Stock Code: 4979

LuxNet Corporation

2025 ESG Report

Release date: August 13, 2026

Catalog

1. Report information

1.01 Message from the operator

In response to the challenges of climate change and rapid global political and economic shifts, sustainable development is no longer just a trend—it is at the core of a company's survival and competitiveness. In addition to being a driving force for economic growth, enterprises should also shoulder social responsibility, emphasize environmental protection, people-oriented development, and good governance, leading companies forward steadily and working hand in hand with stakeholders to create a sustainable future.

LuxNet actively focuses on climate change and international sustainability issues, striving to build a sustainable supply chain and promoting strategies for carbon management, water resource use, and waste disposal, demonstrating its responsibility to the planet and aiming for net-zero carbon emissions by 2050.

In terms of corporate governance, we adhere to the principle of integrity, striving to strengthen the functions of the board and internal oversight, establish transparent and responsible decision-making mechanisms, and ensure that risk control, regulatory compliance, and information disclosure all comply with regulations and standards. We advocate a culture of layered responsibility and accountability, promoting teamwork under sufficient delegation to jointly create maximum operational performance for the company.

For a long time, we have valued talent development, viewing employees as our most valuable asset, and are committed to creating a safe and healthy work environment, promoting friendly measures, and enhancing employee well-being. At the same time, we pay attention to suppliers, customers, and communities to ensure our business strategies adhere to principles of fairness, justice, and inclusion, and are fully committed to creating value for our stakeholders.

Upholding the philosophy of 'taking from society, giving back to society,' we continue to dedicate ourselves to social services, integrating our business philosophy, core values, and corporate culture to do our utmost for social welfare. Looking ahead, while pursuing revenue and profit growth, it will also take on greater sustainability responsibilities, achieving symbiosis and prosperity with society and the environment, and hopes to work hand in hand with all stakeholders to create a better future.

1.02 About the Company

- Company Profile

  In 1999, Dr. Kung Hsing Hsin officially established LuxNet Corporation in Silicon Valley, USA. In 2001, he founded LUXNET in Taiwan, establishing a chip production line and becoming an important manufacturing base. During the internet bubble in 2010, we foresaw the future of fiber optic communications and began laying out and integrating key components, officially listing on the OTC market in 2011. Fully committed to developing the production and sales of optical communication components.

  We uphold the philosophy of sustainable management, emphasizing corporate governance, corporate commitments, environmental protection, and social participation, and take concrete actions to realize sustainable development.

- Operational Overview

  We uphold a corporate culture of "integrity-based, cooperative, performance-oriented, and sustainable operation," and uphold the management belief of "fulfilling responsibilities and continuous innovation," focusing on new product development and product quality improvement goals.

  Since 2019, it has gradually phased out low-speed, low-demand, and low-margin products with negative gross margins, replacing them with high-speed products used in the 4G/5G industry and data centers. At the same time, we are committed to optimizing product process technology and strengthening R&D capabilities to provide competitive products and services to customers. In recent years, the company's core development has focused on the development and service of manufacturing technology for high-speed data center products. Adhering to market segmentation through independent development and manufacturing services, it has adopted a strategy of technological synergy and continuously implemented systematic operational management, gradually improving the company's operational performance.

Organization name	LuxNet Corportion
Company Structure	OTC companies
Stock code	4979
Chairman	Isabella Chien

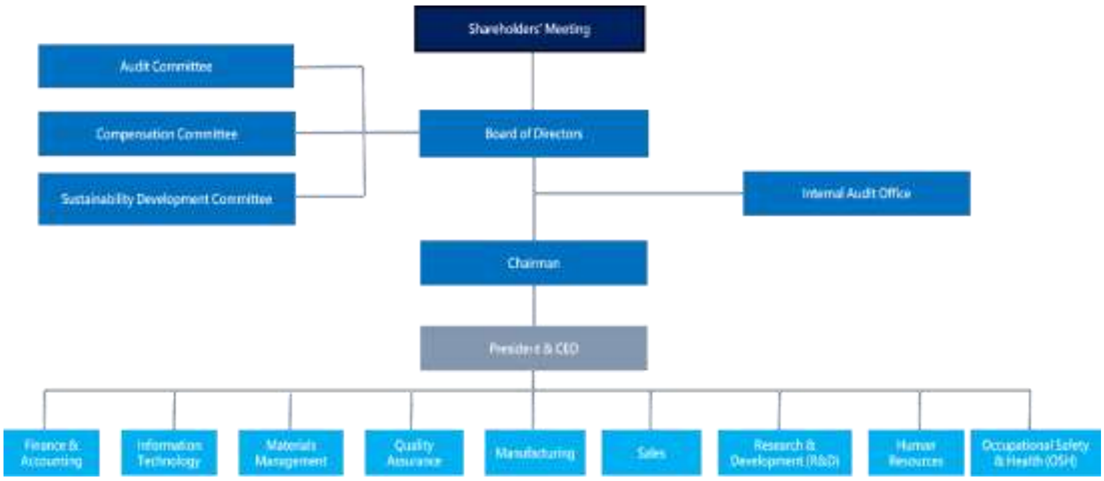
General Manager	Su Zhao yang
Organization founding date	November 15, 2001
Main Products and Services	• FP (Fabry-Perot) edge-emitting laser diode dies, DFB distributed feedback edge-emitting laser diode dies, LED surface-emitting LEDs, etc. • PD(Photo Detector)及 APD (Avalanche Photodiode). • Optical Subassembly (TO-CAN) for Fiber Optic Communication Metal Sockets, and Optical Subassembly (OSA) for unidirectional optical subassemblies. • Application of BOSA(Bi-Direction Optical Subassembly)、PON (Passive Optical Network）、FTTH（Fiber To The Home）。 • Application of high-speed parallel optical engines in cloud computing data centers. • OEM/ODM、Contract Manufacturing Service。
Paid-in capital	NT$1.424 billion
2025 revenue	NT$4.385 billion
Net profit after tax for 2025	NT$764 million
Number of employees	About 700 people
Operating address	No. 6, Hejiang Road, Zhongli District, Taoyuan City (Zhongli Industrial Park)

■ Corporate governance structure and principles

We refer to the Code of Practice for Corporate Governance of Listed Companies, relevant laws and regulations, and the articles of incorporation, insisting on transparent operations, establishing an effective corporate governance framework, and disclosing relevant information to protect shareholders' rights and stakeholders' interests. We believe that a sound and efficient board of directors is the foundation of excellent corporate governance.

Organizational structure

The organizational rules of each functional committee are approved by the Board of Directors, and each committee chairperson reports their resolutions to the Board. Under the Board of Directors, there are the "Audit Committee," "Compensation Committee," and "Sustainability Committee," all composed entirely of independent directors to assist the Board in fulfilling its supervisory duties. For the governance structure, please refer to the organizational structure in this report.



1.03 Report information

1.03.1 Basis for Preparation

This report references the 2021 edition of the GRI Sustainability Reporting Standards (GRI Standards) released by the Global Reporting Initiative (GRI); Disclosures are conducted using the Sustainability Accounting Standards Board (SASB) standards. Additionally, this report is prepared in accordance with the Taiwan Stock Exchange's "Regulations for Preparation and Filing of Sustainability Reports by Listed Companies" and the "Practical Code for Sustainable Development of Listed and OTC Companies," specifically explaining the company's actions and achievements in corporate social responsibility, and disclosing it to stakeholders. For detailed reference tables, please refer to the appendix.

1.03.2 Reporting coverage period and frequency

This report is the 12th published by LuxNet Corportion The company's sustainability report is published annually and discloses the financial and non-financial information of the LuxNet Report for the fiscal year 2025 (January 1, 2025 to December 31, 2025). This report includes management policies, material topics, performance, value chain management, and environmental and social related actions, and is also published on the company's website.

- Previous report publication date: August 2025
- This report will be published in August 2026

The reporting period of this report is consistent with that of the consolidated financial statements. To ensure completeness and comparability, some chapters will cover information up to January 1, 2025, and after December 31, 2025, and will be noted in the notes of that chapter.

1.03.3 Reporting Boundaries and Scope

The boundaries of this report cover the parent company of LuxNet Corportion (hereinafter referred to as LUXNET) and do not cover the consolidated financial subsidiaries.

1.03.4 Information Restructuring

There is no information reorganization in the 2025 LuxNet Corportion sustainability report.

1.03.5 External Conviction/Warranty Situation

This report has not been confirmed by an independent third-party verification agency.

1.03.6 Responsible Units for Sustainability Reporting

If you have any questions regarding the contents of this report, you may contact us through the following channels:

Contact Unit: LuxNet Corportion, Sustainability Development Committee

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Company ESG Section Website:http://www.LuxNetcorp.com.tw/esg

2. Sustainable operation

2.01 Sustainable Development Strategy

We are committed to continuously focusing on corporate governance, labor rights, health and safety, environment, ethics, and other social responsibilities. To fulfill this commitment and create a sustainable business environment, we have established this policy and pledged to work tirelessly in this responsibility.

2.02 Promote sustainable development mechanisms

2.02.1 Promote a governance framework for sustainable development

To implement corporate sustainability, The company's board established the Sustainability Development Committee in 2021, the highest organization for implementing sustainable development within the company. According to the organizational rules, the committee consists of three independent directors, with the Director of Finance and Accounting serving as the management representative. Under the committee, an ESG Promotion Subcommittee is established, following sustainable development practices approved by the Board of Directors to promote sustainable management policies or related activities. The Promotion

Team is led by the Chairman, with heads of relevant responsible units serving as leaders of each task force. They are responsible for driving and executing major topics and projects, integrating sustainable development strategies into daily operations and implementing the spirit of continuous improvement and advancement.

To ensure the quality of sustainability report reporting and compilation, annual compilation is carried out according to the "Sustainability Report Preparation and Verification Procedures." The ESG Promotion Team coordinates the report, collects and compiles relevant indicator data from responsible units, and works with department supervisors to review and revise the report, completing the preparation of the report. After review by the Sustainability Development Committee and approval by the Board of Directors, the issue will be issued, thereby strengthening the disclosure of LuxNet's performance and achievements in corporate sustainability by 2025.

Responsibilities of the Sustainability Committee

- Formulate and revise sustainable development-related systems, policies, and commitments.
- Oversee sustainable development policy directions and annual targets.
- Annual results and performance are compiled and reported to the Board of Directors.
- Matters related to sustainability, as directed by the Board of Directors.

2.02.2 Operating Status

In 2025, the Sustainable Development Committee held two meetings, with an average attendance rate of 100% among members.

In 2025, the Sustainable Development Committee and the Board of Directors will hold meetings to discuss matters

Meeting date	Communication matters	Resolution results
March 13, 2025	Report on the company's 2025 sustainable development operational strategy and target plan, 2024 sustainable development strategy and targets, communication with stakeholders, implementation of integrity management, and the operation and execution of intellectual property management plans linked to operational objectives, as well as the results of social and sustainable development responsibility risk assessments.	Understood. Independent director Hu Dingkang instructed the company to strictly comply with relevant laws and regulations, and to implement sustainability goals thoroughly.
August 7, 2025	1. Establish operational procedures for the preparation and verification of sustainability reports 2. The company's 2024 sustainability report proposal	After consultation by the chairman, all attending directors passed the proposal without objection.

