consumption is calculated as 10% of water withdrawal, whereas water discharge is calculated as 90% of water withdrawal. ▪ Water intensity = Total Water Withdrawal (ML) ÷ Net Revenue of the Parent Company for the Year (NT$1 million). Net revenue of the parent company was NT$1,536.687 million in 2025 and NT$1,371.949 million in 2024.					

5. Waste Management★

GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5	
Management Purpose and Impacts	Proper waste management can reduce environmental burdens and put the concept of resource circulation into practice. Improper waste disposal, arbitrary dumping, or illegal waste collection and transportation may cause environmental pollution and expose the Company to risks of penalties and reputational damage. By strictly ensuring the compliance of waste collection and transportation contractors, internally promoting waste reduction at the source, and implementing recycling and reuse, XAC can reduce waste treatment costs, promote sustainable resource use, and advance toward a circular economy. The main impact boundaries of this topic include XAC's operating sites and waste collection and transportation contractors.
Policies/Commitments	In accordance with the Waste Disposal Act and relevant regulations, XAC ensures that all waste is entrusted to qualified waste clearance and disposal organizations for lawful treatment and prevents illegal dumping. Internally, XAC continues to implement the management principles of "waste reduction at the source, waste sorting and recycling, and proper treatment" to reduce the environmental impacts of its operations.
Targets	**Short-Term** • **Zero** Violations: Maintain a record of **zero** regulatory violations and penalties related to waste clearance and reporting. • Management Optimization: Continue to engage licensed waste clearance and disposal organizations for waste collection, transportation, and treatment.
	Medium- to Long-Term • Waste Reduction: Continue to promote waste reduction. • Resource Circulation: Increase the recycling rate for general industrial waste, such as cardboard, plastics, and metals.
Specific Management Actions in 2025	• Compliance Reporting: Regularly report waste generation, storage, clearance, and treatment information on the government website. • Contractor Audits: Verify that contracted waste clearance and disposal organizations hold valid licenses, enter into contracts with them, and conduct regular audits. • Waste Sorting: Provide internal waste sorting facilities for general waste, recyclables, and hazardous waste, and continue to promote proper sorting practices. • Circular Use: Reuse import and export packaging materials and circulate packaging materials received from suppliers to reduce waste from material requisition and the use of new packaging materials.
Specific Results in 2025	• **No** violations of environmental laws or regulations, **no** environmental penalties or fines, and **no** incidents of environmental pollution.
Responsible Department/ Grievance Mechanism	Administrative Resources Coordination Office/ Employee Suggestion Box, Department Contact E-mail (xac_arcso@xac.com.tw), Hotline for Reporting Waste Clearance Violations
Corresponding SDGs	SDG 12: Responsible Consumption and Production

(1) Overview of Waste Generation and Disposal

XAC's operations in Taiwan primarily involve office work, R&D, assembly, and testing, with no large-scale manufacturing facilities. Waste is mainly generated from employees' daily activities, including general waste and recyclables, as well as waste electronic components resulting from product repairs, returns, or replacement. To effectively control waste flows and reduce potential environmental impacts, XAC has established a standardized waste management process: Collection ➔ Sorting ➔ Transportation ➔ Recycling/Disposal. All waste is treated off-site.



Waste Treatment Process

XAC currently generates mainly electronic waste and domestic waste. Their sources and disposal methods are described below.

- **Electronic Waste**

  Electronic waste mainly comes from defective returned products and materials replaced during repairs. Major items include discarded payment terminals, faulty PCB boards, power cords, plastic enclosures, and waste batteries. Such waste is generally stored temporarily in a designated area, and once a sufficient quantity has accumulated, it is entrusted to qualified waste clearance contractors approved by the competent authority for collection and transportation (with one removal occurring in 2025). After being transported off-site, the waste is sent to treatment facilities for physical destruction and recovery of recyclable resources.

- **Domestic Waste**

  Domestic waste mainly comes from employees' daily office activities and includes general waste generated from business activities, mixed waste plastics, and mixed waste paper such as paper products, packaging materials, and disposable items. In practice, waste is sorted and collected daily at XAC's office locations and then packed and transferred to designated waste collection areas managed by the building management committees. Qualified waste clearance contractors are subsequently engaged to transport the waste off-site on a regular basis for proper treatment through the incineration system.

To ensure that all waste is properly treated and safely transported, contractors handling electronic waste are required by law to provide waste clearance and treatment reports and GPS tracking records to monitor waste flows.

(2) Waste Statistics

In 2025, XAC generated a total of 29.656 metric tons of waste, with a waste intensity of 0.0193 metric tons/NT$1 million. In waste disposal, XAC follows the principle of maximizing resource value. All waste electronic components are entrusted to qualified waste clearance contractors for physical shredding, with no landfill disposal or improper treatment.

▶ XAC Waste Statistics

Category	Waste Item	2025	2024	Primary Treatment Method	Off-Site/On-Site
Hazardous Waste	Waste electronic component scraps and defective products	1.14	-	Physical destruction/recycling	Off-site
Non-Hazardous Waste	Domestic waste (general)	27.436	22.769	Incineration	Off-site
	Domestic waste (recyclables)	0.36	0.36	Recycling	Off-site
	Domestic waste (plant area)	0.72	0.72	Incineration	Off-site
Total Waste	-	29.656	23.849	-	-
Waste Intensity (metric tons/ NT$1 million)	-	0.0193	0.0174	-	-
Notes	▪ Waste electronic components are physically shredded to recover reusable precious metals or raw materials, with only the remaining waste sent for incineration. ▪ General domestic waste for 2025 was calculated based on 242 XAC employees, 8 working hours per day, 247 working days, and the 2025 average of 1.377 kg for monthly per capita daily general waste generation reported by the Ministry of Environment. General domestic waste for 2024 was calculated based on 199 XAC employees, 8 working hours per day, 250 working days, and the 2024 average of 1.373 kg reported by the Ministry of Environment. ▪ Waste intensity = Total Waste Generated (metric tons) ÷ Net Revenue of the Parent Company for the Year (NT$1 million). Net revenue of the parent company was NT$1,536.687 million in 2025 and NT$1,371.949 million in 2024. ▪ Unit: metric tons.				

V. Social



Alongside operational growth and technological innovation, XAC regards employee care and customer trust as key elements of corporate development. In the Social dimension, XAC discloses Employee Rights and Benefits, Occupational Health and Safety, and Customer Privacy as its material topics for 2025 and will prioritize resources and management efforts in these areas. XAC also voluntarily discloses related achievements in human rights policy, employee diversity and inclusion, talent development, and social participation.

Taking into account industry characteristics and available resources, XAC has initially focused on creating a friendly workplace and strengthening information security, while gradually integrating its ongoing goals into daily operations. Internally, XAC continues to promote labor–management communication, enhance employee benefits, and rigorously implement internal safety protections. Externally, in response to industry standards for electronic financial transaction terminal equipment, XAC actively strengthens information security protection and customer privacy safeguards. Going forward, XAC will continue to build on its existing foundation, progressively enhance employee care measures, and gradually expand its social engagement, creating shared value together with employees and society.

1. Human Rights Policy and Commitment

GRI 408-1, GRI 409-1, GRI 411-1

(1) Human Rights Management and Commitment

XAC believes that respecting and protecting human rights is fundamental to sustainable business operations. The Company complies with applicable domestic labor laws and regulations and supports the principles embodied in international human rights standards, including the United Nations Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Responsible Business Alliance (RBA) Code of Conduct.

XAC is committed to creating a workplace that upholds dignity, safety, and equality and is free from discrimination and harassment. At present, labor and human rights protections are implemented through internal management procedures, including the Employee Work Rules, Measures for Sexual Harassment Complaints and Disciplinary Actions, and Written Statement on the Prohibition of Workplace Violence. XAC's human rights protections and related requirements apply to all employees and non-employees. To further strengthen corporate human rights governance and align with international standards, XAC is currently formulating its human rights-related policies, which will be formally disclosed on the Company's official website and implemented in the future.

(2) Overview of Human Rights Awareness and Training

To ensure that employees understand their rights, XAC incorporates basic human rights topics, including labor rights, gender equality, prevention of unlawful workplace infringement, and prevention of sexual harassment, into new employee training and routine awareness activities. In 2025, relevant awareness and training activities, including new employee orientation and workplace safety awareness, accumulated a total of 30 participants and 180 training hours. The training participation rate for new employees was 100%.

(3) Zero Tolerance: Prevention of Child Labor and Forced Labor, and Protection of Indigenous Peoples

XAC strictly complies with the labor laws and regulations of the locations in which it operates and adopts a zero-tolerance approach toward any human rights violations. To prevent human rights risks, XAC periodically identifies locations with high risks of forced labor, child labor, and potential infringement of Indigenous peoples' rights. The main risks are assessed as being concentrated at manufacturing sites and among upstream suppliers in the raw material supply chain, particularly in countries where enforcement of labor laws and regulations is relatively weak. XAC conducts inspections on an irregular basis to prevent forced labor and child labor at manufacturing sites and among upstream suppliers.

In terms of internal management, XAC verifies identities during the recruitment process and does not employ child labor as defined by local laws and regulations. All employees are guaranteed the freedom to choose employment and resign, and XAC does not withhold identification documents or require deposits. XAC also respects diversity and does not discriminate in employment on the basis of race, Indigenous status, or other such factors. In 2025, there were no violations involving forced labor, child labor, or infringement of Indigenous peoples' rights at any of XAC's operating sites.

2. Employee Rights and Benefits★

GRI 201-3, GRI 401-2, GRI 401-3, GRI 405-2	
Management Purpose and Impacts	Employees are important assets in sustaining the Company's R&D momentum and production quality. Providing competitive compensation and benefits and well-established labor–management communication channels is key to attracting and retaining outstanding talent. Sound employee rights and benefits can enhance employee engagement, reduce turnover, and thereby strengthen productivity and innovation. Conversely, uncompetitive compensation or ineffective communication may lead to the loss of key talent and adversely affect the Company's operations and reputation. The main impact boundaries of this topic include all employees, prospective job applicants, and employees' dependents.
Policies/Commitments	XAC strictly complies with applicable labor laws and regulations and is committed to providing a fair, reasonable, and market-competitive compensation and benefits system. XAC safeguards employees' freedom of association and communication and promotes harmonious labor–management relations through labor–management meetings.
Targets	**Short-Term** • Maintain a return-to-work rate of at least 80% for employees taking parental leave without pay. • Hold at least four labor–management meetings and Employee Welfare Committee meetings each year. **Medium- to Long-Term** • Continue to enhance a market-competitive compensation system and diverse employee benefits to improve the retention rate of key talent. • Maintain **zero** labor–management disputes and **zero** penalties for violations of labor laws and regulations.
Specific Management Actions in 2025	• Compensation and Performance Evaluation: Conduct annual performance evaluations and provide year-end bonuses and profit-sharing bonuses based on the Company's operating performance and individual performance. • Employee Benefits: Organize various employee activities through the Employee Welfare Committee and provide holiday bonuses for the three major festivals and various subsidies. • Maternity and Family Care: Provide maternity leave, prenatal examination accompaniment leave, and paternity leave in accordance with applicable laws and implement the parental leave without pay system. • Labor–Management Communication: Establish communication channels including e-mail, physical suggestion and complaint boxes, and labor–management meetings to ensure that employees' needs and opinions are collected and addressed.
Specific Results in 2025	• A total of four labor–management meetings and four Employee Welfare Committee meetings were held. • The return-to-work rate following parental leave without pay reached 100%. • There were **no** major labor–management disputes or penalties for violations of labor laws and regulations.
Responsible Department/ Grievance Mechanism	Human Resources Department, Employee Welfare Committee/ Hotline, Dedicated Employee Feedback Mailbox, Physical Employee Suggestion Box, Labor–Management Meetings
Corresponding SDGs	SDG 8: Decent Work and Economic Growth

(1) Labor–Management Communication and Collective Agreements

XAC respects employees' rights to freedom of association and collective bargaining. Although XAC has not established a labor union and has not entered into any collective agreements, it regularly convenes labor–management meetings as required by law. Representatives of labor and management jointly discuss working conditions and employee benefits to safeguard employees' lawful rights and interests and enhance their understanding of the Company's revenue, operating performance, and major organizational changes. Labor–management meetings are attended by representatives of both labor and management and are held on a quarterly basis. Special meetings may also be convened at any time in the event of temporary or urgent matters, such as prior to major operational changes that may affect employees' rights and interests.