2.03 Board of Directors and Functional Committees

2.03.1 The Board's role and outcomes in sustainable governance

2.03.1.1 The role and supervision of sustainable governance

The Board oversees the promotion of sustainability projects

The Board of Directors is responsible for guiding long-term business strategies and holding supervisory responsibilities. Each year, the Sustainability Development Committee formulates sustainability strategy guidelines based on major issues and the company's business vision, reports them to the Board, and issues relevant policies upon approval.

Each subgroup of the Sustainability Development Committee is responsible for formulating various sustainability project policies, risk assessments, and response measures. The ESG Promotion Team regularly reviews changes in risk and management status, reports on the execution of sustainability projects, and then the management representative compiles information and reports it to the Board of Directors.

Sustainable Reporting Management

The company conducts a material issue assessment every two years and distributes material issue questionnaires to stakeholders to investigate the impact of various ESG issues on governance, environment, and society, analyzing the key issues of the year.

The information required for the sustainability report is provided by each department after review by supervisors, and is assisted by the ESG Promotion Team in integrating and organizing it. After completion, the sustainability report is submitted to the Board of Directors and made public.

2.03.1.2 Supervise performance evaluation of sustainability management

Board performance evaluation

Board members supervise the management team in complying with laws and regulations, enhancing information transparency, and, drawing on their own experiences, provide guidance on major decisions to the management team, preventing the loss of company value due to wrong policies, establishing good ethical integrity, and fulfilling corporate responsibilities to achieve sustainable business and protect shareholder rights. The management team also regularly reports to the board on company operations, development strategies, or other important topics, maintaining smooth and effective communication channels with the board.

Since 2012, we have conducted annual board performance evaluations. Since 2013, we have institutionalized these evaluations, using directors' self-evaluation and peer evaluations, with the results reported to the board each year. In addition to evaluating the performance of the Board of Directors, since fiscal year 2014, the Board has also begun evaluating the performance of the functional committees, the Compensation Committee, and the Audit Committee. The results of the 2025 evaluation will be reported to the Board in March 2026.

2.03.1.3 Ongoing education in sustainable development

Board of Directors Advanced Training

To keep pace with the ongoing updates in domestic laws, corporate governance, and sustainable development concepts, our company not only organizes our own director training courses but also periodically provides diverse courses or seminars organized by external organizations to enhance directors' expertise.

In 2025, the total number of directors' continuing education hours will be 57 hours. For details on each director's further education, please refer to the company's annual report.

2.03.2 Board structure and operations

2.03.2.1 Membership and Diversity

Board of Directors Composition

On June 14, 2024, the company held its 8th Board of Directors re-election at the Shareholders' Meeting. This board of directors has a total of 7 seats (including 4 independent directors), with a term of three years, from June 14, 2024 to June 13, 2027. The board members are composed of directors with diverse and rich experience in industry, academia, and business management, providing management with professional and objective advice to guide the company in achieving good operational performance and making decisions beneficial to shareholders and society. For information on the education and experience of board members and their concurrent positions in other company positions, please refer to the company's annual report or the company website.

2.03.2.2 Operating Conditions

Board of Directors operations

The board of directors meets at least once per quarter. In 2024, the board actually held 8 meetings, with an average attendance rate of 91.22% among all directors in person. To enhance governance levels, this term has 7 directors (4 independent directors), with independent directors accounting for 4/7, and one female director as of January 2025.

2.03.2.3 Nomination and Selection

The Board of Directors conducts regular elections in accordance with the company's articles of association. The director election adopts a candidate nomination system to ensure transparency of election information and effectively implement corporate governance.

2.03.2.4 Profit Hedging

The operation of the Board of Directors is based on the "Board Meeting Rules of Procedure." If a director has concerns about conflicts of interest regarding matters at the meeting, they must explain important matters related to their own interests at the current board meeting. If there is a risk to the company's interests, directors will not participate in discussions or votes, and other directors will not act on their behalf. For execution details, please refer to the "Corporate Governance Operations" section of the company's annual report.

2.03.3 Structure and operation of functional committees

Functional committee

The term of this functional committee is from June 14, 2024, to June 13, 2027. For detailed information on individual members and committee operations, please refer to the company's annual report "Corporate Governance Operations."

1. Remuneration Committee

The Remuneration Committee aims to assist the Board in implementing and evaluating the policies, systems, standards, and structures for the company's directors and executives' compensation. Members of the Remuneration Committee are appointed by the Board of Directors and, in accordance with legal regulations, are composed of independent directors. The Remuneration Committee will hold a total of three meetings in fiscal year 2025, with an average in-person attendance rate of 100% for all members.

The committee's responsibilities, as stipulated by organizational regulations, include the right to hire independent consultants to assist in evaluating managerial compensation, or to invite directors, relevant company department managers, internal auditors, accountants, legal counsel, or other personnel to attend meetings and provide necessary information to assist in performing their duties. All costs incurred shall be borne by the company. For the Remuneration Committee Organizational Regulations, please refer to the company's website. The items for review are as follows:

- Review manager promotions.
- Establish and regularly review policies, systems, standards, and structures for performance evaluation and compensation of directors and managers.
- Regularly evaluate and determine the remuneration of directors and managers.

2. Audit Committee

The Audit Committee aims to assist the Board in fulfilling its supervisory duties and to be responsible for the duties assigned by the Companies Act, Securities and Exchange Act, and other relevant laws. The Audit Committee will hold at least one regular meeting per quarter, with a total of four meetings in fiscal year 2025, and an average in-person attendance rate of 100% for all members.

The committee is responsible for conducting any appropriate audits and investigations as stipulated by organizational regulations, maintaining direct communication channels with internal auditors, certified public accountants, and all employees. It also has the authority to hire or appoint external experts, consultants, lawyers, accountants, or other professionals to conduct necessary audits or provide consultation and assist in performing its duties. All costs arising from such activities shall be borne by the company. The supervision and review matters are as follows:

- Fair presentation of the company's financial statements
- Selection (appointment, dismissal), independence, and performance of certified public accountants
- Effective implementation of internal control systems and company internal controls
- Major asset transactions
- Major loans and endorsements

- Offering and issuing securities
- The company complies with relevant laws and regulations
- Investigation of employee complaints and cases of business violations involving integrity
- Management and control of existing or potential risks within the company, etc

3. Sustainability Committee

The Sustainability Committee is composed of three independent directors and one management representative, and is ensured under the supervision of the committee

Fulfilling our social responsibility mission and striving toward the ultimate goal of sustainable development. In 2025, the Sustainability Committee held two meetings with a 100% attendance rate. The Committee's responsibilities and supervisory matters are described in the chapter on promoting sustainable development mechanisms.

3. Stakeholders and major topics

3.01 Stakeholder Negotiation

Identify stakeholders

"Stakeholder" generally refers to groups or individuals within an organization who influence organizational goals or are influenced by the organization. The company's business development involves multiple stakeholders. To ensure that sustainability reports are accurately focused and effective communication is achieved, LuxNet, based on operational characteristics and referencing the AA1000 Stakeholder Engagement Standard (SES), covers five aspects: Dependency, Responsibility, Tension, and Influence (Influence) and Diverse Perspectives. Through cross-departmental communication, six categories of substantive and potential stakeholders are jointly identified: employees, customers, shareholders/investors, suppliers, government and regulatory authorities, and communities/non-government/non-profit organizations.

The communication mechanisms and issues of concern among each stakeholder are summarized in the table below.

Stakeholders	The importance of CSING Guangxing	Focus on issues	Communication channels, response methods, and communication frequency	Communication achievements	Reported Response chapter
Employees	Employees are one of The company's most important assets, key stakeholders in its ongoing breakthroughs and innovation, and the most crucial foundation for sustainable operations. Through various human rights management policies and welfare policies, we create a happy workplace environment for our employees	Talent Attraction and Retention: Occupational Health and Safety	Labor-management meetings, employee training, employee interviews, health promotion, ad hoc bulletin boards/internal website/email announcements/employee suggestion box/occupational safety and health committee	1. Hold labor-management meetings every three months to establish a rational communication platform between labor and management. 2. Organize employee group support, training, and seminars, emphasizing employees' physical and mental health and learning development. 3. Provide scholarship and financial aid programs for children of Taoyuan City Industrial Association member companies, sign special contracts for Zhongli Industrial Zone United Kindergarten, and develop diverse subsidy channels to benefit employees. 4. Interviews with departing employees, listening to colleagues' opinions, self-reflection, and improvement evaluation. 5. Organize on-site occupational medicine specialist services to enhance employee health care and management, and implement occupational disease prevention. 6. Hold the Occupational Safety and Health Committee quarterly to report on the achievements of occupational safety and health promotion, and have labor representatives participate in promoting safety, health, and environmental issues at workplaces.	Benefits and rights Talent cultivation occupational safety and health
Client	Customers are partners of LUXNET and the main source of economic value creation. We value customer feedback and understand their expectations for products and services through diverse channels	Customer relationship management, hazardous substance management	Irregular business meetings, phone calls, emails, and other methods include regular annual customer audits and business visits	1. Complete the client's supplier self-assessment questionnaire/audit. 2. Complete customer satisfaction surveys, conduct irregular customer visits, and engage in product technical exchanges via phone, video, email, and other means at any time. 3. Complete the GP survey of the customer's finished product part number. 4. Complete RBA certification and obtain Silver qualification.	Products and services Hazardous substance management

Suppliers	Suppliers are a crucial part of The company's sustainable development, providing the materials and services needed for The company's production, maintaining normal operations and sustainable management. We actively collaborate with local suppliers to enhance their development capabilities, reduce carbon emissions, and create local employment opportunities, aiming to generate greater benefits for customers and jointly build a sustainable supply chain	Operate with integrity, financial performance, and manage hazardous substances	Irregular business meetings, phone calls, emails, and other methods, annual supplier on-site audits, and annual business visits	1. Conduct annual supplier evaluations, with two evaluations conducted once a year. 2. Completed the signing of the LuxNet Communication Supplier Code of Conduct and continuously promoted the LuxNet Communication Social and Sustainable Development Responsibility Code through the company website. 3. Complete the material part number GP survey. 4. Conduct RBA supplier document audits and on-site audits.	Responsible suppliers Hazardous substance management

Stakeholders	The importance of CSING Guangxing	Focus on issues	Communication channels, response methods, and communication frequency	Communication achievements	Reported Response chapter
Shareholders/investors	Shareholders and investors are the main sources of funding for LuxNet. Shareholder support is the driving force behind The company's steady growth. We are committed to maintaining good communication with shareholders, creating maximum benefits for shareholders, and transparently disclosing operational and financial information.	Corporate governance	Market Observation Post System, Company website, annual report, Annual shareholders' meetings, board meetings, irregular letters, phone calls, promotional meetings, spokesperson's mailbox	1. Disclose financial information and corporate governance information on the Market Observation Post System and the investor section of the company's website. 2. Hold annual shareholders' meetings to report on operating performance and financial status, and discuss important resolutions. 3. Convene board meetings to discuss and decide on key business strategies and governance-related topics. 4. Cooperate with supervision and audits by the competent authority, maintain good interactions, and share all promotional information. 5. Institutional investor briefing will be held on December 23, 2025.	Corporate Governance and Operations
Government and competent authorities	Compliance with regulatory requirements is a principle at LUXNET. We continuously monitor legal updates and actively cooperate with government policies, communicating periodically with regulatory authorities, hoping to achieve more "above the law" initiatives.	Corporate governance Occupational Health and Safety	Occasionally participate in policy discussion meetings and forums with competent authorities, cooperate with regulatory oversight and audit of irregular official documents, and respond to survey	1. Establish a Corporate Governance Officer responsible for matters related to corporate governance. 2. Participate in briefings on regulatory promotion and national policy topics organized by competent authorities. 3. Implement local government policies for implementing central policies: Chemical raw materials used in processes must be verified for source labeling, bans, stationary pollution sources, and volatile pollutant emission standards, and stricter enforcement of policies. The company must lawfully implement the operation and reporting procedures for control equipment. 4. Regarding the implementation of preventive measures such as supervisory authorities inspecting unlawful infringements during the execution of duties, in addition to education	Corporate Governance and Operations Occupational Health and Safety

			opinions and questionnaires	and training, the company conducts risk management assessments according to law and controls risks based on the assessment results.	
Community/non-government/non-profit organizations	As a corporate citizen, LuxNet strives for business growth while also contributing to society, including educational institutions, social welfare groups, and environmental groups, fulfilling its sustainability responsibilities and exerting social influence.	No special attention issues	Charity and public welfare activities are held irregularly	1. Support various social organizations through material donations, donations, volunteer groups, group purchases, and other means. 2. Organize blood donation events to jointly support blood donation charity, helping others and benefiting oneself. 3. Participate in the Village Safety Box event and donate supplies to those in need.	Social welfare

3.02 Process for Deciding on Major Topics

Materiality Subject Identification Procedure

The company's sustainability report follows the Sustainability Reporting Standards (GRI Standards) published by the Global Sustainability Reporting Association (GRI) in 2021. Based on the company's operational characteristics and sustainability policies, it conducts materiality analysis through five major steps: "collection, identification, ranking of concern, impact assessment, and review and discussion" to identify material topics.

一、List of main focus issues

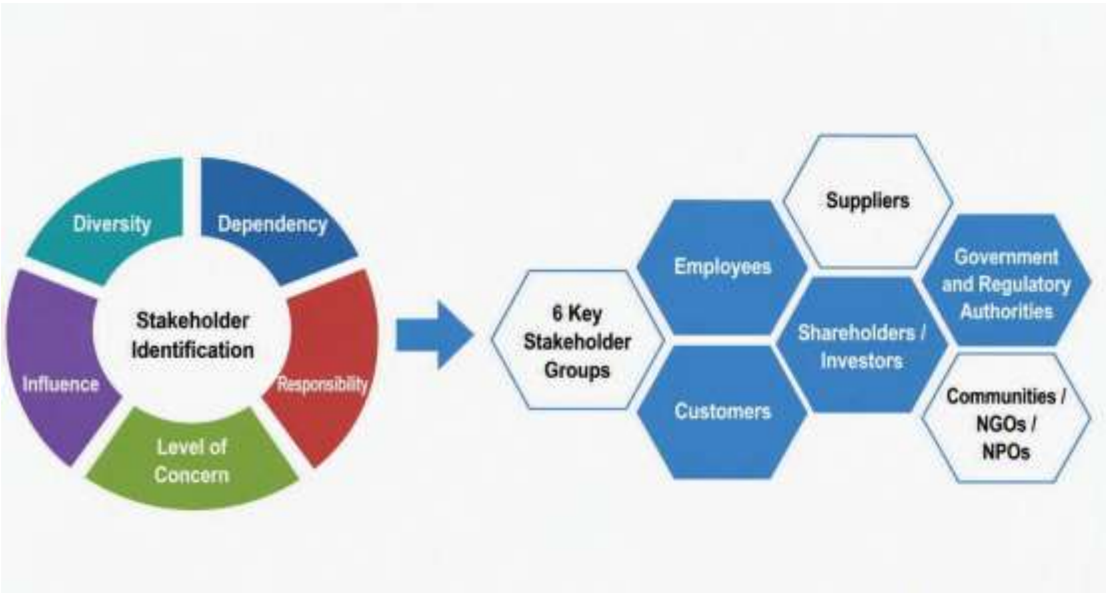
Fifteen key focus topics correspond to ESG aspects

Environmental Dimension	Social Dimension	Governance Dimension
1. Climate Change Adaptation	6. Talent Attraction and Retention	11. Corporate Governance
2. Energy and Greenhouse Gas Management	7. Employee Rights, Diversity and Inclusion ★	12. Business Integrity and Ethics
3. Water Resource Management	8. Employee Consultation and Training	13. Operational and Financial Performance ★
4. Waste Management ★	9. Occupational Health and Safety ★	14. Customer Relationship Management
5. Hazardous Substance Management ★	10. Social Engagement	15. Sustainable Supply Chain Management ★

★ Material Topics (Key Sustainability Topics)

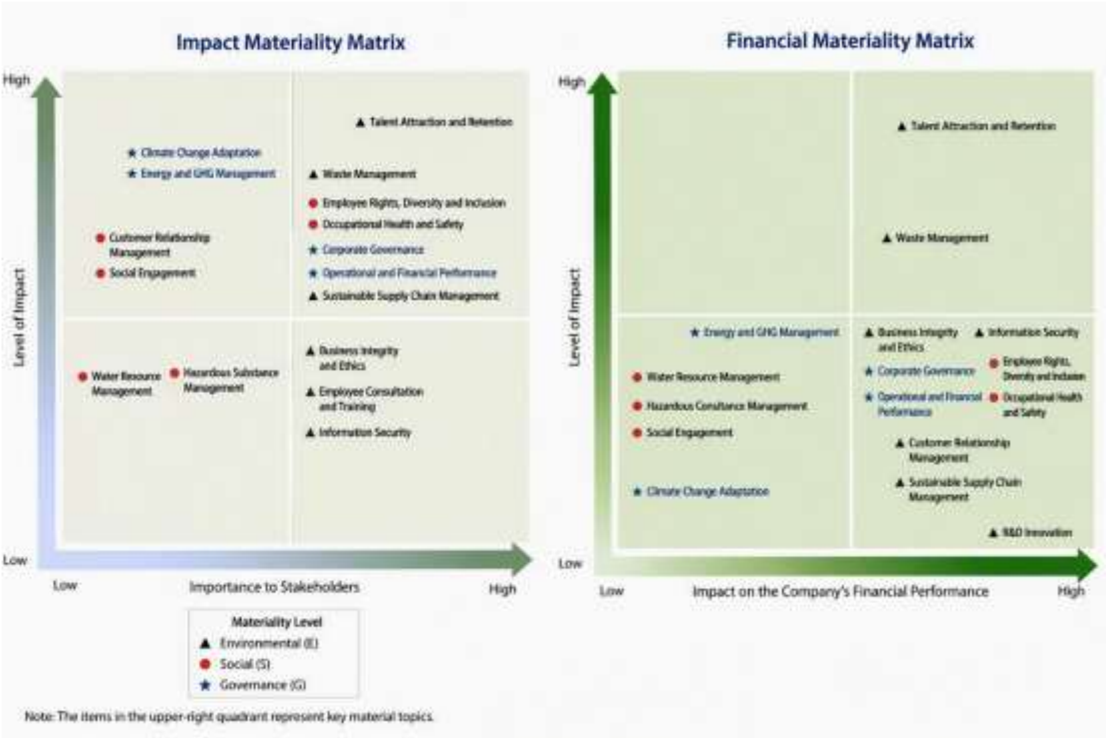
二、Stakeholder identification

"Stakeholder" generally refers to groups or individuals within an organization who influence organizational goals or are influenced by the organization. The company’s business development involves multiple stakeholders. To ensure that sustainability reports are accurately focused and effective communication is achieved, LuxNet, based on operational characteristics and referencing the AA1000 Stakeholder Engagement Standard (SES), covers five aspects: Dependency, Responsibility, Tension, and Influence (Influence) and Diverse Perspectives. Through cross-departmental communication, six categories of substantive and potential stakeholders are jointly identified: employees, customers, shareholders/investors, suppliers, government and regulatory authorities, and communities/non-government/non-profit organizations.



三、Positive and negative influence matrix

The company’s ESG Promotion Team conducts comprehensive assessments based on the positive and negative impacts and likelihood of sustainability issues on governance, environment, and society, and generates a matrix of material issues.



四、Identify major topics

LUXNET ranked sustainability issues by "degree of positive and negative impact" and "likelihood of occurrence," incorporating "stakeholder concern." Based on statistical results, meetings were held to discuss six major themes, including hazardous substance management, waste management, sustainable supply chain management, and occupational health and safety as high-impact positive impacts. Considering issues of higher stakeholder concern, employee rights, diversity and equality, and operational financial performance were also included. Defined as the major themes for 2024 and 2025. LuxNet conducted its first major topic analysis in 2024, with plans to do so every two years.

3.03 Main Topic List

Main topic list

LuxNet identified six major topics covering governance, environment, and society, explaining the impact on stakeholders across the organization's internal and external value chains.

● Direct impact
○ Indirect impact - Unrelated

ESG perspective	Major issues of concern	GRI corresponds to the topic	Section or omitted notes from the report	Page number	Value chain					
					Shareholders/ Investors	Employees	Upstream Suppliers	Downstream Client	Government and competent authorities	Community / Non-government/non-profit organizations
Governance aspects	Operating financial performance	GRI Specific Topics - Economy GRI 201: Economic Performance GRI 207: Taxation	Regarding the Company's operating performance	5、13 38~40	●	●	●	●	○	○
	Sustainable supply chain management	GRI Specific Topics - Economic/Environmental/Social GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment	Responsible suppliers	48~52	○	○	●	●	○	○
Environmental aspects	Waste management	GRI Specific Topic - Environment GRI 306: Waste	Waste management	73~74	○	●	○	○	●	○
	Hazardous substance management	Custom agenda	Hazardous substance management	75	○	●	●	●	●	○
On the social level	Employee Rights and Diversity and Equality	GRI Specific Topics - Society GRI 405: Employee Diversity and Equality Relations GRI 406: Non-Discrimination GRI 407: Freedom of Association and Collective Bargaining GRI 408: Child Labor GRI 409: Forced or Compulsory Labor GRI 411: Indigenous Rights	Human resource development	53~61	○	●	-	○	●	○

	Occupational Health and Safety	GRI Specific Topic - Social GRI 403: Occupational Safety and Health	Occupational safety and hygiene	62~66	-	●	-	○	○	○

3.04 Management of Material Topics

Goal setting and performance execution

Based on the impact nature of each major theme, the company has dedicated units responsible for tracking the effectiveness of policy and strategy execution, setting indicator targets, and reviewing performance. Below, the implementation status is explained according to each major theme.