In 2025, XAC held a total of four labor–management meetings. All resolutions and agreements reached at these meetings applied to all XAC employees, representing 100% coverage. Meeting minutes were posted on internal bulletin boards to fully safeguard employees' rights and maintain effective communication channels.

(2) Employee Benefits and Retirement System

1. Benefits for Full-Time Employees

XAC regards its employees as its most important partners in sustainable development. In addition to creating a safe and healthy working environment and providing labor insurance, National Health Insurance, and pension contributions in accordance with applicable laws, XAC also plans a diverse range of employee benefits through the Employee Welfare Committee to support employees' physical and mental well-being and quality of life.

▶ **XAC Employee Benefits**

Benefit Item			
Insurance Coverage	Group insurance (life insurance/accident insurance/medical insurance)	**Work/Life Subsidies**	Full subsidy for education and training
			Marriage/childbirth subsidy
Health and Services	Annual health examinations		Condolence payments for illness/injury and bereavement
	On-site physician/nurse health consultations	**Work–Life Balance**	Semi-flexible working hours
Financial Benefits and Incentives	Year-end bonus		Department afternoon tea fund
	Employee profit sharing		Unlimited freshly ground coffee
	Instant incentive bonuses		Travel subsidy
	Holiday bonuses		Discounts at contracted stores
	Birthday cash gift		Club activity subsidy
Other Special Benefits	Employee stock ownership trust		Irregularly scheduled activities/courses

2. Retirement System

XAC makes pension contributions in accordance with applicable local laws and regulations. In Taiwan, employee pensions are provided in accordance with the Labor Standards Act and the Labor Pension Act. Under Taiwan's regulatory framework, employees who joined

the Company on or before June 30, 2005, are entitled to pension service years under the old pension system. Once an employee voluntarily elects to participate in the new pension system, subsequent service years are counted under the new system.

- **Old Labor Pension System (Defined Benefit Plan):** For employees covered by the old pension system under the Labor Standards Act, XAC makes monthly contributions to a dedicated pension reserve account with the Bank of Taiwan based on total salaries. As of the end of 2025, the pension reserve under the old system amounted to approximately NT$24.94 million.
- **New Labor Pension System (Defined Contribution Plan):** For employees covered by the new pension system under the Labor Pension Act, XAC contributes 6% of each employee's monthly salary to the employee's pension account. Employees may also voluntarily contribute an additional 0–6% based on their individual preference to help provide stable financial security after retirement.

(3) Employee Grievance and Rights Protection Mechanism

To ensure that employees' needs and opinions can be fully expressed and collected, XAC provides multiple grievance and communication channels, including e-mail, physical suggestion and complaint boxes, and labor–management meetings, and has established a grievance handling mechanism. Employee grievance cases are handled in accordance with the applicable provisions of the Gender Equality in Employment Act, the Occupational Safety and Health Act, and other relevant regulations, depending on the nature of the case. XAC adopts a zero-tolerance approach toward workplace sexual harassment and unlawful workplace infringement (bullying) and initiates investigation and handling procedures in accordance with relevant internal rules and legal requirements to protect employees' rights and maintain a friendly and safe working environment. In 2025, XAC had no confirmed incidents of unlawful workplace infringement or major sexual harassment complaints resulting in penalties.



Employee Grievance Process

(4) Parental Leave and Maternity Protection

To support employees in balancing work and family care responsibilities, XAC implements maternity protection measures and a parental leave without pay system. Eligible employees may apply for parental leave in accordance with applicable laws, and arrangements are made for them to return to work upon completion of the leave, helping ensure that their career development is not interrupted by family responsibilities. In 2025, a total of five employees were eligible for parental leave without pay, of whom two actually applied. With a well-established care and return-to-work follow-up mechanism, 100% of employees scheduled to return to work upon completion of parental leave in 2025 successfully resumed their positions.

▶ **Implementation of Parental Leave Without Pay**

Item/Year	Gender	2025	2024
Number of employees **eligible** to apply for parental leave without pay	Male	1	1
	Female	4	4
Number of employees who **actually applied** for parental leave without pay	Male	0	0
	Female	2	0
Number of employees **expected to return to work** upon completion of parental leave without pay (A)	Male	0	0
	Female	1	0
Number of employees who **actually returned to work** upon completion of parental leave without pay (B)	Male	0	0
	Female	1	0
Return-to-Work Rate (B/A)	Male	-	-
	Female	100%	-
Number of employees who returned to work in the previous year and **remained employed after 1 year** (C)	Male	-	-
	Female	0	1
Retention Rate (C/B from the previous year)	Male	-	-
	Female	0%	100%
Notes	▪ Employees eligible for parental leave without pay in 2025 are those whose children were under 3 years of age as of December 31, 2025; the same criterion applies to 2024. ▪ Return-to-work rate = (Total Number of Employees Who Actually Returned to Work During the Year ÷ Total Number of Employees Expected to Return to Work During the Year) × 100%; Retention rate = (Total Number of Employees Who Remained Employed for 12 Months After Returning to Work in the Previous Year ÷ Total Number of Employees Who Actually Returned to Work in the Previous Year) × 100%. ▪ The data in this table cover XAC headquarters in Taiwan and are current as of December 31, 2025.		

(5) Pay Equity and Competitiveness

XAC adheres to the compensation principles of fairness, reasonableness, and competitiveness. Salaries are determined based on employees' education and work experience, professional skills, years of experience, job responsibilities, and prevailing market salary levels, while individual performance serves as the basis for salary adjustments and bonus payments. No differential treatment is made on the basis of gender, religion, race, nationality, or other such factors. To maintain industry competitiveness and enable employees to share in the

Company's operating results, XAC participates in market salary surveys each year and adjusts salaries as appropriate.

In 2025, XAC's Taiwan headquarters employed 159 full-time non-managerial employees, with an average annual salary of NT$1,039,000 and a median annual salary of NT$991,000, both higher than in the previous year. The overall increase in salary levels was mainly attributable to the Company's annual salary adjustments and the payment of bonuses based on operating performance and individual performance, providing tangible recognition of employees' contributions and demonstrating a positive cycle between XAC's stable operations and its talent incentive mechanisms.

In terms of the gender pay ratio, XAC also strives to uphold the principle of equal pay for equal work. Due to the nature of positions in the technology industry, engineering and R&D roles continue to be predominantly held by men. Structural factors such as job category and seniority allowances have resulted in an overall male-to-female compensation ratio of approximately 1:0.75–0.76 across job levels. Going forward, XAC plans to promote women's talent development and career advancement to gradually narrow this structural pay gap.

▶ **Salary Information for Full-Time Non-Managerial Employees**

Item	Unit	2025	2024	Difference from Previous Year
Number of Full-Time Employees	Persons	159	148	+11
Average Annual Salary	NT$1 thousand	1,039	1,023	+1.6%
Median Annual Salary	NT$1 thousand	991	967	+2.5%

▶ **2025 Male-to-Female Compensation Ratios**

Job Level	Base Salary Ratio		Overall Compensation Ratio	
	Male	Female	Male	Female
Managerial Positions (Section-Level/ Managerial Level and Above)	1	0.76	1	0.75
General Employees (Non-Managerial Positions)	1	0.73	1	0.76
Notes	▪ Using men as the baseline of "1," the relative ratio for women is calculated accordingly. For example, if the average monthly salary is NT$50,000 for men and NT$48,000 for women, the male-to-female ratio is 1:0.96. ▪ Both the base salary ratio and overall compensation ratio are calculated based on the average salaries of male and female employees. ▪ Base salary refers to basic salary. Overall compensation includes basic salary, allowances, overtime pay, and various bonuses/profit sharing.			

3. Employee Diversity, Equity, and Inclusion

GRI 401-1, GRI 405-1, GRI 406-1
GRI 2-7, GRI 2-8

(1) Diverse, Equitable, and Inclusive Workplace

Guided by a people-oriented approach, XAC promotes a workplace that embraces diversity, equity, and inclusion (DEI) and complies with the Employment Service Act and the Gender Equality in Employment Act. Employees are not subject to differential treatment in recruitment, employment, performance evaluation, or promotion on the basis of gender, sexual orientation, age, marital status, religion, nationality, disability, or other such factors. XAC provides accessible employee grievance channels to review potential discrimination and unequal treatment and incorporates gender equality and the prevention of unlawful workplace infringement into employee training. In 2025, XAC had no confirmed complaints involving workplace discrimination or unequal treatment.

(2) Workforce Structure and Diversity

In response to the rapid changes in the technology industry and evolving operational needs, XAC adjusts its workforce structure in line with the development of its global business. As of the end of 2025, XAC's Taiwan headquarters had 179 regular employees, all of whom were full-time employees under indefinite-term employment contracts, providing a secure employment environment. Overseas operations also maintained a stable workforce, with 185 regular employees. The similar workforce sizes in Taiwan and overseas demonstrate XAC's stable operating presence and workforce deployment.

In terms of gender composition, the male-to-female ratio in 2025 was approximately 1:0.9, indicating a relatively balanced gender distribution. XAC also continued to implement equal opportunity policies and promote outstanding female talent to management positions. In 2025, women accounted for 34.88% of managers, demonstrating XAC's continued efforts to promote gender balance. In terms of age distribution, employees aged 30–50 formed the core of XAC's workforce, accounting for approximately 73%, combining the innovative energy of younger generations with the extensive experience of senior employees to support stable organizational succession and competitiveness.