Category	Theme	Strategy/management policy	2025 Targets and Implementation Plan	Implementation status in 2025	2026 Goals and Implementation Plan	2027~2030 Goals and Implementation Plan
Economic issues	01. Corporate governance	Comply with all relevant laws and regulations and enhance corporate governance to protect shareholder rights.	Improve the functions of the board of directors to ensure the normal operation of all functional committees Continuously plan the scoring items for corporate governance evaluations	In January 2025, a female director was planned	Improve the functions of the board of directors to ensure the normal operation of all functional committees Continuously plan the scoring items for corporate governance evaluations	Improve the functions of the board of directors to ensure the normal operation of all functional committees Continuously plan the scoring items for corporate governance evaluations Comply with relevant domestic and international regulations, with no major violations
	02. Operate with integrity	Continuously promote ethical standards and implement integrity and ethical conduct for all employees.	Implement integrity in business practices and continue to conduct educational and training courses	Internal training totaled 604 participants, totaling 604 hours. The RBA continues to operate	Implement integrity in business practices and continue to conduct educational and training courses	No unethical or dishonest incidents occurred internally. We continuously communicate "ethical

			Follow RBA guidelines		Follow RBA guidelines	integrity" throughout the supply chain, requiring counterparties to conduct business activities in accordance with our company's standards
	03. Operating and Financial Performance (Material Topics)	Pursuing growth and profitability is fundamental to business operations; only by improving overall operational efficiency can long-term stable business performance be created.	Maintain a sound and flexible financial system to pursue revenue and profit growth.	As of 2026, revenue grew by 27.06%, pre-tax net profit increased by 43.32% year-on-year, and EBITDA increased by 38.51% year-on-year	Maintain a sound and flexible financial system to pursue revenue and profit growth.	Continued profitability, maintaining strong operational performance.
	04. Customer relationship management	Centered on customer needs, we focus on enhancing the quality customer experience, creating business opportunities together with our clients, and growing together.	Maintain close connections with customers, develop business opportunities, and provide customers with the products and production capacity they need.	Received several new client development projects	Maintain close connections with customers, develop business opportunities, and provide customers with the products and production capacity they need.	Maintain close connections with customers, develop business opportunities, and provide customers with the products and production capacity they need.
	05. Sustainable	Promoting sustainable development to	Supplier Code of Conduct Signing Rate	By 2025, new suppliers will	Supplier Code of Conduct Signing Rate	Supplier Code of Conduct

	Supply Chain Management (Major Topic)	partners, from commitments to practical implementation, jointly advancing sustainable management and growth. Strengthen supplier social responsibility commitments and continuously conduct RBA risk control spot checks to ensure the implementation of risk control mechanisms.	Reaches 90% Risk control spot checks on RBA for three suppliers One supplier, RBA, conducted an on-site audit	establish a code of conduct with 90% signed signs An RBA audit checklist has been planned, with a random supplier inspection completed in the second half of the year and an on-site audit conducted	Achieves 100% Risk control spot checks on RBA for three suppliers One supplier, RBA, conducted an on-site audit	Signing Rate Reaches 95% Risk control spot checks on RBA for three suppliers 2.1 On-site audit by supplier RBA
Environmental issues	01 Climate Change Response	Environmental changes caused by climate change, such as rising temperatures and extreme weather events, may impact operational activities such as resource acquisition and business activities, thereby impacting the	Enhance the content of TCFD reports on governance, strategy, risk management, indicators, and objectives	To address environmental and safety issues related to climate change, risk assessments are conducted every November. If classified as a major risk, it is included in the Safety and Health Committee	Enhance the content of TCFD reports on governance, strategy, risk management, indicators, and objectives	The 2030 reduction target is 10% lower than in 2021.

		company's finances and employee health and safety.		discussion		
	02 Energy and Greenhouse Gas Management	Continue to conduct voluntary greenhouse gas inventories and establish internal baselines to facilitate subsequent reduction management.	Continue to carry out ISO 14064-1 greenhouse gas inventory activities. Energy consumption savings have consistently exceeded 1%.	Continue to carry out ISO 14064-1 greenhouse gas inventory activities. Verification was completed in October, and the certificate was obtained in December Replacing with high-efficiency air compressors in the factory saves 362927 degrees of electricity	Continue to carry out ISO 14064-1 greenhouse gas inventory activities. Energy consumption savings have consistently exceeded 1%.	1. Apply for the SBTi program and pass the review
	03. Water resource management	1. Pure process water recycling and reuse 2. Properly diversion and collection and treatment of process wastewater sources to reduce or remove pollutant emissions, meeting regulatory	Water resources are recycled and reused, with an annual recovery rate exceeding 10%.	RO Recycling and Reuse statistics show that as of 12/31, the total amount of recycled water was 17,022 metric tons, with a recovery rate of 23%.	Water resources are recycled and reused, with an annual recovery rate exceeding 10%.	Continuous water recycling and reuse, with annual recycling rates exceeding 15%.

		standards.				
	04 Waste management (Major Topics)	Environmental changes caused by climate change, such as rising temperatures and extreme weather events, may impact operational activities such as resource acquisition and business activities, thereby impacting the company's finances and employee health and safety.	Packaging Material Recycling: The total amount of packaging materials collected for recycling was 1,380.86 kg, with a recycling and reuse rate of 75%. Organic Solvent Recycling: The total consumption of organic solvents was 19,200 kg. A total of 4,676 kg of isopropyl alcohol (IPA) and acetone was recovered, reducing consumption by approximately 24%.	Total amount of packaging material recycled: 10,465.86 KG 4,676 kilograms of organic solvents were recovered (for isopropanol and acetone).	Annual recycling of packaging plastics is increased by 5,000 kilograms Increase the utilization rate of waste solvent resources by 5,000 kilograms annually	Packaging material resource recycling and recycling exceed 30%.
	05 Hazardous substance management (Major Topics)	By complying with relevant regulations and customers' restricted substance regulations, we ultimately reduce the impact of hazardous substances on employee health and	The products are 100% compliant with EU RoHS 2.0 and REACH SVHC list requirements. 100% coverage rate for XRF sampling of high-risk materials	All are strictly enforced in accordance with laws and regulations	The products are 100% compliant with EU RoHS 2.0 and REACH SVHC list requirements. 100% coverage rate for XRF sampling of high-risk materials	1. Strictly comply with regulations, internal control systems, and customer specifications 2. List and management of restricted hazardous substances or environmental restricted

		the environment, advancing toward the goal of "zero harm and zero pollution."				substances 3. Specific suppliers of conflict minerals: 100% response rate for investigations, ensuring no illegal conflict minerals are used
Social issues	01 Talent Attraction and Retention	Based on the principle of 'hiring people according to the right talent,' we provide fair and suitable job opportunities to applicants and employees. 2. Review overall compensation annually to attract external talent and retain outstanding employees.	Establish diversified recruitment channels: increase campus recruitment activities and government agencies to attract talent from multiple sources. 2. Continue to promote exit interview mechanisms and employee satisfaction surveys, establish communication and feedback mechanisms, and increase employee participation.	Continue to participate in various recruitment channels, add disability project recruitment and R&D alternative service briefings, and seek suitable talent from various sources. Each departing employee is interviewed, which helps establish two-way communication feedback and serves as a reference for internal improvement	Participate in various recruitment channels, including disability project recruitment, migrant worker plug-in projects, and R&D alternative service briefings, seeking suitable talent from multiple sources. 2. Each departing employee will be interviewed, which helps establish two-way communication and feedback, and serves as a reference for internal improvement analysis. 3. Participate in external	1. Develop campus recruitment channels: job fairs, industry-partnership collaborations, industry-academia collaborations, etc. 2. Strengthen digital recruitment channels and optimize recruitment processes to attract talent from multiple sources. 2. Continue to promote exit interview mechanisms and employee satisfaction surveys, establish communication and feedback mechanisms, and increase employee

				analysis.	salary surveys and structural adjustments.	participation. 1. 3. The compensation system is aligned with the market, balancing internal fairness with external competitiveness, and linking performance and reward mechanisms.
	02 Employee Rights and Diversity and Equality (Major Topics)	1. Promote gender equality and strive to build a diverse, equal, and inclusive workplace 2. Create a friendly environment for positive communication, establish comprehensive labor-management communication channels, listen to employees' voices, and help them achieve a proper	1. Committed to building a friendly work environment with zero discrimination and no harassment, arranging at least one annual seminar on gender equality in the friendly workplace. 2. Employee complaint cases must be handled 90% within one month, fostering a friendly workplace of listening and care.	In July, two in-person workplace unlawful assault courses were held to promote the prohibition of workplace bullying and its prevention, and to provide employee complaint channels to create a friendly workplace environment. As of the end of June, there was one complaint case handled within one month, with a 100%	Practice the spirit of Diversity, Equity, and Inclusion (DEI) to create a safe, respectful, and inclusive work environment. 2. Committed to building a friendly work environment with zero discrimination and zero harassment, arranging at least one annual seminar on topics related to gender equality in the friendly workplace. 3. Employee complaint	1. Practice the spirit of Diversity, Equity, and Inclusion (DEI) to create a safe, respectful, and inclusive work environment. 1. 2. Comprehensive labor-management communication channels; employee complaints are handled 100% within a month, strengthening employee care and fostering a friendly workplace.

	balance between workplace and family. 3. Implement anti-discrimination and anti-harassment policies 4. Ensure that employment conditions or salary differences are not affected by gender, race, religion, political stance, marital status, or physical or mental disabilities		completion rate.	cases must be handled 100% within one month, fostering a friendly workplace of listening and care.	
03 Employee development and training	1. Strengthen talent cultivation and development to ensure sustainable innovation and organizational growth energy, invest in various learning resources, and develop a comprehensive education and	1. Committed to investing in various learning resources to develop a comprehensive education and training system, with employees receiving more than 5 hours of annual training. 2. For professional talent development, internal instructors	1. Continuously surveying and training vendors to learn resources and strengthen talent development, with employees achieving annual training hours of over 5 hours.	1. Strengthen talent sustainability strategies through diverse learning resource development, with employees averaging over 10 hours of annual training hours. 2. Internal lecturers share and invite experts from industry and academia to hold lectures, promoting the	Strengthen talent cultivation and development, ensure sustainable innovation and organizational growth energy, and are committed to investing in various learning resources to develop a comprehensive education and training system 2.

	training system. 2. Implement a performance appraisal system to improve overall company performance.	share R&D expertise and invite academic professors or experts from various fields to hold course lectures, enabling employees to gain more expertise in new technologies and practical experience.	In April, we held a professional course training for engineers and above, and held two management seminars by experts from various fields, enabling colleagues to acquire more new professional skills and knowledge.	transmission of internal knowledge and experience, connecting external trends and technical sharing, and developing employees' professional competencies.	
04 Occupational Health and Safety (Major Topics)	1. Taking the protection of all employees' lives as the highest management principle, establish and maintain a safe, comfortable, and healthy working environment, and regularly provide safety and health education to employees. 2. Continuously establish and maintain a safe,	1. Conduct annual hazard identification and risk assessments at the plant. 2. Strengthen general training on employee hazards. Continuously passing the Occupational Safety and Health Management System ISO 45001 certification to enhance corporate safety and health culture.	■ The 2025 Risk/Opportunity Assessment covers 597 items, with no major risk matters. ■ Conducted on-the-job education and training on hazard knowledge, totaling 4 sessions. ■ Conducted an external audit for ISO 45001:2018 on 2025/6/26-27 and obtained certification.	1. Conduct annual hazard identification and risk assessments at the plant. 2. Strengthen general training on employee hazards. Continuously passing the Occupational Safety and Health Management System ISO 45001 certification to enhance corporate safety and health culture.	Continuously maintain ISO45001 management systems and pass RBA verification

		comfortable, healthy, and hygienic work environment through effective management systems.				
	05 Social Participation	Friendly neighbors Helping the disadvantaged Learn from nature	Collaborate extensively with communities, public welfare organizations, and others	The Sheltered Workshop and the Leya Rice Sheltered Workshop were held at four public welfare exhibitions and sales. and continue to participate in the village chief's safe box event.	Collaborate extensively with communities, public welfare organizations, and others	Collaborate extensively with communities, public welfare organizations, and others

4. Governance aspects

4.01 Operational Performance

Results of business plan implementation

The company's operating revenue for 2025 is NT$4.385 billion, an increase of 27.06% compared to NT$3.451 billion in 2024; Net profit after tax for fiscal year 2025 is NT$764 million, with basic after-tax earnings per share of NT$5.43.

Financial income and expenditure profitability

In 2025, cash inflow from operating activities is NT$680 million, cash outflow from investing activities is NT$1.05 billion, and cash outflow from financing activities is NT$220 million. Net cash outflow for the period is NT$580 million, with ending cash at NT$2.54 billion, and a debt ratio of 25%. ; In fiscal year 2025, continued revenue growth in North America and increased contributions from other products led to lean management and product portfolio optimization, driving profit growth.

Research and development

In fiscal year 2025, the company's R&D investment reached NT$640.22 million, a 32.85% increase compared to NT$481.9 million in 2024. With the rapid development of artificial intelligence (AI) applications, market demand for advanced manufacturing technologies and high-end service solutions continues to rise. Our company actively seizes industry trends and market opportunities, continuously increasing investment in R&D, resulting in a significant increase in R&D expenses this year compared to the previous year.

4.02 Financial Performance

We continue to strive to enable all shareholders, employees, and customers to share in the profits as soon as possible. In 2025, individual revenue and net profit after tax are expected to be NT$4,384,846 thousand and NT$764,245 thousand, respectively. For detailed operating financial performance, please refer to the Company's individual financial report on the Market Observation Post System.

LuxNet's individual financial performance/direct economic value generated in 2025

Unit: NT$ thousands

Project	2025	2024
Operating revenue	4,384,846	3,451,043
Operating gross profit	920,639	631,788
Income tax expenses	13,946	10,596
Net profit after tax	764,245	533,253
Earnings per share	5.43	3.79
Dividend per share	2.18	1.54463283
Return on equity for shareholders	??	16.58%
Total assets	5,328,738	4,745,166
Total liabilities	1,349,379	1,347,043
Total equity	3,979,359	3,398,123

In 2025, LuxNet Communications will allocate direct economic value

Unit: NT$ thousands

item	2025	2024
Operating costs	3,464,207	2,819,255
Employee salaries and benefits	461,757	347,989
Payment to the investor	Interest: 18,959 Dividend: 307,503	Interest: 1,593 Dividend: 217,546
Countries pay government funds	13,946	-
Community investment	29	14

4.03 Operate with integrity

4.03.1 Integrity in business philosophy, policies, and codes of conduct

Management discipline

To strengthen corporate governance, the company has formulated an integrity management policy approved by the Board of Directors, clearly outlining the policy and practices in its regulations and external documents, as well as the commitment of the Board and senior management to actively implement these policies.

All 21 directors, managers, and senior executives of the company have signed the "Declaration on Adherence to Integrity Management Policy," with a 100% signing rate. The declaration will strictly comply with the "Code of Integrity for Listed and OTC Companies" issued by Taiwan Stock Exchange Corporation, the "Code of Integrity for Integrity" and the "Integrity Operation Procedures and Conduct Guidelines" formulated by LUXNET Corportion, and related integrity management policies. Based on the principles of integrity, transparency, and responsibility, we aim to establish sound corporate governance and risk control mechanisms. to create a sustainable business environment. Camp

Corporate Governance Code of Practice

Establish a corporate governance framework to safeguard the rights and interests of shareholders, investors, employees, and the general public, while strengthening management functions, respecting stakeholders' interests, and enhancing information transparency.

Code of Integrity in Business Conduct

The Board of Directors fulfills the duty of care of a prudent manager, establishes sound business models, urges the company to prevent dishonest conduct, reviews its implementation effectiveness, and continuously improves to ensure the implementation of the integrity management policy.

Code of Ethical Conduct

Promote the conduct of directors, managers, and other employees to meet ethical standards, prevent conflicts of interest, and avoid opportunities for personal gain, thereby protecting company assets and ensuring stakeholders and shareholders understand the company's ethical standards.

Code of Integrity Management and Procedures and Guidelines for Integrity Management

To implement the policy of integrity management and actively prevent dishonest behavior, specific regulations are set for company personnel to pay attention to when performing their duties.

Implementation and reporting

Our company adopts a zero-tolerance policy against all forms of bribery, corruption, extortion, and embezzlement, upholds the highest standards of integrity in business operations, strengthens internal control mechanisms, ensures honesty and trustworthiness, and upholds the core philosophy of lawfulness, integrity, and quality service. We guide company managers and related stakeholders (such as customers, suppliers, etc.) to act according to the law, act with integrity, establish a good corporate image, and conduct legitimate business activities. We have specially established the "Business Ethics Management Operating Procedures." Before engaging in transactions with suppliers, provide suppliers with the "LUXNET Supplier Code of Conduct," timely explain the company's integrity management policies and related regulations, and sign the "Supplier Social and Sustainable Development Responsibility Commitment Letter."

Every new employee must complete "Employee Awareness Training," covering business ethics and ethical business practices. Current employees also undergo annual "Employee Awareness Training" to ensure everyone is familiar with and aware of ethical business practices. If there are changes to relevant laws or ethical standards, training for management staff is arranged to keep management informed of the latest regulations and aware of proper future management.

- Annual courses related to integrity management are held regularly, along with training for directors, managers, and employees.
- Regularly report to the Board of Directors once a year on the status of integrity operations and execution. The 2025 report was completed by the Board of Directors on March 5, 2026.
- On 2025/12/18, we held an internal training session for the "Online Legal Education and Training Course," totaling 604 participants and 604 hours.
- From January to December 2025, the reporting and appeal channels did not receive any internal or external reports or legal cases related to the Company's integrity management violations, nor were any violations of the Code of Integrity found involving insider trading, anti-competitive behavior, monopoly or market manipulation, or unethical or dishonest conduct.
- No corruption cases in 2025.

Our company has established the "Whistleblower and Complaint Management Measures," which are publicly disclosed on the company website and announced to all employees. These regulations clearly define reporting channels and reward measures, assigning appropriate dedicated personnel for handling reported cases.

The "Whistleblowing and Complaint Management Measures" clearly define the standard operating procedures for investigating whistleblowing matters, follow-up measures after investigation, and principles of confidentiality of whistleblower data. It provides anonymous reporting measures that do not disclose complainant information during handling, protecting whistleblowers from any form of retaliation or improper treatment.

4.05 Risk Management

4.05.1 Enterprise Risk Management

The Board of Directors is the highest authority in the company's risk management, aiming to promote and implement overall risk management in compliance with laws and regulations, clearly understand the risks faced in operations, ensure the effectiveness of risk management, and bear ultimate responsibility for risk management. We have established the "Risk Management Measures" and the "Social and Sustainable Development Responsibility Risk Management Operating Procedures," setting risk management policies or strategies to assess and manage risks that may threaten company operations, environment, society, and corporate governance issues, ensuring effective risk control through regular monitoring.

4.05.2 Regulatory Compliance

Our internal audit regulations clearly define the scope of internal audit to include all related operations of the company. Audit work is mainly carried out based on the audit plan approved by the board of directors. Additional project audits are conducted as needed, and audit results and improvement recommendations are promptly provided to management to understand existing deficiencies or potential risks, ensuring the continuous and effective implementation of the internal control system.

Our internal audit is an independent unit directly subordinate to the Board of Directors. This unit is legally assigned full-time auditors to assist the Board in fulfilling its supervisory and audit responsibilities.

The audit unit conducts monthly plans and execution audits, reporting the audit implementation status to the Audit Committee and the Board of Directors. Additionally, during internal audits, each unit is urged to conduct self-inspections, establishing a self-supervision mechanism for the company, reviewing and consolidating the results of self-inspection, and reporting them to the General Manager, Chairman, and Board of Directors, thereby upholding the spirit of corporate governance.

4.06 Information Security and Customer Privacy Protection

4.06.1 Information Security Management

As internet technology continues to advance, the security threats facing information systems are also increasing. In recent years, cybersecurity incidents such as ransomware, phishing attacks, brute-force attacks, and system vulnerabilities have occurred frequently, showing that companies cannot completely avoid targeted external attacks. Therefore, our company has actively implemented comprehensive information security management strategies and frameworks, planning relevant policies and operational procedures to reduce operational risks and ensure sustainable business operations.

Information Security Organizational Structure

(1) Dedicated unit

The dedicated unit for information security is the Information Department, staffed with one supervisor and one senior IT engineer, responsible for planning, executing, and promoting various information security management matters, and strengthening cybersecurity awareness among all employees.

(2) Supervisory units

Internal audits of information security are conducted by the audit office, while external audits are conducted by accountants. Through regular audits and follow-up improvements, the effectiveness of various cybersecurity measures is ensured.

(3) Management unit

The Information Department regularly submits written reports to the General Manager each quarter, detailing the previous quarter's information security governance and implementation, serving as a reference for management decisions.

Information Security Policy

- Enhance overall cybersecurity awareness, establish a secure information environment, and protect the company's intellectual property and operational interests.
- Ensuring the confidentiality, integrity, and availability of information to improve operational efficiency and service quality.
- Emphasizing full participation in information security, viewing cybersecurity as a shared responsibility.
- The Information Department established an Information Security Promotion Task Force to integrate internal resources and enhance consensus and execution in information security.