▶ **XAC Workforce Statistics**

Item		2025		2024		2023	
Total Employees in Taiwan	Note 1	179		165		164	
Employment Contract	Note 2	Indefinite-Term	Fixed Term	Indefinite-Term	Fixed Term	Indefinite-Term	Fixed Term
Gender	Male	94	0	85	0	84	0
	Female	85	0	80	0	80	0
Region	Taiwan	179	0	165	0	164	0
	Overseas	0	0	0	0	0	0
Employment Type	Note 3	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Gender	Male	94	0	85	0	84	0
	Female	85	0	80	0	80	0
Region	Taiwan	179	0	165	0	164	0
	Overseas	0	0	0	0	0	0

Note 1: Total employees for the year: The number of regular employees who remained employed by XAC as of the end of the year (December 31).
Note 2: Employment contracts are classified as indefinite-term contracts (regular employees) and fixed-term contracts (for short-term, seasonal, or specific project periods; this also includes employees hired as temporary replacements for employees taking maternity leave or parental leave without pay until the original employees return to work).
Note 3: Employment types are classified as full-time employees (whose weekly working hours reach the statutory maximum) and part-time employees (whose weekly working hours are below the statutory maximum, i.e., part-time personnel such as student workers).

▶ XAC Employee Diversity Composition

Statistical Item				2025		2024		2023	
				No. of Persons	Percentage	No. of Persons	Percentage	No. of Persons	Percentage
Directors		Gender	Male	6	85.71%	7	100%	7	100%
			Female	1	14.29%	0	0%	0	0%
		Age	49 and under	0	0%	0	0%	0	0%
			50–60	0	0%	0	0%	0	0%
			61 and above	7	100%	7	100%	7	100%
		Education	Graduate School	7	100%	7	100%	7	100%
			College/ University	0	0%	0	0%	0	0%
			Other	0	0%	0	0%	0	0%
Employees	Direct	Gender	Male	4	2.23%	3	1.82%	3	1.83%
			Female	20	11.17%	15	9.09%	15	9.15%
		Age	29 and under	2	1.12%	0	0%	0	0%
			30–50	22	12.29%	18	10.91%	17	10.37%
			51 and above	0	0%	0	0%	0	0%
		Education	Graduate School	0	0%	0	0%	0	0%
			College/ University	8	4.47%	7	4.24%	7	4.27%
			Other	16	8.94%	11	6.67%	11	6.71%
	Indirect	Gender	Male	90	50.28%	82	49.70%	81	49.39%
			Female	65	36.32%	65	39.39%	65	39.63%
		Age	29 and under	11	6.15%	9	5.45%	8	4.88%
			30–50	109	60.89%	102	61.82%	106	64.63%
			51 and above	35	19.55%	36	21.82%	33	20.12%
		Education	Graduate School	54	30.17%	52	31.52%	52	31.71%
			College/ University	96	53.63%	91	55.15%	90	54.87%
			Other	5	2.79%	4	2.42%	4	2.44%
Percentage of Women in Management Positions				15	34.88%	13	30.23%	13	32.50%

※**Calculation Notes:**

- Percentage of direct employees aged 29 and under = (Total Number of Direct Employees Aged 29 and Under at Year-End ÷ Total Number of Employees at Year-End) × 100%.
- Percentage of indirect employees with a graduate degree = (Total Number of Indirect Employees with a Graduate Degree for the Year ÷ Total Number of Employees at Year-End) × 100%.
- Total number of employees in Taiwan = Total number of XAC employees in Taiwan as of the end of December of the year.
- Percentage of women in management positions = (Number of Female Managers ÷ Total Number of Managers) × 100%.

▶ **Non-Employee Workers in the Past 3 Years**

Type	2025	2024	2023	Brief Description of Duties and Work
Contractor Personnel	7	5	5	On-site security and cleaning personnel responsible for site security and environmental cleaning
Dispatched Personnel	56	29	4	Short-term operators engaged in production-line packaging and general administrative support
Total	63	34	9	-
Notes	▪ The statistics in this table cover XAC headquarters in Taiwan. ▪ Non-employee workers refer to on-site personnel who are not directly employed by the Company but work under the Company's direction and supervision.			

(3) Talent Recruitment and Turnover

XAC regards talent as a driving force for corporate growth and continues to recruit outstanding talent through diverse channels. At the same time, the Company regularly reviews employee turnover and conducts exit interviews to understand employees' feedback, using the findings as an important reference for improving internal management and employee benefit systems, with the aim of continuously enhancing employee retention and organizational cohesion.

▶ **New Employee Statistics for the Past 3 Years**

Statistical Item		2025		2024		2023	
		No. of Persons	New Hire Rate	No. of Persons	New Hire Rate	No. of Persons	New Hire Rate
Gender	Male	16	53%	10	48%	4	31%
	Female	14	47%	11	52%	9	69%
Age	29 and under	7	23%	5	24%	1	8%
	30–50	23	77%	16	76%	12	92%
	51 and above	0	0%	0	0%	0	0%
Education	Graduate School	4	13%	8	38%	1	8%
	College/University	19	64%	11	52%	8	61%
	Other	7	23%	2	10%	4	31%
Total New Employees		30	-	21	-	13	-

▶ Employee Turnover Statistics for the Past 3 Years

Statistical Item		2025		2024		2023	
		No. of Persons	Turnover Rate	No. of Persons	Turnover Rate	No. of Persons	Turnover Rate
Gender	Male	7	44%	10	50%	4	36%
	Female	9	56%	10	50%	7	64%
Age	29 and under	1	6%	1	5%	2	18%
	30–50	14	88%	18	90%	9	82%
	51 and above	1	6%	1	5%	0	0%
Education	Graduate School	2	13%	8	40%	1	9%
	College/University	14	87%	9	45%	9	82%
	Other	0	0%	3	15%	1	9%
Total Departing Employees		16	-	20	-	11	-

4. Talent Cultivation and Development

GRI 404-1, GRI 404-3

Faced with a rapidly changing global industrial environment and international landscape, XAC recognizes that attracting and retaining outstanding talent is key to maintaining its core competitiveness. In addition to providing competitive compensation and benefits, XAC is committed to creating a learning environment in which employees can grow together with the Company. By establishing a comprehensive education and training system and a transparent performance evaluation system, XAC helps employees continuously enhance their professional competencies and realize their self-worth, thereby strengthening the organization's human capital and creating a win–win outcome for both the Company and its employees.

(1) Internal Education and Training Policy and Results

XAC believes that one of the keys to sustainable business operations is enabling employees to continue learning and growing, and that education and training are important means of ensuring the continued development of human capital. XAC's overall learning and development strategy is based on On-the-Job Training (OJT), supplemented by New Employee Training, Professional Training, and Training for Designated Personnel. These are tailored to different business and management needs to establish a comprehensive education and training system.



1. Annual Planning and OJT

Each year, departments formulate and implement training plans based on actual business needs and actively encourage employees to undertake professional courses related to their work. Employee continuing education is divided into internal and external training. For internal training, each department arranges instructors to conduct courses at the Company based on actual business needs. For external training, departments submit applications according to business needs, and employees are selected to attend courses organized by external institutions upon approval.

2. New Employee Training

Upon onboarding, the Human Resources Department provides new employees with training on the Company's internal rules and regulations, information security, occupational safety, and other relevant knowledge, after which their respective departments provide specialized training.

3. Key Training Programs for the Year

For different departments and teams, XAC planned and conducted a range of professional and

management-related training programs. Key training programs in 2025 included professional training in R&D technology and engineering, project management, regulatory and institutional training required by competent authorities, and training related to the implementation and practical operation of the ISO 14000 environmental management system. These programs help ensure that employees possess the capabilities required to meet business needs and regulatory requirements while supporting continuous improvement in the Company's operations and quality management.

In 2025, relevant education and training activities accumulated a total of 637 participants and 2,247 training hours. XAC invested NT$272,776 in internal and external education and training, continuing to strengthen employees' professional capabilities and the foundation for the organization's sustainable development, thereby demonstrating the Company's commitment to cultivating professional talent.

(2) Talent Development and Performance Evaluation

XAC regularly compiles and analyzes training hours for employees at different levels. Based on the current training structure, indirect employees generally receive more average training hours than direct employees because their roles are primarily in R&D, management, occupational health and safety, information technology, and other functions that require ongoing professional training in different specialized areas, as well as continued attention to emerging trends, new developments, and regulatory requirements. By contrast, direct employees work in relatively stable production-line operating processes, and their professional training is therefore concentrated mainly on equipment operation and production standards, which is also consistent with common practices in the technology manufacturing industry.

▶ **Average Training Hours per Employee**

Statistical Item		2025	2024	2023
Average Training Hours per Employee		3.52	9.8	10.19
Gender	Female	3.5	2.66	5.11
	Male	3.6	2.27	2.95
Employee	Direct	1.56	1.91	3.66
	Indirect	3.52	3.28	6.06

XAC conducts employee performance evaluations every 6 months. Through two-way discussions between supervisors and employees regarding progress toward established goals, specific cases are reviewed to identify and improve behaviors, ensuring alignment with the Company's vision and expectations. Evaluation results serve as a reference for employee promotion, training arrangements, and bonus payments. Employees with outstanding performance may be provided with promotion opportunities as appropriate, whereas employees requiring performance improvement are placed on a performance improvement plan initiated by their supervisors, with improvement measures implemented over different periods according to actual circumstances to support their subsequent career development. In 2025, 100% of XAC employees completed the annual performance evaluation.

▶ **Employee Performance Evaluation Statistics**

Statistical Item		No. of Employees Who Completed the Evaluation	No. of Employees Eligible for Evaluation	Evaluation Completion Rate (%)
Gender	Female	84	84	100%
	Male	87	87	100%
Employee	Direct	22	22	100%
	Indirect	149	149	100%
Note	▪ The data cover employees who were eligible for performance evaluation as of the end of 2025, excluding new employees with less than 3 months of service and employees on leave without pay.			

(3) Diverse Recruitment Channels

Amid intense competition for talent in the global technology industry, the rapid development of AI technologies, and the challenges posed by declining birth rates, attracting and retaining outstanding talent is a key factor in maintaining corporate competitiveness. Accordingly, XAC adopts a diverse recruitment strategy to identify and precisely match potential professional talent from the outset. In addition to continuously enhancing market-competitive compensation and benefits and professional development opportunities, XAC also recruits new talent through the following channels to accelerate the integration and contribution of high-quality talent and create a win–win outcome for both the Company and its employees.



Recruitment Channel	Description
Campus Recruitment Program	XAC actively participates in campus recruitment activities, engaging directly with students while also promoting the Company and introducing its profile and corporate culture. In 2025, XAC continued to participate in campus recruitment events and collect student résumés, enabling early engagement with promising students and building a pipeline of key talent for the Company's future needs.
Government Platforms	XAC recruits suitable talent through government platforms, such as TaiwanJobs, on an as-needed basis. No employees were hired through this channel in 2025; however, XAC will continue to work with government platforms to match suitable talent, expand its recruitment reach, shorten vacancy periods, and enhance the overall stability of its workforce structure.
Executive Search Consultants (Headhunters)	For positions requiring specialized technical expertise or senior management roles, XAC works with external professional executive search firms to precisely identify highly competitive key talent. No employees were hired through this channel in 2025; however, XAC continues to use this channel to monitor external market compensation trends and talent movements and strengthen the Company's competitiveness as an employer.


XAC
A Partner You Can Trust
重點職缺
• 軟韌體工程師
• FAE高級工程師
• 驗證測試工程師
• 韌體工程師
• RF工程師
• 電子硬體研發工程師
• 系統產品規劃管理師
• 應用程式開發工程師
• Android App開發工程師
• Linux Driver 韌體設計高級工程師
• 歐美業務代表 Channel Manager
• 歐美業務代表 Relationship Manager
• ESG永續高級管理師
同享科技 XAC


共創未來
同享成就
Why Join XAC?
A Company that...

5. Occupational Health and Safety★

GRI 403-1 to GRI 403-10	
Management Purpose and Impacts	Employees are XAC's most important assets. Effective occupational health and safety management not only helps prevent occupational accidents and various health risks but also contributes to a friendly workplace and enhances employee engagement and productivity. A major occupational accident could endanger employees' lives and safety and may also expose the Company to regulatory penalties and operational disruptions. The main impact boundaries of this topic include all employees and non-employees.
Policies/Commitments	XAC complies with the Occupational Safety and Health Act and its internal Safety and Health Work Rules and Occupational Safety and Health Management Plan. The Company is committed to providing a safe, comfortable, and legally compliant working environment, and it regularly reviews and improves its safety performance through the Occupational Safety and Health Committee.
Targets	**Short-Term** • Maintain zero major occupational accidents and zero occupational diseases in the workplace. • Complete legally required education and training for all employees. • Hold two health seminars each year and organize health promotion activities.
Specific Management Actions in 2025	• Mechanism Operation: Convene Occupational Safety and Health Committee meetings quarterly to review performance and improvement measures. • Risk Control: Conduct regular workplace environment monitoring and site safety inspections every 6 months. • Education and Training: Conduct comprehensive fire drills and general fire safety courses for all personnel every 6 months. • Health Promotion: Arrange on-site services by a nurse every month and by a contracted physician three times a year to provide health consultations.
Specific Results in 2025	• **No** major occupational accidents involving serious injury or fatality and no occupational diseases occurred. • A total of four Occupational Safety and Health Committee meetings were held. • A total of two comprehensive fire drills and general fire safety courses were conducted. • Activated carbon filters were replaced, exhaust hoods were expanded, and solder fume extraction hoods on production lines were improved to reduce the risk of exposure to odors and fumes during operations.
Responsible Department/ Grievance Mechanism	Administrative Resources Coordination Office, Occupational Safety and Health Committee/ Employee Suggestion Box, Occupational Safety and Health Committee, Labor–Management Meetings
Corresponding SDGs	SDG 3: Good Health and Well-Being SDG 8: Decent Work and Economic Growth

(1) Occupational Health and Safety Management System and Coverage

XAC places great importance on employee workplace safety and complies with the Occupational Safety and Health Act and related regulations. To safeguard employees' workplace safety, XAC has established internal procedures including the Occupational Safety and Health Management Regulations, the Safety and Health Work Rules, the Occupational Safety and Health Management Plan, and the Emergency Response Plan to manage workplace details and ensure that employees and on-site workers are not exposed to hazards during work or injured as a result of improper operation.

The occupational health and safety management system covers all XAC employees and non-employees, including resident personnel such as on-site and dispatched workers. In 2025, a total of 242 people (179 employees and 63 non-employees) at XAC headquarters in Taiwan were covered by the occupational health and safety management system, representing 100% coverage.

(2) Risk Prevention and Incident Management

1. Hazard Risk Control and Incident Investigation

XAC complies with the Occupational Safety and Health Act and related regulations and has established internal hazard identification procedures.

(1) Hazard Identification

Supervisors and designated personnel of each unit regularly identify potential hazards associated with routine operations, such as production-line assembly, and non-routine operations, such as equipment maintenance.

(2) Risk Assessment and Classification

Risk is determined by a combination of the likelihood and severity of a hazardous event. Potential hazards are identified and assessed based on the likelihood of occurrence and severity of consequences, and risks are classified into different levels. A Hazard Identification and Risk Assessment Form is completed to determine priorities for resource allocation.

(3) Management and Follow-Up

Risk assessment results are reviewed regularly each year and whenever new equipment is introduced or production processes are changed to ensure that control measures, such as engineering improvements, administrative controls, and personal protective equipment, effectively reduce risks to an acceptable level.

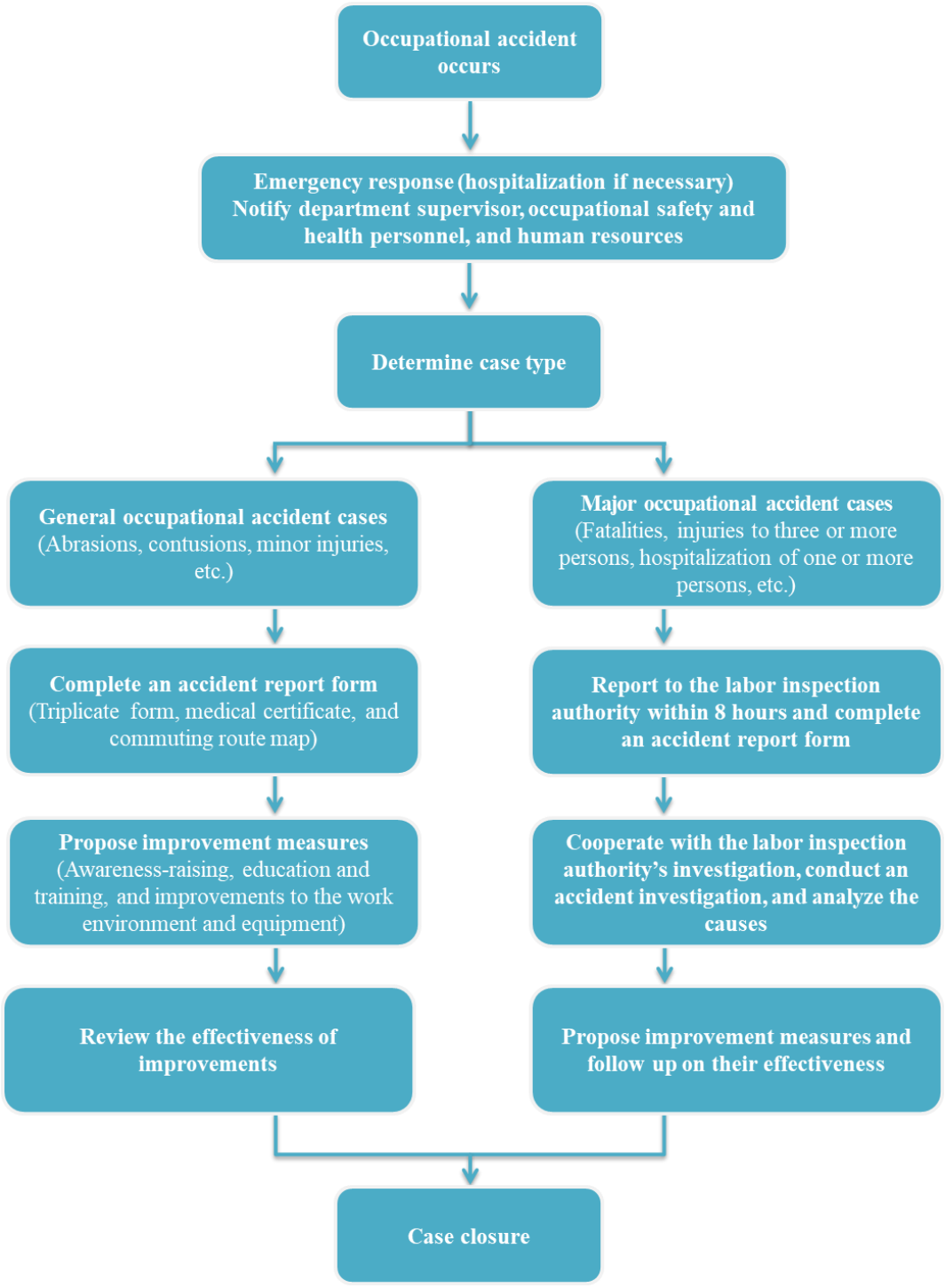
2. Hazard Reporting and Protection from Adverse Action

If employees identify unsafe conditions in the workplace, such as equipment abnormalities, unusual odors, or failure of protective measures, they may immediately report them through the internal suggestion box, occupational safety hotline, or directly to their supervisors.

Where there is an imminent risk of danger, employees are legally entitled to exercise the right to withdraw, allowing them to stop work on their own initiative, withdraw to a safe location, and immediately report the situation to their direct supervisor. The Company commits that employees who exercise this right or make reports in good faith will not have their wages withheld or be subject to any adverse treatment, thereby protecting employees' right to safeguard their own safety.

3. Incident Investigation and Improvement Procedures

XAC has established standardized incident investigation procedures focused on identifying root causes and preventing future incidents rather than merely assigning responsibility. In the event of an occupational accident or near-miss incident, priority is given to providing first aid to injured persons and securing the site, followed by reporting in accordance with applicable requirements. A dedicated team then conducts an investigation and analysis and prepares an investigation report and corrective and preventive measures, such as installing error-proofing devices or revising standard operating procedures (SOPs). The findings and measures are subsequently communicated through the Occupational Safety and Health Committee and internal announcements to prevent similar incidents from recurring.



Occupational Accident Management Process

4. Actual Case This Year

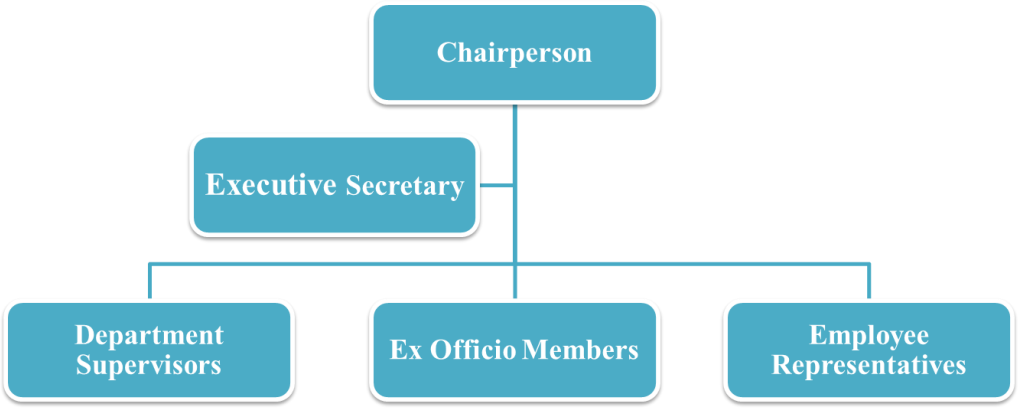
Building on the optimization of the UV oven exhaust duct in 2024, XAC further completed the replacement of activated carbon filters and expansion of exhaust hoods in April 2025, while also improving solder fume extraction hoods on the production line. These measures significantly reduced employees' exposure to odors and fumes generated during adhesive application and soldering operations. Workplace environment monitoring also continued to be conducted every 6 months to ensure a safe working environment for employees.