Investment in information security resources

Our company continuously invests resources in the following areas to implement information security:

Category	Resource investment
Hardware	Firewall, email antivirus, spam filtering, intrusion detection systems

equipment	
Software system	Backup management, endpoint protection, multi-factor authentication, data leakage prevention
Telecom services	Multiple redundant lines and DDoS protection mechanisms
Human resources	One Information Security Supervisor and one Information Security Officer
Routine work	Daily system checks, weekly backups, quarterly advocacy, and annual drills

Information security management measures

(1) Management System:

Formulate information security management regulations, including:

- Information Security Control Procedures
- Account Management Operation Guidelines
- Information backup off-site save record table
- Backup management and offsite backup plans
- System recovery and disaster recovery drills
- Software Installation and Update Management Regulations

(2) Implementation effectiveness

It has obtained ISO/IEC 27001 Information Security Management System (ISMS) certification and continues to implement management and improvement operations in accordance with standard requirements.

Information security technical measures

- It features a multi-layer firewall architecture and adopts a high availability (HA) redundancy mechanism to restrict unauthorized external access and ensure the continuous operation of security devices.
- Establish endpoint protection systems, antivirus mechanisms, and multi-factor authentication.
- Regularly perform vulnerability scans and vulnerability patches.
- Conduct compliance checks to ensure that IT equipment meets regulatory and internal safety standards.
- Perform encrypted data backups (local and off-site) to ensure data integrity.

- Implement data leakage prevention mechanisms and access record analysis and reporting systems.

4.06.2 Customer Privacy Protection

- Clear regulations on personnel entry and exit control and confidentiality obligations are established.
- Confidentiality agreements are signed with customers and suppliers to ensure data protection.
- In 2025, there were no incidents of customer privacy violations or any confidential information leaks.

Upholding the belief that cybersecurity is the lifeline of the enterprise, our company continuously strengthens our information security management systems and protection mechanisms to ensure the security of all operational systems and confidential data, and is committed to maintaining the shared trust and interests of the company, customers, and suppliers. Looking ahead, we will continue to invest in and enhance cybersecurity measures to meet the challenges of the rapidly changing digital environment.

4.07 Participate in various club organizations

The association participated

We actively participate in industry associations and associations. We continue to participate in associations with organizations such as the Zhongli Industrial Park Service Center of the Industrial Development Bureau of the Ministry of Economic Affairs and the Taoyuan City Industrial Association, obtaining government announcements, training, and industry information. We continuously monitor changes in related industry developments and collect relevant market information to grasp market trends.

Item number	Public associations	Eligibility for participation
1	Taiwan Photonics and Compound Semiconductor Industry Association (TOSIA)	Member
2	Zhongli Industrial Park Service Center, Ministry of Economic Affairs	Member
3	Taoyuan City Industrial Association	Member

4.08 Product and Service Management

In the optical communication industry, the main product categories are generally divided into: raw materials (optical fibers, optical cables), components (active optoelectronic components, optoelectronic passive components), and optical communication equipment.

LUXNET focuses on research and development of manufacturing engineering technologies for active optical communication components using gallium arsenide (GaAs) and indium phosphide (InP) as raw materials, including: chip design and manufacturing, metal socket optical sub-module packaging (TO-CAN), optical sub-assembly (OSA), and bidirectional optical sub-assembly (BOSA).), providing OEM services for optical communication transceiver modules, designing and producing active optical components, submodules, and transceiver modules for customers, and selling our products to communication equipment manufacturers.

The industry value chain is as follows:

4.08.1 Sales Region

Table of sales destinations for major products in 2025

By region		2025		2024	
		Amount	%	Amount	%
Domestic sales		473,951	10.81	151,598	4.39
Exit	Asia (Mainly China/Japan/Korea)	65,091	1.48	85,715	2.48
	United States (Mainly the United States/Canada)	3,813,144	86.96	3,186,800	92.34
	Others	32,660	0.75	26,930	0.79
In total		4,384,846	100	3,451,043	100

Source: Financial reports audited and certified by accountants for 2023 and 2024.

4.08.2 Customer Satisfaction

Customer satisfaction is a crucial basis for our continuous improvement of products and services. To understand customers' overall perceptions of product delivery times, quality, and service, we conduct annual customer satisfaction surveys targeting major business clients and submit analysis reports during management review meetings. Relevant departments identify the causes of customer dissatisfaction, propose improvement plans, and report the results to customers. Through two-way interaction, we continuously improve to achieve customer satisfaction.

2023~2025 Customer Satisfaction Survey Results

item	2025	2024	2023
Customer complaint	20	18	19
Service	40	42	41
Returns	30	30	30
Overall satisfaction	90	90	90

Note: Overall satisfaction is calculated out of a total of 100 points, with customer complaints scoring out of 20 points,

Service scores 50 points, returns 30 points.

Protect and respect clients' intellectual property rights

To protect business information and customer privacy, we have established employee codes of ethics and information security management procedures to prevent unauthorized access or improper disclosure that could infringe on customer privacy and rights. Through advocacy, management reviews, internal audits, and other methods, we require all our colleagues to strictly comply. In 2025, we have no complaints of privacy violations or loss of customer data.

4.09 Responsible Suppliers

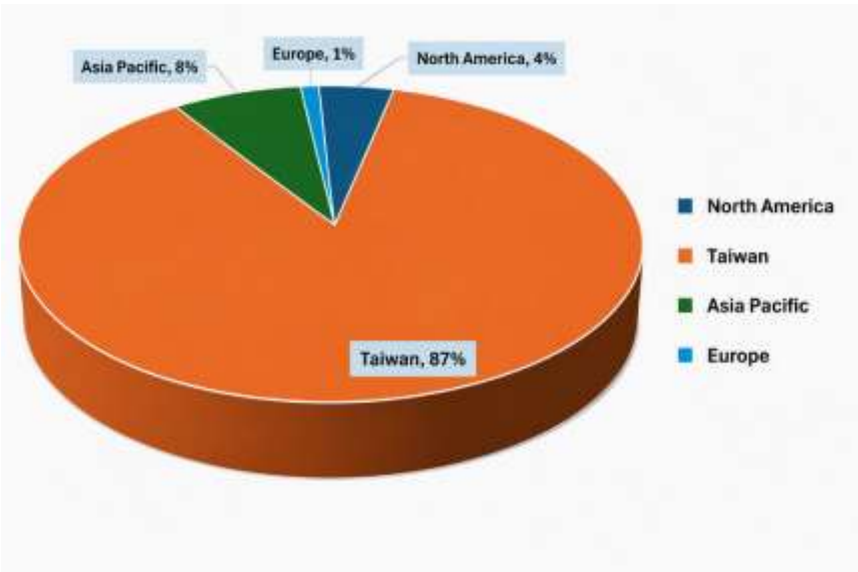
The company's supply chain management has established a comprehensive risk management mechanism for critical materials to address challenges such as supply disruptions, price fluctuations, and compliance risks. Through critical assessments, diversified supply sources, research and development of alternative materials, proper inventory and procurement strategies, and continuous monitoring of regulatory and market changes, companies effectively reduce reliance on specific materials, enhance operational stability and supply chain resilience, and ensure sustainable development and market competitiveness.

We commit to adopting policies and conducting due diligence on the sources and supply chains of tantalum, tin, tungsten, gold, and cobalt in the products we manufacture, to reasonably ensure their sources are consistent with the OECD guidelines for responsible supply chains for ores from conflict-affected and high-risk areas, or equivalent and recognized due diligence frameworks.

Supply chain types and overview

Our supply chain is divided into four major types. Mainly includes direct/indirect raw materials, equipment spare parts, consumables, and expenses. In terms of procurement strategy, local suppliers are prioritized. By 2025, there will be a total of 422 partner suppliers, with Taiwanese sourcing accounting for 12.87% of purchase amounts; In terms of the number of manufacturers, local Taiwanese companies account for 87%.

Supplier Distribution Regions (by Number of Suppliers)



Supplier audits and management

To enhance supply chain competitiveness and comply with customers' requirements for the Responsible Business Alliance (RBA), in addition to self-requirements, suppliers have been encouraged since 2019 to encourage major raw material suppliers to sign the "Corporate Social Responsibility Commitment Letter" to comply with the RBA regulations. In 2020, RBA audits were incorporated into supplier management. By 2025, a total of 276 suppliers have signed the "Corporate Social Responsibility Commitment," with plans to complete 330 suppliers by 2026 to enhance the sustainability of the entire supply chain.

Supplier evaluations are conducted regularly

Based on the supplier management operating procedures, we conduct supplier evaluations twice a year. Procurement, quality assurance, and engineering conduct comprehensive evaluations of the top 30 raw material suppliers or key suppliers to ensure continuous improvement in quality, cost, and technology.

Based on the evaluation results, suppliers are required to propose improvement measures and an annual on-site audit plan is arranged. Suppliers rated A or above in all four consecutive assessments may be exempted from assessment the following year. If necessary, we conduct on-site audits from time to time for suppliers who violate regulations or have quality issues. Those who fail are required to make improvements within a specified period and must submit corrective and preventive measures. If improvements are not achieved, cooperation will be terminated depending on the situation.

The annual audit schedule for suppliers in 2025 includes QDA, QSA, and QPA. Social responsibility and occupational safety management (CSR) are included in Quality System Audits (QSA).

In 2025, 40 suppliers will be sampled and audited, with only one rated as C-level and already undergoing guidance for improvement.

We will continue to communicate company policies and work closely with suppliers to strengthen supply chain management.

Supplier Evaluation Rating Table

Total score	Grading	Content
85~100	A	Passed the review and was listed as an excellent vendor
70~84	B	After passing the review, cooperation is possible
60~69	C	If the review is not passed, guidance and improvement are available
Below 60	D	will not be accepted, and will continue counseling or be suspended

New supplier evaluation

Based on raw material procurement needs, a new supplier survey is proposed. The main members include procurement, quality, and R&D departments to review the new supplier's operational status, production capacity, quality systems, R&D and manufacturing capabilities, labor rights, and other aspects. Qualified suppliers must sign the "Commitment Letter for Excluding Restricted Substances Commitment" and the "Supplier Corporate Social Responsibility Commitment Letter."

Major changes in suppliers

In 2021, due to Covid-19 affecting raw material shortages or longer delivery times, we avoided shortages and increased "safety stock." After the pandemic eased in 2023 and lead times shortened, we took this opportunity to adjust our supply chain procurement strategy, flexibly adjusting order cycles to reduce inventory "quantity" and increase inventory turnover. With demand expected to increase in 2025, continue the "safety stock" strategy, continuously track inventory levels, and avoid the risk of material shortages.

5. Social Dimension

5.01 Human Resource Development

5.01.1 Human Rights Management

Employee rights

In accordance with The company’s "Social and Sustainable Development Responsibility Policy and Commitments," the "International Human Rights Convention," the "Code of Conduct for Responsible Business Alliances," and local regulations, we establish and implement management systems and procedures for related employees. We strictly comply with labor laws at our operating locations, implement "human rights policies," and strictly prohibit all forms of forced labor. We never force or coerce any unwilling personnel to perform labor.