(3) Occupational Health and Safety Consultation, Communication, Education, and Training

1. Occupational Health and Safety Committee

XAC has established an Occupational Health and Safety Committee in accordance with law as the primary platform for labor and management to discuss occupational health and safety matters. The Committee meets quarterly and consists of eight members, including three employee representatives, who represent 37.5% of the total membership. Committee members consist of employee representatives and employees nominated by each department. Employee representatives participate in the review of occupational health and safety procedures and policies and, together with management, review matters such as education and training plans, workplace environmental monitoring results, and contractor management, thereby facilitating smooth internal and external communication and safeguarding employees' workplace safety. Employees with concerns or suggestions regarding current practices may raise them with the relevant units by telephone or e-mail, after which the issues are referred to the responsible departments or implementation units for prompt resolution. Matters that cannot be resolved immediately are submitted to the Committee for discussion.



Organizational Structure of the Occupational Health and Safety Committee

2. Occupational Safety Education and Training

XAC regularly conducts occupational safety education and training to help employees understand potential hazards, emergency response procedures, and proper evacuation routes. To strengthen day-to-day disaster preparedness, XAC conducts one comprehensive fire drill in each half of the year. To better reflect actual needs, the comprehensive fire drill is divided into two parts.

- **Fire Evacuation Drill for All Employees:** All employees participate in alarm notification and evacuation drills to ensure familiarity with the Company's evacuation routes and assembly and roll-call procedures, thereby safeguarding their own safety.
- **First Aid and Firefighting Practical Training:** New employees and members of the self-defense fire brigade receive training in general fire safety, AED and CPR first aid, and hands-on fire extinguisher operation. Current employees are also encouraged to participate to continuously strengthen their first aid skills and safety awareness.

Additionally, employees required to operate hazardous or designated equipment, such as electric forklifts, must receive additional training before commencing such work to ensure that they fully understand the associated hazards and the procedures to follow in the event of an accident.

▶ **Comprehensive Fire Drill Statistics for the Past 3 Years**

Statistical Item		2025		2024		2023	
		H2	H1	H2	H1	H2	H1
Comprehensive Fire Drills (including fire evacuation drills and first aid and firefighting practical training)	Training Attendance	157	30	148	24	147	23
	Training Hours	4	4	4	4	4	4
	Total Training Hours	628	120	592	96	588	92



Comprehensive Fire Drill

(4) Safety Management for Business-Related Personnel

XAC places importance on the workplace safety of its employees and also on the safety of external partners who enter the Company's premises to provide services in connection with business activities. XAC has established relevant internal requirements. Before contractors carry out maintenance or construction work, the responsible unit provides hazard communication on potential risks and matters requiring attention to enhance safety awareness. XAC also conducts on-site inspections and applies management mechanisms on an as-needed basis to ensure that external workers comply with the Company's occupational health and safety requirements.

XAC ensures that all workers—from construction contractors to resident outsourced personnel—are provided with a working environment that is as safe as that provided to regular employees. The Company is committed to preventing and reducing potential occupational safety risks arising from work and ensuring that all personnel entering the Company's premises to provide services can work in a safe environment.

(5) Workplace Health Services and Promotion

1. Occupational Health Service Resources

XAC places great importance on employee health. To effectively identify and prevent potential workplace health risks, the Company provides employees with annual occupational health examinations, including designated health screenings, and also engages contracted medical professionals to provide on-site health services, with a nurse visiting once a month and a physician three times a year. Services include health examination report analysis, recommendations on appropriate work assignments and preventative guidance, and health guidance for high-risk groups, thereby putting the principle of "early detection and early treatment" into practice and supporting employees' physical and mental well-being.



Health Examination Process and On-Site Medical Services

2. Promotion of a Healthy Workplace Culture

XAC also takes a caring approach to actively promote health initiatives. Through internal e-mails and bulletin boards, the Company regularly communicates accurate health information and organizes health seminars and club activities based on employee needs. These efforts enhance employees' workplace health knowledge, encourage physical and mental well-being, support work–life balance, and foster a healthy, friendly, and vibrant workplace culture.

- **Diverse Activities and Engagement:** Based on employee needs, XAC organizes health seminars, a variety of clubs, charitable activities, and other activities on an irregular basis. Through club subsidies, travel subsidies, and holiday gift vouchers, the Company encourages employees to participate in diverse activities, strengthen team relationships, and relax both physically and mentally.
- **Physical and Mental Health Support:** XAC provides communication channels such as employee feedback boxes and the Employee Assistance Program (EAP). If employees believe their health rights have been affected or experience physical or psychological stress, they may report the matter to their supervisor or file a grievance through these channels at any time. XAC will provide support and conduct an investigation in accordance with applicable procedures, temporarily remove the employee from the relevant work area, arrange follow-up health examinations, and, where necessary, adjust the employee's work duties based on a physician's recommendations to protect employee safety and rights.

(6) Occupational Injury and Disease Statistics

XAC is committed to providing a safe and healthy working environment. The Company regularly monitors the safety performance of employees and non-employees, while continuously implementing occupational health and safety management to prevent major occupational injuries and ensure timely assistance when needed. In 2025, XAC had no major occupational injuries involving serious injury or fatality and no occupational diseases. Only

one minor incident occurred, in which an employee fell and sustained an injury in a Company restroom after feeling unwell. The employee was promptly assisted and taken to a hospital for medical treatment and subsequently recovered without serious lasting effects.

▶ Occupational Injury Type Statistics

Item		2025	2024	Description and Improvement Measures
Occupational Injury Type	Fall Injury	0	0	
	Collision Injury	1	0	An employee fell and sustained a collision injury in a Company restroom after feeling unwell. This was a minor injury. The employee was promptly assisted and taken to a hospital for medical treatment and subsequently recovered without serious lasting effects.
	Strain Injury	0	0	
Notes	▪ Unit: number of cases. ▪ Based on labor insurance and application records; the cases were not entered into the occupational accident reporting website. ▪ In accordance with the definition under GRI 403-9, commuting accidents involving employees driving or riding in vehicles on their own are excluded unless the transportation is provided by the Company. There were two commuting accidents in 2024 and three in 2025, none of which occurred in the workplace. The Company also continues to promote traffic safety to reduce accident risks.			

▶ Occupational Injury and Occupational Disease Statistics

Item	Unit	2025		2024	
		Employees	Non-Employees	Employees	Non-Employees
Total Hours Worked	Hours	353,704	124,488	330,000	68,000
Fatalities Resulting from Occupational Injuries	No. of Persons	0	0	0	0
	Rate	0	0	0	0
High-Consequence Occupational Injuries (Excluding Fatalities)	No. of Persons	0	0	0	0
	Rate	0	0	0	0
Recordable Occupational Injuries	No. of Persons	0	0	0	0
	Rate	0	0	0	0
Occupational Diseases	No. of Persons	0	0	0	0
	Rate	0	0	0	0
Recordable Occupational Diseases	No. of Persons	0	0	0	0
	Rate	0	0	0	0
Disabling Injury Frequency Rate (FR)	Rate	0	0	0	0
Disabling Injury Severity Rate (SR)	Rate	0	0	0	0

SNote 1: Rates are calculated per one million hours worked.
Note 2: High-consequence occupational injury: A severe occupational injury that results in a worker being unable, or unlikely, to recover fully to their pre-injury health status within 6 months. Fatalities are excluded from this figure.
Note 3: Recordable occupational injury or occupational disease: An occupational injury or disease resulting in any of the following: death; days away from work; restricted work or job transfer; medical treatment beyond first aid; loss of consciousness; or a significant injury or illness diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness. Minor injuries requiring only on-site first aid are excluded.
Note 4: In 2025, one minor incident occurred on-site in which an employee fell in a restroom due to personal physical discomfort. As the incident was not caused by a workplace hazard and the employee resumed normal work after initial on-site treatment, it is not classified as a recordable occupational injury in accordance with the applicable definition.
Note 5: Disabling Injury Frequency Rate = Number of Injury Cases × 1,000,000 Hours ÷ Total Hours Worked; Disabling Injury Severity Rate = Total Lost Workdays × 1,000,000 Hours ÷ Total Hours Worked.

6. Customer Privacy★

GRI 418-1	
Management Purpose and Impacts	Information security and customer privacy protection form the foundation for XAC to build long-term trust with customers and ensure stable operations. Their purpose is to protect customer confidential information and project technologies from alteration, disclosure, destruction, or loss, thereby ensuring the confidentiality, integrity, and availability of information assets. Robust information security protection and compliance management can strengthen customer trust, safeguard the secure development of transaction equipment, and enhance market competitiveness. Conversely, leakage of confidential information or malicious cyberattacks may result in financial losses, legal disputes arising from contractual breaches, and damage to the Company's reputation. The main impact boundaries of this topic include customers, suppliers, employees, and shareholders/investors.
Policies/Commitments	XAC complies with the Personal Data Protection Act and mutual confidentiality agreements signed with customers, and has established internal policies and procedures including the Information Security Policy and the Personal Data Protection Management Procedures. XAC is committed to properly protecting confidential information and using it only within the scope of authorized specific purposes, with no unauthorized access or secondary use.
Targets	**Short-Term** • Maintain **zero** major information security incidents and **zero** customer privacy breaches. • Maintain the validity of ISO 27001 Information Security Management System certification and introduce automated management of threat intelligence and information assets. • Gradually phase out legacy systems and promptly remediate technical vulnerabilities to reduce potential system risks. • Continue to strengthen information security awareness among all employees to prevent risks arising from human error.
	Medium- to Long-Term • Assess the introduction of advanced information security protection systems in response to customer requirements. • Regularly update internal management procedures for the personal data lifecycle in line with privacy and personal data protection regulations.
Specific Management Actions in 2025	• Privacy and Contractual Protection: Implement employee confidentiality undertakings and access control upon termination of employment; sign and strictly enforce mutual confidentiality agreements with customers to prevent unauthorized access to customer confidential information, and maintain a customer complaint handling mechanism. • Information Security Management Optimization: Regularly convene Information Security Implementation Team meetings and ISO 27001 management review meetings; establish threat intelligence and information asset management systems. • Technical and System Protection: Regularly conduct information security drills; assess the introduction of advanced protection systems such as DLP and xDR. • Information Security Awareness: Regularly conduct social engineering drills and information security education and training.
Specific Results in 2025	• All new employees and personnel handling confidential operations completed the required confidentiality agreements. • There were **no** major information security breaches and **no** complaints involving infringement of customer privacy. • The ISO 27001 Information Security Management System passed external periodic audits, maintaining the validity of its certification. • Social engineering drills were conducted on an irregular basis, and the phishing e-mail click rate was significantly reduced to 2.2%. • Five information security training sessions were conducted, with 167 participants and a total of 835 training hours.
Responsible Department/ Grievance Mechanism	Information Security Department (Information Security Implementation Team), Customer Service Management Department, Human Resources Department/ Information Security Incident Reporting Contact (Information Security Implementation Team), Department Contact E-mail, Physical Employee Suggestion Box
Corresponding SDGs	SDG 16: Peace, Justice and Strong Institutions

(1) Information Security Management

1. Information Security Governance Structure

To ensure the effective implementation of information security governance, XAC has established an Information Security Governance Committee. The General Manager serves as Chief Information Security Officer and convener, while division-level executives serve as committee members. Under the Committee are the Information Security Implementation Team, Emergency Incident Response Team, Information Security Audit Team, and Document Control Team, which are responsible for promoting information security operations, responding to information security incidents, and conducting regular and ad hoc information security audits.

The Information Security Implementation Team holds quarterly working meetings to track the progress of information security initiatives. Each July, the convener personally chairs the Information Security Management Review Meeting to ensure that information security governance continues to operate effectively and remains aligned with organizational objectives and regulatory requirements. Through review by senior management, XAC implements its information security objectives and drives continuous improvement.

2. Information Security Management System and Protection

XAC has established an Information Security Management System (ISMS) in accordance with international standards. The Company obtained ISO/IEC 27001:2013 certification in 2015, completed certification to the updated ISO/IEC 27001:2022 standard in 2024, and continues to align with the latest international standards. In August 2025, XAC completed the annual surveillance audit conducted by an external certification body.

(1) Multi-Layered Information Security Protection

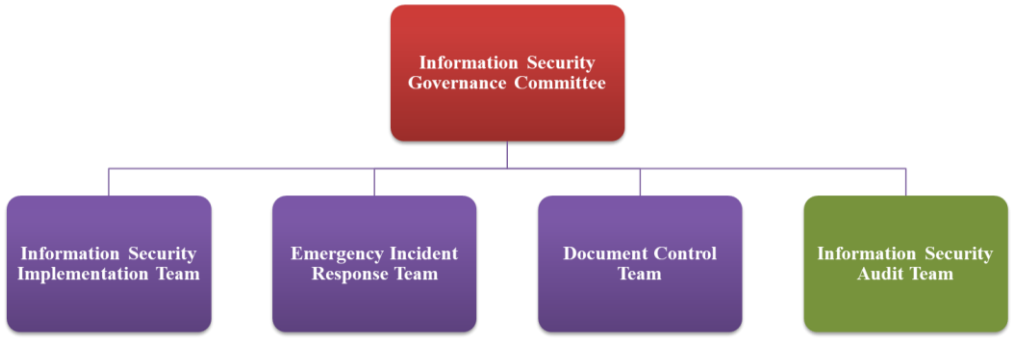
To prevent external hacker intrusions and block malicious attacks, XAC has deployed anti-virus software, an Endpoint Detection and Response (EDR) system, and an Intrusion Prevention System (IPS) to provide multi-layered information security protection. Internal system vulnerability scans and penetration tests are conducted annually, and technical vulnerabilities are patched through both scheduled monthly maintenance and ad hoc remediation to reduce the likelihood of system vulnerabilities being exploited.

(2) Confidential Access and Physical Security Controls

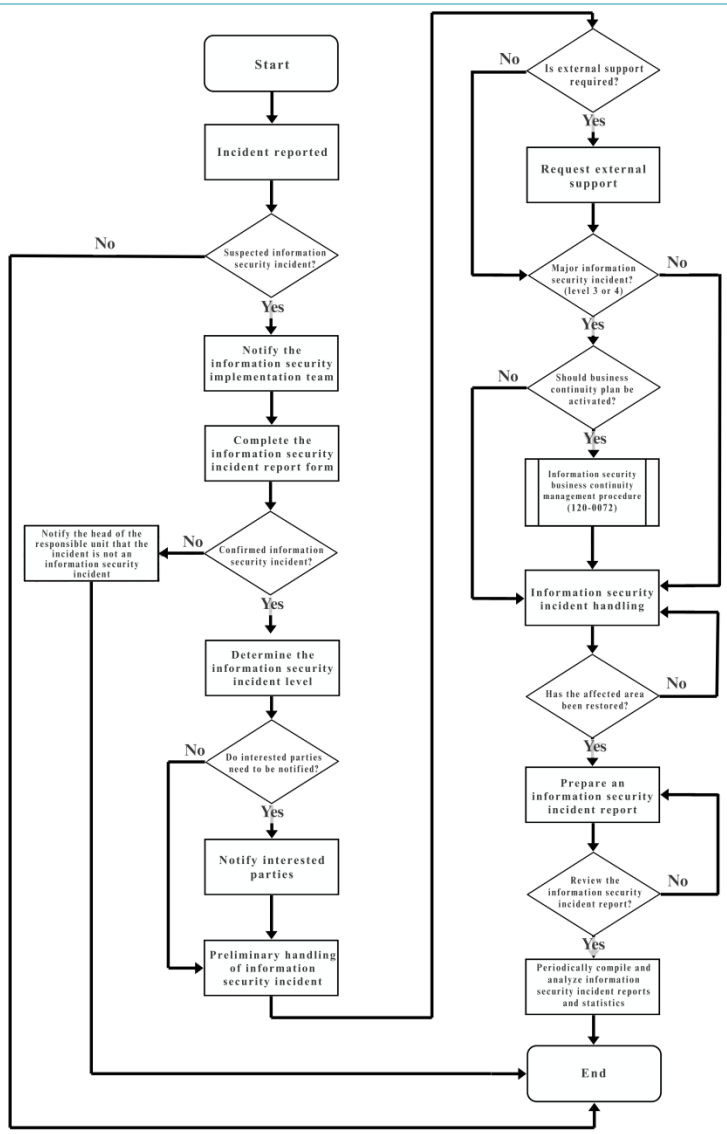
To effectively prevent unauthorized access, XAC requires passwords to be changed every 90 days and has introduced Multi-Factor Authentication (MFA) to strengthen identity verification. Strict access controls and monitoring are also implemented for critical physical areas such as information server rooms. All internal and external personnel entering such areas are required to sign confidentiality agreements to ensure the highest level of security for confidential information.

(3) Information Security Incident Response and Business Continuity

To ensure employee safety and maintain the continuous operation of critical business functions in the event of an information security incident, XAC has established the Information Security Incident Management Procedure and the Information Security Business Continuity Management Procedure. One information security business continuity drill is conducted each year to ensure rapid recovery and minimize operational impacts in the event of a major incident, while also safeguarding investors' right to information.



Organizational Structure of the Information Security Committee



Information Security Incident Reporting and Handling Process

3. Information Security Education and Training

To reduce information security risks caused by human error, XAC incorporates information security topics into the mandatory training for new employees, communicating the Company's information security policies and requirements on the first day of employment. Regular information security training is also provided to current employees. Moreover, XAC has established an internal Information Security Zone to communicate relevant information security policies and requirements and provide learning materials, thereby enhancing employees' information security awareness. In 2025, a total of five information security training sessions were conducted, with 167 participants and 835 total training hours.

To evaluate the effectiveness of information security education and training in raising awareness, XAC regularly conducts social engineering drills where simulated phishing e-mails are sent to employees to assess their sensitivity to information security threats and their response capabilities. In 2025, a total of five employees clicked on simulated phishing e-mails, and all five completed the relevant remedial training.

4. Key Information Security Initiatives for the Year

To address emerging external cyber threats and customer compliance requirements, XAC continued to strengthen its overall information security capabilities. Key information security initiatives for 2025 and the medium- to long-term protection roadmap are as follows:

Key Initiative	Description
Maintain the Validity of ISO 27001 Certification	Cooperate with external certification bodies in conducting periodic audits to ensure the continued compliant operation of information security management mechanisms.
Implement Information Asset Management	Establish and introduce an information asset management system and adopt systematic management to ensure more effective management of critical information assets.
Regulatory Compliance	Review relevant domestic and international information security regulations and contractual requirements annually and conduct compliance identification and related activities. In 2025, a total of 10 relevant regulations and contractual requirements were identified.
Implement Threat Intelligence Management	Establish and introduce a threat intelligence management system to systematically manage reliable threat intelligence sources, enabling early identification of potential Indicators of Compromise (IoCs) and implementation of preventive measures.
Medium- to Long-Term Protection Roadmap	Assess the introduction of a Data Loss Prevention (DLP) system to further strengthen the protection of confidential information. XAC will also assess the introduction of an Extended Detection and Response (xDR) system to further enhance the scope of information security protection.

(2) Customer Privacy Protection

XAC primarily operates under a B2B business model, and information exchanged in the course of business mainly includes customers' project technologies, contract contents, and corporate contact information. To protect customer privacy and trade secrets, XAC complies with Taiwan's Personal Data Protection Act and establishes privacy safeguards through contractual mechanisms. Mutual confidentiality agreements are signed with all customers, stipulating that customer information obtained through business dealings may be used only within the scope of specifically authorized purposes, with no unauthorized access or secondary use. Based on internal audits and customer service records, XAC received no substantiated complaints regarding infringement of customer privacy in 2025, nor were there any incidents involving the leakage, loss, or theft of customer data.

7. Social Participation

XAC recognizes that stable corporate development is closely linked to the social environment. XAC is currently in the early stages of steadily laying its foundation for sustainable operations. In line with the sustainability-related regulatory timetable of the competent authorities, the Company is gradually establishing internal ESG governance mechanisms and integrating sustainability and environmental concepts into its daily operations and corporate culture. Although resources are relatively limited at this initial stage, XAC remains committed to the principle of "giving back to society" and strives to create a positive corporate impact.

In 2025, XAC's social participation activities focused on two major areas: empowering disadvantaged groups and education for children and youth. Through internal charitable activities, XAC cultivated employees' sustainability awareness and translated goodwill into tangible support.

- **Expanding Charitable Impact:** Provided tangible support to two social welfare organizations.
- **Key Action Initiatives:** Organized two internal charity bazaars, encouraging employees to share quality unused items from their homes and combining environmental resource circulation with care for disadvantaged groups.
- **Charitable Contributions:** Demonstrated the collective commitment of the Company and its employees to giving back by combining proceeds from internal charity sales with matching contributions from the Company, with all funds donated to support disadvantaged groups and the development of educational programs for children and youth.



(1) Supporting Earth Hour 2025: Taking Concrete Action to Reduce Carbon Emissions and Protect the Planet

As the world works toward the goal of net-zero carbon emissions by 2050, XAC participated in Earth Hour 2025 by switching off non-essential lighting from 8:30 p.m. to 9:30 p.m. on March 22 and inviting employees to join the global “Give an Hour for Earth!” initiative, taking concrete action to help protect the planet.