Our People Promise

1. We provide a healthy and safe work environment. We prohibit any form of discrimination or harassment, ensuring that all employees are treated with dignity and respect, regardless of age, gender, ethnic group, place of origin, religion, language, ideology, marital status, pregnancy, or any other status.
2. We respect employees' freedom of association and the right to collective bargaining. We are committed to maintaining open and effective communication.
3. We design fair and reasonable performance evaluations and compensation systems based on employees' capabilities and contributions. We provide opportunities for professional and personal development and support employees in achieving their career goals.
4. We offer fair working conditions, competitive compensation, and a complete range of benefits, enabling employees to balance work and life and grow together with the company.
5. We value employees' opinions and are committed to providing a safe and healthy workplace.
6. We strictly comply with labor laws and regulations.
7. We respect employees' freedom and privacy. Information collected on the company platform is used solely for work-related purposes, and employees have the right to access their own data freely.

At the same time, to promote communication with employees, we continue to hold labor-management meetings every quarter to actively listen to colleagues' opinions as a two-way communication channel. We also conduct employee satisfaction surveys to increase employees' sense of involvement in the company and jointly build the most compatible organizational culture and work environment. When major operational changes occur, the shortest notice period helps maintain employee satisfaction and engagement, reduces turnover, and minimizes operational disruptions. In 2025, we had no complaints involving forced labor, employee rights violations, or human rights violations.

5.01.2 Talent Recruitment and Appointment

Employees are the driving force behind our continuous growth. To strengthen this growth momentum, the company actively hires talent at all levels, adhering to the principle of employing talent based on merit and suitability. Applicants of different races, genders, ages, religions, nationalities, or political stances are treated fairly. Through an open and fair selection process, we recruit like-minded individuals to join and work together to continuously pursue growth.

Full-time employees from 2021~2025

Year		2021	2022	2023	2024	2025
Number of employees	Direct employees	235	231	256	311	394
	Indirect employees	148	171	181	159	195
	In total (Male: Female)	383 (118:265)	402 (113:289)	437 (117:320)	470 (115:355)	589 (171:418)
Average age		40.6	40.2	40.6	40	39
Average years of service		6.6	6.3	5.8	5.4	5.1
Educational Distribution	Doctor	1.3%	0.7%	0.7%	0.6%	5.1
	Master's degree	10.7%	8.2%	7.6%	7.4%	0.5%
	University	27.9%	28.6%	31.5%	47.9%	7.3%
	Expertise	11.5%	11.9%	22.4%	9.1%	24.6%
	During high school	39.4%	35.8%	31.4%	28.9%	7.1%
	Above and below	9.1%	14.7%	6.4%	6.0%	34.8%

By 2025, the team will be composed of full-time and part-time employees

Category	Gender	The number of people	Proportion
Full-time position	Male	171	29.0%
	Female	418	71.0%
	The number of people	589	100.0%
Non-full-time	Male	8	53.3%
	Female	7	46.7%
	The number of people	15	100.0%

In total	Male	179	29.6%
	Female	425	70.4%
	The number of people	604	100.0%

Notes:

1. Statistics as of December 31, 2025.

2. Employment is mainly for full-time employees; non-regular employees are dispatched staff.

The proportion of senior management positions employed by local residents by 2025

item	The number of people
Number of senior executives	4
Senior executives are local residents	4
Proportion	100%

Notes:

1. "Senior management" refers to supervisors at the associate director level or above

2. The local definition is Taiwan

The ratio of the standard salary for grassroots staff of different genders to the local minimum wage in 2025

item	Male	Female
Local minimum wage (B).	28,590	28,590
The ratio of the standard salary for frontline staff to the local minimum wage (A/B).	100%	100%

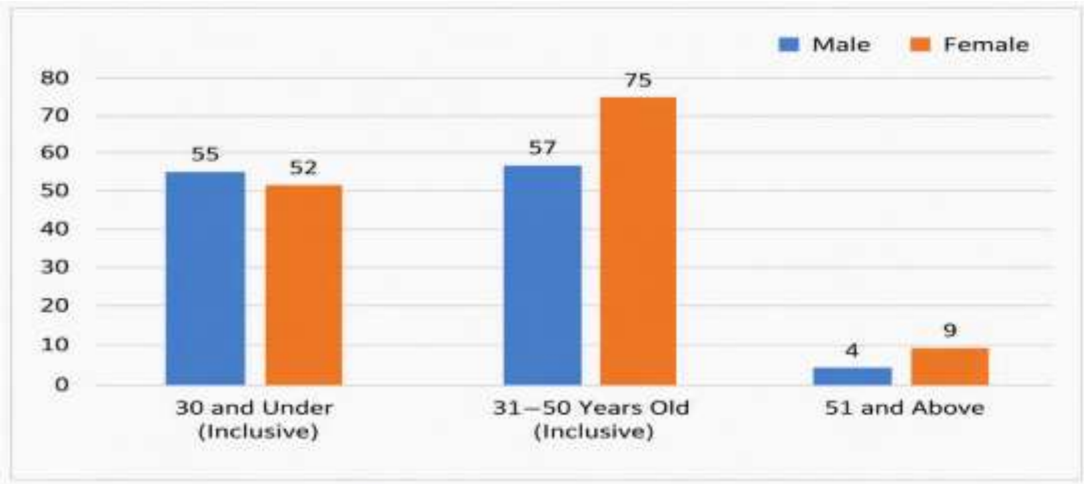
Note: The local definition is Taiwan

Statistics on age and gender of new employees for fiscal year 2025

Age	Male	Female
Under 30 years old (inclusive)	55	52
31~50 years old (inclusive)	57	75
51 years old and above	4	9
In total	116	136
Proportion	46%	54%

Note: Statistics are based on the number of employees from January 1, 2025, to December 31, 2025

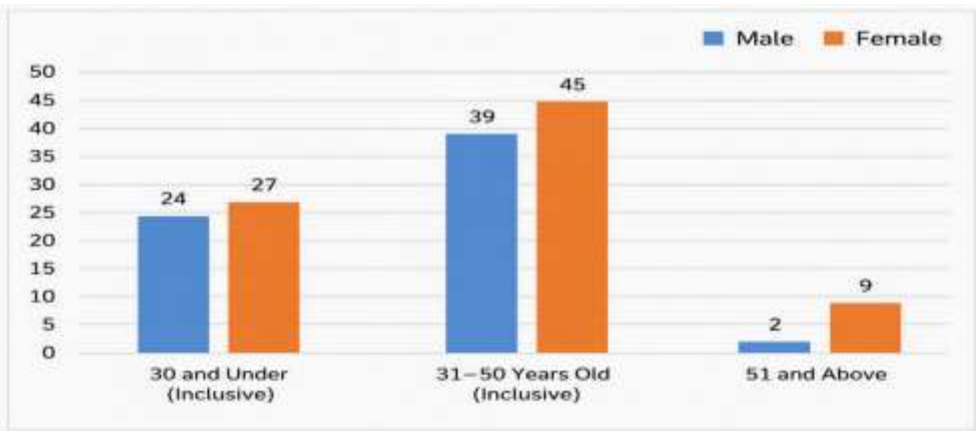
Statistics on age and gender



of departing employees for fiscal year 2025

Age	Male	Female
Under 30 years old (inclusive)	24	27
31~50 years old (inclusive)	39	45
51 years old and above	2	9
In total	65	81
Proportion	45%	55%

Note: Statistical data covers the number of employees from January 1, 2025 to December 31, 2025



5.01.3 Performance Evaluation System

Through performance appraisal, we aim to enhance organizational and individual performance by establishing clear indicators and evaluation systems that are regularly reviewed. Then, based on the evaluation results, we implement differentiated rewards and promotion references, motivating employees to effectively achieve the company's operational goals.

The number and percentage of employees who undergo regular performance reviews

■ Classified by gender

Gender	Male	Female	In total
The number of employees undergoing regular performance and career development reviews	132	254	386
Total number of employees	138	261	399
Proportion	95.7%	97.3%	96.7%

Note: In 2025, the implementation rate will be 96.7%. The 2025 performance review targets employees who are employed as of 2025/09/30, as 3.3% of employees have a probation period of less than three months (with additional probation assessments) or are on leave for the current year.

■ By employee category

Category	Director	Professionals	Technicians	In total
The number of employees undergoing regular performance and career development reviews	53	134	199	386
Total number of employees	53	141	205	399
Proportion	100.0%	95.0%	97.1%	96.7%

Note: In 2025, the implementation rate will be 88.3%. The 2025 performance review targets employees employed as of 2025/09/30, as 3.3% have less than a three-month probation period (with additional probation assessments) or are currently on leave.

5.01.4 Employee Rights and Benefits

Salary and benefits

We formulate compensation policies based on market salary survey reports, periodically assess the reasonableness of compensation, and establish reasonable and competitive compensation and benefit measures. According to the company's articles of incorporation, if the company makes a profit, after reserving to offset losses, 5%~15% of the profits will be allocated to employees. The related salary and benefit items are as follows:

- ■ Monthly salary plus three holiday bonuses (Dragon Boat Festival, Mid-Autumn Festival, Lunar New Year) offers competitive pay conditions.
- ■ Offering overtime pay rates superior to the Labor Standards Act to encourage employees' hard work.

- Every July, salary adjustments are evaluated based on prices and market wage levels.
- Outstanding Employee and Technical Excellence Award System encourages employees to value achievements, performance, and technical development performance.

The average and median salaries of full-time employees who do not hold managerial positions, as well as changes in the first two and the previous year, are disclosed on the Market Observation Post System.

Insurance measures

From the date employees are hired, in accordance with the law, we provide labor insurance and National Health Insurance for each employee. Additionally, the company provides free group insurance and self-paid insurance plans for family members. The coverage is superior to the general industry, including life insurance, accident medical insurance, hospitalization medical insurance, and cancer insurance, ensuring comprehensive protection for families and daily lives during employment when injured or ill.

Employee Welfare Committee

We have established an Employee Welfare Committee in accordance with the law, adhering to the principles of fairness, affordability, and accessibility in utilizing welfare funds. Employees manage them themselves, and we hold related activities and implement various employee welfare benefits tailored to their needs from time to time.

The items to be executed are as follows:

- Various subsidies for marriage, childbirth, funerals, and more.
- Birthday, May Day labor gifts, Mid-Autumn Festival and Dragon Boat Festival bonuses.
- Employee group insurance.
- Employees are encouraged to participate in club activities outside of work, and funding is provided through the club subsidy system. Currently, there are badminton clubs, hiking and walking clubs, and volunteer groups.
- Signing up for partner stores allows employees to enjoy a wide variety of benefits.
- In 2025, we will organize employee trips and year-end parties.

Parental leave system

To show compassion for employees caring for young children, we have established leave categories for family care, paternity leave, parental leave without pay, and menstrual leave (for female employees) in accordance with the Labor Standards Act, the Gender Equality in Employment Act, and the Implementation Regulations for Parental Leave Without Pay. We promote work-life balance, show compassion for employees who need to care for young children, and help employees achieve an appropriate balance among physical and mental well-being, work, and family.