Through this activity, the Company reduced electricity consumption by 30.04 kWh, equivalent to approximately 14.84 kg CO_2e in avoided emissions. Participating employees and their families contributed an additional reduction of 3.25 kg CO_2e, bringing the total carbon reduction from the initiative to 18.09 kg CO_2e. This was equivalent to the annual carbon absorption of approximately 1.5 mature trees, based on an estimated annual absorption of about 12 kg CO_2e per tree, demonstrating the collective carbon-reduction efforts of employees and their families.

SDG 13





(2) Supporting Employment and Development for Children with Developmental Delays: Creating Dual Value through Environmental Protection and Social Good

To promote the social inclusion of persons with disabilities and advance green sustainability, XAC organized the internal Little Bosses with Love Secondhand Charity Bazaar, actively promoting resource reuse and waste reduction. Employees responded enthusiastically by bringing quality secondhand items from home to the Company for charity sale and exchange.

All proceeds from the charity sale, together with additional matching donations from the Company in support of employees’ charitable efforts, were donated to the Ai-Heng Development Center. Additionally, to put the concept of zero waste into practice, all unsold quality items were carefully sorted and donated to the Center. The initiative not only supported employment opportunities for disadvantaged groups but also advanced resource conservation and waste reduction, translating ESG principles into concrete internal action.

SDG 8, 10, 12





(3) Supporting Education and Well-Being for Disadvantaged Children and Youth: Helping Dreams Move Forward

Children and youth represent hope for society's future. To help ensure that students from disadvantaged families have equal access to educational resources and opportunities for growth, XAC organized an internal Christmas Gathering and Secondhand Charity Sale. In a warm and grateful festive atmosphere, the Company not only shared the joy of the season internally, but also transformed goodwill into tangible support.

All proceeds from the charity sale, together with additional matching donations from the Company in support of employees' charitable efforts, were donated to the House of Dreams Education Foundation to support key initiatives including education for children and youth from disadvantaged families, charitable assistance, personal development, and youth employment empowerment. Through these internal corporate initiatives, XAC also hopes to provide children with systematic support extending from basic living needs to future career development, helping disadvantaged students gain opportunities to change their future and pursue their dreams with confidence.

SDG 1, 4





Appendices

Appendix 1. GRI Content Index

- Statement of Use: XAC Automation Corporation has reported in accordance with the GRI Standards for the reporting period from January 1, 2025, to December 31, 2025.
- GRI 1 Used: GRI 1: Foundation 2021
- Applicable GRI Sector Standard: N/A

▶ **GRI 2: General Disclosures 2021**

Topic	Disclosure		Section	Page	Remarks
The organization and its reporting practices	2-1	Organizational details	About XAC and This Report / 2. About XAC / (1)	2	
	2-2	Entities included in the organization's sustainability reporting	About XAC and This Report / 3. Report Information / (3)	5	
	2-3	Reporting period, frequency and contact point	About XAC and This Report / 3. Report Information / (2), (6)	5	
	2-4	Restatements of information	About XAC and This Report / 3. Report Information / (4)	5	
	2-5	External assurance	About XAC and This Report / 3. Report Information / (5)	5	
Activities and workers	2-6	Activities, value chain and other business relationships	About XAC and This Report / 2. About XAC / (2)	3	
	2-7	Employees	V. Social / 3. Employee Diversity, Equity, and Inclusion / (2)	63	
	2-8	Workers who are not employees		65	
Governance	2-9	Governance structure and composition	I. Sustainable Operations / 2. Board Structure and Operations / (1)	8	
	2-10	Nomination and selection of the highest governance body		8	
	2-11	Chair of the highest governance body	I. Sustainable Operations / 2. Board Structure and Operations / (2)	9	
	2-12	Role of the highest governance body in overseeing the management of impacts	I. Sustainable Operations / 1. Sustainable Development Promotion Mechanism / (2)	7	

Topic	Disclosure		Section	Page	Remarks
	2-13	Delegation of responsibility for managing impacts	I. Sustainable Operations / 1. Sustainable Development Promotion Mechanism / (1)	7	
	2-14	Role of the highest governance body in sustainability reporting	I. Sustainable Operations / 1. Sustainable Development Promotion Mechanism / (2)	8	
	2-15	Conflicts of interest	I. Sustainable Operations / 2. Board Structure and Operations / (2)	9	
	2-16	Communication of critical concerns	I. Sustainable Operations / 1. Sustainable Development Promotion Mechanism / (1)	7	
	2-17	Collective knowledge of the highest governance body	I. Sustainable Operations / 2. Board Structure and Operations / (3)	9	
	2-18	Evaluation of the performance of the highest governance body		9	
	2-19	Remuneration policies	I. Sustainable Operations / 3. Compensation Policy / (1)	11	
	2-20	Process to determine remuneration		11	
	2-21	Annual total compensation ratio	-	12	Confidentiality Restrictions/Not Disclosed
Strategy, policies and practices	2-22	Statement on sustainable development strategy	About XAC and This Report / 1. Message from Management	1	
	2-23	Policy commitments	II. Stakeholders and Material Topics / 3. Management Approach for Material Topics	23	
	2-24	Embedding policy commitments		23	
	2-25	Processes to remediate negative impacts	III. Governance / 2. Ethical Governance / (4)	29	
	2-26	Mechanisms for seeking advice and raising concerns		29	
	2-27	Compliance with laws and regulations	III. Governance / 3. Risk Management / (3)	35	Regulatory Compliance★
	2-28	Membership associations	About XAC and This Report/2. About XAC/(3)	4	
Stakeholder engagement	2-29	Approach to stakeholder engagement	II. Stakeholders and Material Topics / 1. Stakeholder Engagement / (2)	14	
	2-30	Collective bargaining agreements	V. Social / 2. Employee Rights and Benefits / (1)	59	

▶ GRI 3: Material Topics 2021

Topic		Disclosure		Section	Page	Remarks
GRI 3: Material Topics		3-1	Process to determine material topics	II. Stakeholders and Material Topics / 2. Process for Determining Material Topics / (1)	17	
		3-2	List of material topics	II. Stakeholders and Material Topics / 2. Process for Determining Material Topics / (2)	19	
Governance						
GRI 201	**Economic Performance**	3-3	Management of material topics	III. Governance / 1. Economic Performance	25	Economic Performance★
		201-1	Direct economic value generated and distributed	III. Governance / 1. Economic Performance/(1)	26	
		201-2	Financial implications and other risks and opportunities due to climate change	IV. Environmental / 1. Climate Change Strategy	37	TCFD
		201-3	Defined benefit plan obligations and other retirement plans	V. Social / 2. Employee Rights and Benefits / (2)	59	
		201-4	Financial assistance received from government	III. Governance / 1. Economic Performance / (2)	26	
GRI 205	**Anti-corruption**	3-3	Management of material topics	III. Governance/2. Ethical Governance	27	Ethical Governance★
		205-1	Operations assessed for risks related to corruption	III. Governance / 2. Ethical Governance / (1)	28	
		205-2	Communication and training on anti-corruption policies and procedures	III. Governance / 2. Ethical Governance / (2)	28	
		205-3	Confirmed incidents of corruption and actions taken	III. Governance / 2. Ethical Governance / (4)	29	
GRI 206	**Anti-competitive Behavior**	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	III. Governance / 2. Ethical Governance / (3)	28	
Environmental						
GRI 302	**Energy**	3-3	Management of material topics	IV. Environmental / 3. Energy Management	49	Energy Management★
		302-1	Energy consumption within the organization	IV. Environmental / 3. Energy Management / (1)	50	
		302-2	Energy consumption outside of the organization	-	51	Information Unavailable/Omitted

Topic		Disclosure		Section	Page	Remarks
		302-3	Energy intensity	IV. Environmental / 3. Energy Management / (2)	50	
		302-4	Reduction of energy consumption	IV. Environmental / 3. Energy Management / (3)	51	
		302-5	Reductions in energy requirements of products and services	-	51	Information Unavailable/Omitted
GRI 303	**Water and Effluents**	303-3	Water withdrawal	IV. Environmental / 4. Water Resources Management	52	
		303-4	Water discharge		52	
		303-5	Water consumption		52	
GRI 305	**Emissions**	3-3	Management of material topics	IV. Environmental / 2. Greenhouse Gas Management	45	Greenhouse Gas Management★
		305-1	Direct (Scope 1) GHG emissions	IV. Environmental / 2. Greenhouse Gas Management / (1)	46	
		305-2	Energy indirect (Scope 2) GHG emissions		46	
		305-3	Other indirect (Scope 3) GHG emissions	-	47	Information Unavailable/Omitted
		305-4	GHG emissions intensity	IV. Environmental / 2. Greenhouse Gas Management / (1)	46	
		305-5	Reduction of GHG emissions	IV. Environmental / 2. Greenhouse Gas Management / (2)	47	
		305-6	Emissions of ozone-depleting substances (ODS)	-	47	Not Applicable
		305-7	Nitrogen oxides (NOx), sulfur oxides (Sox), and other significant air emissions	-	47	Not Applicable
GRI 306	**Waste**	3-3	Management of material topics	IV. Environmental / 5. Waste Management	53	Waste Management★
		306-1	Waste generation and significant waste-related impacts	IV. Environmental / 5. Waste Management / (1)	54	
		306-2	Management of significant waste-related impacts		54	
		306-3	Waste generated	IV. Environmental / 5. Waste Management / (2)	54	
		306-4	Waste diverted from disposal		54	
		306-5	Waste directed to disposal		54	

Topic		Disclosure		Section	Page	Remarks
Social						
GRI 401	**Employment**	3-3	Management of material topics	V. Social / 2. Employee Rights and Benefits	58	Employee Rights and Benefits★
		401-1	New employee hires and employee turnover	V. Social / 3. Employee Diversity, Equity, and Inclusion / (3)	65	
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	V. Social / 2. Employee Rights and Benefits / (2)	59	
		401-3	Parental leave	V. Social / 2. Employee Rights and Benefits / (4)	61	
GRI 403	**Occupational Health and Safety**	3-3	Management of material topics	V. Social / 5. Occupational Health and Safety	71	Occupational Health and Safety★
		403-1	Occupational health and safety management system	V. Social / 5. Occupational Health and Safety / (1)	72	
		403-2	Hazard identification, risk assessment, and incident investigation	V. Social / 5. Occupational Health and Safety / (2)	73	
		403-3	Occupational health services	V. Social / 5. Occupational Health and Safety / (5)	76	
		403-4	Worker participation, consultation, and communication on occupational health and safety	V. Social / 5. Occupational Health and Safety / (3)	74	
		403-5	Worker training on occupational health and safety		75	
		403-6	Promotion of worker health	V. Social / 5. Occupational Health and Safety / (5)	7	
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	V. Social / 5. Occupational Health and Safety / (4)	76	
		403-8	Workers covered by an occupational health and safety management system	V. Social / 5. Occupational Health and Safety / (1)	72	
		403-9	Work-related injuries	V. Social / 5. Occupational Health and Safety / (6)	77	
		403-10	Work-related ill health		77	
GRI 404	**Training and Education**	404-1	Average hours of training per year per employee	V. Social / 4. Talent Cultivation and Development / (2)	68	
		404-3	Percentage of employees receiving regular performance and career development reviews		68	

Topic		Disclosure		Section	Page	Remarks
GRI 405	**Diversity and Equal Opportunity**	405-1	Diversity of governance bodies and employees	V. Social / 3. Employee Diversity, Equity, and Inclusion / (2)	63	
		405-2	Ratio of basic salary and remuneration of women to men	V. Social / 2. Employee Rights and Benefits / (5)	62	
GRI 406	**Non-discrimination**	406-1	Incidents of discrimination and corrective actions taken	V. Social / 3. Employee Diversity, Equity, and Inclusion / (1)	63	
GRI 408	**Child Labor**	408-1	Operations and suppliers at significant risk for incidents of child labor	V. Social / 1. Human Rights Policy and Commitment / (3)	57	
GRI 409	**Forced or Compulsory Labor**	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		57	
GRI 411	**Rights of Indigenous Peoples**	411-1	Incidents of violations involving rights of indigenous peoples		57	
GRI 418	**Customer Privacy**	3-3	Management of material topics	V. Social / 6. Customer Privacy	79	Customer Privacy★
		418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	V. Social / 6. Customer Privacy / (2)	82	

Appendix 2. Climate-related Information

1. Implementation of Climate-related Information

Item	Implementation Status / Corresponding Report Section	Page No.	Note
1. Describe the board's and management's oversight and governance of climate-related risks and opportunities.	IV. Environment / 1. Climate Change Strategy / (1)	37	TCFD
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	IV. Environment / 1. Climate Change Strategy / (2)	40	
3. Describe the financial impact of extreme weather events and transformative actions.	IV. Environment / 1. Climate Change Strategy / (2)	40	
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management systems.	IV. Environment / 1. Climate Change Strategy / (3)	43	
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts used should be described.	IV. Environment / 1. Climate Change Strategy / (2)	37	
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indictors and targets used to identify and manage physical risks and transition risks.	IV. Environment / 1. Climate Change Strategy / (4)	44	
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Internal carbon pricing has not been adopted.	-	
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The Company's climate-related targets are currently under development.	44	
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	Please refer to the table below.	93	

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information: Describe the emission volume (metric tons CO_2e), intensity (metric tons CO_2e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

Item		2025		2024	
XAC Automation Corp. (the Parent Company)	Category 1	7.6726	tCO_2e	5.5904	tCO_2e
	Category 2	472.3702	tCO_2e	421.0209	tCO_2e
	Intensity	0.312	tCO_2e/NT$1 million	0.311	tCO_2e/NT$1 million
Note: 2025 Parent-only Net Revenue: NT$1,536.687 million; 2024 Parent-only Net Revenue: NT$1,371.949 million.					

1-1-2 Greenhouse Gas Assurance Information: Describe 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.

Item		Description
XAC Automation Corp. (the Parent Company)	Verification Scope	2025: Category 1 & Category 2; 2024: Category 1 & Category 2
	Assurance Provider	AFNOR Asia Ltd.
	Verification Criteria	ISO 14064-1:2018
	Verification Opinion	Reasonable-level Assurance (Category 1 & Category 2)

1-2 Greenhouse Gas Reduction Targets, Strategies and Specific Action Plans: Describe the base year and data for greenhouse gas reduction, reduction targets, strategies, concrete action plans, and the achievement of reduction targets.

Reduction Base Year	**2024**	**Base Year Data**	**426.611 metric tons**
Reduction Target	Reduce greenhouse gas emissions intensity by 1% annually compared to the base year.		
Achievement of Reduction Targets & Action Plans	• 2025 data: In 2025, XAC's total greenhouse gas emissions (Category 1 and Category 2) reached 480.043 tCO_2e, representing a slight increase of about 12.52% compared to the base year (2024) emissions of 426.611 tCO_2e. In terms of greenhouse gas emissions intensity, the 2025 figure was 0.312 tCO_2e per NT$1 million of revenue, a marginal increase of about 0.32% from the base year's 0.311 tCO_2e per NT$1 million of revenue. Due to operational and capacity expansion variables, the annual reduction target of 1% was not met in 2025.		
	• Causes and Actions: Impact of Operational Growth: Driven by business growth, revenue increased to NT$1,536,687,000 this year, causing total greenhouse gas emissions to rise alongside production volumes. Consequently, carbon reduction benefits have not yet fully offset the increased emissions from capacity expansion. Energy Efficiency Optimization: XAC has initiated an energy-saving equipment upgrade program, completing the transition to LED lighting across all offices and manufacturing sites in Q3 2025 and Q1 2026, respectively. As the 2025 greenhouse gas inventory data includes energy consumption prior to equipment replacement, the full energy-saving benefits are expected to be realized in 2026. XAC will continue to dynamically evaluate its decarbonization strategies based on actual operations and progressively implement energy-saving and carbon reduction initiatives to advance toward its long-term goals.		

Appendix 3. Greenhouse Gas Verification Statement



Certificate
Certificat

Report No.：(TH24-821 / Version 1)

Greenhouse Gas Verification Report Opinion
THGHG24821-01

Verification Scope:	XAC AUTOMATION CORP. 4F., No. 30 Industry E. Road IX, Science-BasedIndustrial Park,Hsin-Chu, 300096, Taiwan (R.O.C.) ☒The information of other sites are listed on the subsequent page.
Verification Criteria:	ISO 14064-1：2018
Verification Objectives：	According to ISO 14064-3:2019, AFNOR Asia Ltd. (AFNOR ASIA) confirms that the GHG statement (GHG inventory report) of the above-mentioned organization(s) is reported in accordance with the verification criteria agreed by both parties. AFNOR ASIA performs the verification with an objective and fair position and principle (relevant, complete, consistent, accurate, and transparent).
Data Period：	From 01 01, 2025 to 12 31, 2025 (The data being viewed is historical in nature)
Verification Data：	Direct GHG Emissions (Category 1): 7.6726 tCO_2e Energy Indirect GHG Emissions (Category 2): 472.3702 tCO_2e

Global Warming Potential (GWP)：Refer to IPCC The 6-assessment report 2021 Year

Statement Basis：This statement must be interpreted as a whole with the following.
GHG Inventory Report (Version： 4 ：Date： 06 10, 2026)
GHG Inventory (Version： 4 ：Date： 06 10, 2026)

Materiality： 5% (Category 1 and Category 2)

Type of Opinion： ☒Unqualified ☐Qualified (see the subsequent page) ☐Disclaim the issuance

Verification Conclusion: To confirm that the organization submits a GHG statement in accordance with the requirements of the verification criteria agreed by both parties, and fairly presents the GHG data and related information, which are consistent with the verification scope, objectives and criteria agreed by both parties.
Declares that the reasonable assurance level of the inventory data is Category 1 and Category 2

Date of Issuance: 07 02, 2026

APPROVED BY

Dr. August Tsai
Director for Certification
ON BEHALF OF
AFNOR ASIA

113-2024/00

Page 1 of 4
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Certificate
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Report No.：(TH24-821 / Version 1)

The Geographical Location of Multiple Sites：

Site	Address
Hsin-Chu Factory	4F., No. 30 Industry E. Road IX, Science-BasedIndustrial Park,Hsin-Chu, 300096, Taiwan (R.O.C.)
Zhonghe Office	2F.-2, No. 700, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235603, Taiwan (R.O.C.)

Emissions Data for Each Category：

Category	Description of Content	GHG Emissions (tCO_2e)	Note
(Category 1) Direct GHG emissions	Mobile emissions, Process emissions, Fugitive emissions	7.6726	
(Category 2) Indirect GHG emissions from imported energy	Electricity	472.3702	Location-based standard
(Category 3) Indirect GHG emissions from transportation	NS	NS	
(Category 4) Indirect GHG emissions from products used by the organization	NS	NS	
(Category 5) Indirect GHG emissions associated with the use of products from the organization	NS	NS	
(Category 6) Indirect GHG emissions from other sources	NS	NS	

Biomass Burning Emission： 0.0000 tCO_2e

Note: The presentation of data after the decimal point in this Verification Report Opinion shall follow the definition of the inventory procedures and other documents of the organization being verified; if not defined, it shall be presented by the provisions of the organizational level of MOENV: 4 decimal places.

113-2024/00

Page 2 of 4
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Report No. : (TH24-821 / Version 1)

Data for Multiple Sites :

Emission Unit: tCO_2e

Site	Direct GHG Emissions (Category 1)	Indirect GHG Emissions from Energy (Category 2)	Indirect GHG Emissions (Category 3~6)
Hsin-Chu Factory	7.6726	440.4548	0
Zhonghe Office	0	31.9154	0

Other Related Verification Information

Organization Boundaries :	Operational control
GHG Type :	Carbon dioxide (CO_2), Methane (CH_4), Nitrous oxide (N_2O), Hydrofluorocarbon (HFCs), Perfluorocarbon (PFCs), Sulfur hexafluoride (SF_6), Nitrogen trifluoride (NF_3)
Purpose of Intended Use:	Voluntarily understanding the status of greenhouse gas emissions as a basis for developing reduction strategies. (This statement of responsibility applies only to the purpose of intended use mentioned above and not to any other purpose.)
Purchased Power Factor:	Refer to the 2025 annual power factor announced by the Energy Administration, Ministry of Economic Affairs on June 02, 2026
Data Sources :	☒ The primary data is collected from on-site operation activities. ☐ Category 3~6 emissions are calculated with estimated data. The secondary data sources are: NA ☐ Others :
Verification Method:	☒ On-site ☐ Other_____
Qualified Opinion :	NO
Others :	NO
Verification Date :	05 25, 2026 05 26, 2026 06 10, 2026
Report Date & Version :	06 10, 2026, Version : 1

113-2024/00

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Certificate

Certificat

Report No. : (TH24-821 / Version 1)

Verification Team and Technical Review

Lead Verifier : Chia Hung Hsu Signature : CH Hsu

Verifier : Yu-Hsuan Chan Signature : Shawn Chan

Independent Review : Lu, Mu-Cheng Signature : Lu Mu-Cheng

Verification Processes

AFNOR ASIA is based on risk assessment methods and controls. Evidence collection procedures are including pre-trip assessment, on-site visits, interviews with site personnel, confirmation of documented evidence provided, sampling of emission data, evaluation of data management systems, confirming the collection and compilation of emission data, analysis between production and energy consumption, and confirmation of whether the terms of the agreement referred to are properly applied.

Roles and Responsibilities

The verified organization is responsible for preparing and submitting a GHG statement in accordance with the verification criteria. This responsibility includes the planning, implementation and maintenance of data management systems related to GHG declarations, GHG inventory and GHG inventory reports.

AFNOR ASIA provides independent third-party verification of the reported GHG emissions and issues verification opinions for the organizational GHG emissions. The verification team is independent and impartial, and there is no conflict of interest.

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