2025 parental leave without pay

Project	Male	Female	In total
By 2025, the number of people eligible to apply for parental leave without pay	4	6	10
In 2025, the number of applicants for parental leave without pay	1	3	4
Number of Original Employees Expected to Return to Employment in 2025 (A)	1	1	2
Actual number of people returning to work in 2025 (B)	1	0	1
2024 Actual Number of Returnees (D)	0	0	0
Number of people who will continue to work for one year after returning to work in 2025 (C)	0	0	0
Return rate = (B) / (A)	100%	0%	50%
Retention rate = (C) / (D)	0%	0%	0%

Notes:

1. Statistics for full-time staff (i.e., signing indefinite labor contracts).
2. Number of persons eligible for parental leave without pay in the current year: Based on the number of people eligible to apply for parental leave without pay within the past three years (including this year) + number of people who have not taken maternity leave or paternity leave but have actually applied for parental leave without pay.
3. Return-to-Work Rate = (Actual Number of Employees Returning for the Year ÷Planned Return-to-Work for the Year) × 100%
4. Retention rate = (Number of employees who actually returned to work in the previous year and continued working for one year after reinstatement ÷actual number of employees returned in the previous year) × 100%.

Retirement system

The retirement pension system we plan for our employees is based on the defined welfare plan set by the Labor Standards Act, and the pension is allocated to the personal account of the Labor Insurance Bureau in accordance with the Labor Pension Act.

Before July 1, 2005, our company implemented and implemented the Labor Standards Act by allocating monthly labor retirement reserves to a dedicated account at Taiwan Bank. The sufficient amount has now been allocated to meet the retirement needs of the old system.

Starting July 1, 2005, the new labor pension system was implemented. All employees have adopted the new system. According to the Labor Pension Act, the company allocates 6% of employees' monthly wages to the labor pension account each month (the actual contribution of the new 2025 pension is about NT$13.37 million), ensuring employees' post-retirement living security. In 2025, there will be 1 actual retiree.

5.01.6 Talent cultivation and development

We offer a variety of training programs and on-the-job education, including new employee training, on-the-job training courses, professional courses, and various job-related external training programs to train employees.

New recruit training

- Pre-employment training, basic training, and onboarding guidance for new employees help newcomers quickly understand the company's core values and work environment.
- Company regulations, regulations, and environmental introduction, general safety and health education training, hazard general education training, etc.

OJT/Professional Courses

- Technical and professional training required for each function.
- Basic courses in light emission components, design and R&D courses, accounting, auditing, occupational safety, and information skills courses.

Management courses

- Systematically and systematically planning management courses for managers at all levels, cultivating leadership skills tailored to different levels.

General Education Courses

- Company-wide or general knowledge training activities conducted at all levels in accordance with government laws and company policies.
- Efficiency management series courses, industrial safety training courses, safety and health training courses, quality training courses, and plant fire safety training courses.

2025 education and training achievements

- **According to the course category**

Category	Curriculum system	Number of courses	Total number of trainees	Total training hours
Internal training	New employee training	398	426	4,628
	General Education Courses	9	2,968	4,915
	Professional courses	5	84	281
	Management courses	3	118	236
External training	General Education Courses	2	2	14
	Professional courses	41	41	385
In total		458	3,639	10,459

- **Management Job Categories**

Category	Director	Not the person in charge	In total
Total training hours	1,086	9,373	10,459
Total number of people	75	1,068	1,143
Average training hours	14.5	8.8	9.2

- **Gender category**

Category	Female	Male	In total
Total training hours	6,448	4,011	10,459

Total number of people	738	405	1,143
Average training hours	8.7	9.9	9.2

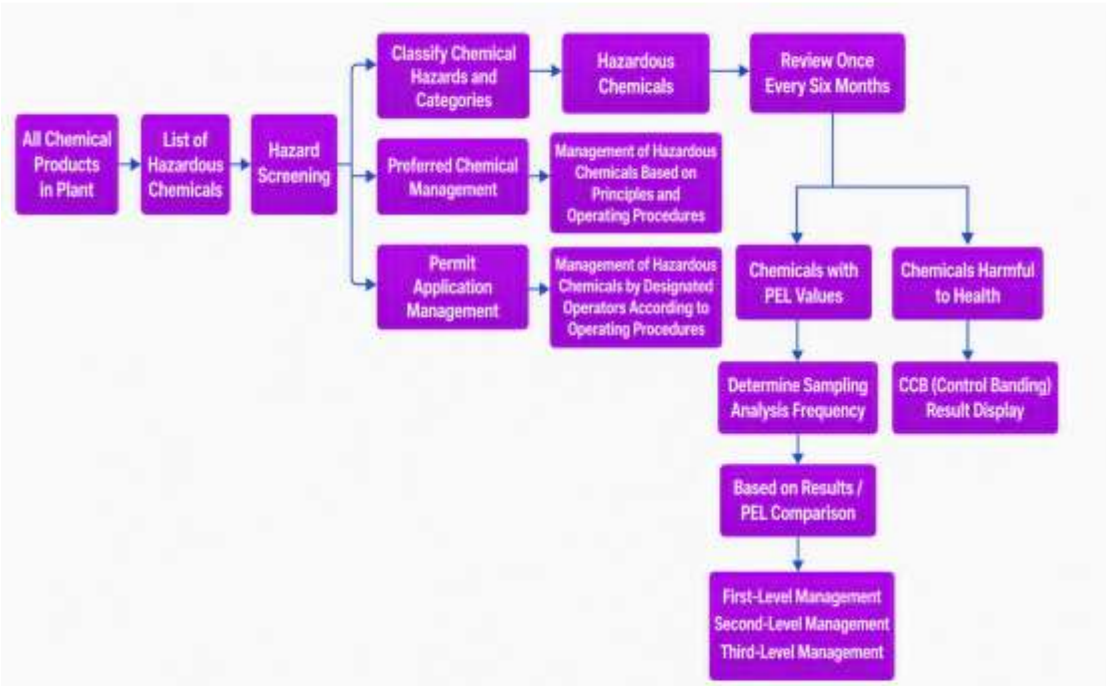
5.02 Occupational Safety and Health

LUXNET is committed to ensuring compliance with environmental protection, safety, and health laws, regulations, and customer requirements. We continuously review and improve environmental safety to enhance safety, health, and environmental management goals and overall performance. To ensure employee health and safety, we communicate our environmental and health policies to employees, customers, suppliers, and other stakeholders to jointly fulfill our corporate environmental and social responsibilities.

5.02.1 Occupational health and safety management

In accordance with the "ISO 45001 Occupational Health and Safety Management System," "ISO 14001 Environmental Safety Management System," "RBA Code of Conduct" (RBA), and domestic regulations, we have established a management organization, established management procedures and procedures, and, with the support of senior management, provided sufficient hardware facilities and established safety and health operation procedures. We regularly conduct internal audits and management review meetings to review and continuously improve, while internally Through education and training, we enhance employees' safety awareness and behaviors to achieve the goal of zero accidents.

LUXNET manages chemical substances used within the factory based on registration status, dividing them into "existing chemical substances" and "new chemical substances." Existing chemical substances are defined as those approved by the central competent authority and listed in the existing chemical substances inventory. All chemicals are classified as hazardous chemicals. First, an SDS (Safety Data Sheet) for all chemicals is established and placed in a visible location for on-site personnel to review in case of emergencies and implement emergency response. The next step is hazard identification, which is divided into three categories based on the identification results and managed according to classification, as shown in the diagram below.



A safe workplace

To achieve the goal of creating a workplace with zero accidents and zero disasters, we regularly convene the Occupational Safety and Health Committee to make recommendations on proposed safety and health policies, review, coordinate, and recommend related safety and health matters, plan and supervise and promote safety and health management, guide relevant departments in implementation, and report on the current status of safety and health activities. We have an employee feedback mailbox. If employees have occupational safety-related issues, they can raise them through the mailbox. The Human Resources and Administration Office will further handle and respond to them, and incorporate employee feedback and information into risk assessment topics for ongoing follow-up improvement. No major work-related occupational accidents will occur in 2025.

Addressing important issues	✓ Occupational safety and health management
Specific plan for 2025	✓ Promotion and execution of the four major projects ✓ Implement chemical management ✓ Enhanced automated inspection
2025 target	✓ Injury Frequency FR (2.91 cases)
Assessment mechanism	✓ Monthly occupational accident declaration statistics ✓ Quarterly Safety and Health Committee Tracking ✓ On-site operations are conducted irregularly for inspection

Note: The Frequency Rate (FR) refers to the number of disabling injuries (cases) per million total hours worked.

Occupational injury management and prevention measures

In 2025, the Company recorded three workplace injury incidents at its facilities, all of which were classified as non-serious occupational injuries. In addition, nine commuting-related occupational injury incidents were reported. The Injury Rate (IR) was 0.61, while the Lost Day Rate (LDR) was 5.7, an increase of 2.21 compared with 2024. The Occupational Disease Rate (ODR) was zero.

Occupational injury statistics over the years

Category	Gender	2023 ratio	2024 ratio	Ratio for 2025
Absence (AR)	Male	0.04	0.08	0.08
	Female	0.07	0.12	0.11
	Total number	0.11	0.20	0.19
Injury Rate (IR)	Total number	1.04	0.26	0.61
Contractor injury rate	Total number	0	0	0
Lost Days Rate (LDR)	Total number	22.43	3.84	5.7
Death toll	Total number	0	0	0
Incidence of Occupational Disease (ODR)	Total number	0	0	0

Notes:

1. Occupational Disease Rate (ODR) = (Number of Occupational Disease Cases / Total

Working Hours) * 200,000.

2. Injury Rate (IR) = (Total Workplace Injuries (Cases) / Total Worked Hours) * 200,000.

3. Absence Rate (AR) = Number of absentee days / Total number of workdays: 100% (Number of absentee days includes sick leave and work injury leave)

4. The Lost Day Rate (LDR) =(the number of days lost due to occupational injuries /the total hours worked)* 200,000.

5. In the above formula, 200,000 is calculated based on 50 weeks per year, 40 working hours per week, and every 100

The ratio of employees is calculated accordingly.

5.02.2 Employee Health Care

Employee stress relief courses / anti-cancer diets

To help employees understand the sources of stress and its impact on physical and mental health, we provide practical stress relief techniques, enhance psychological adjustment abilities, enhance emotional management and positive thinking, establish balanced eating and healthy lifestyle habits, understand the relationship between cancer risk factors and diet, enhance employees' health literacy, and promote overall health and work vitality. We have specially invited experienced health lecturers to guide staff through courses related to diet, mental health, and disease prevention.

Workplace Tort Infringement Course (Supervisor)

To enhance supervisors' awareness of workplace unlawful abuse, strengthen their ability to recognize workplace bullying, harassment, discrimination, threats, and violent behaviors, and establish a respectful, friendly, and safe work environment, this program has specially planned and organized supervisor unlawful assault prevention education and training.

Annual special health check-ups

To protect employee health, we regularly monitor the health status of employees engaged in particularly health-hazardous operations, prevent occupational diseases, identify health risks, and implement the relevant requirements of the Occupational Safety and Health Act and the Labor Health Protection Regulations. The company fulfills its responsibility to protect employee health and establish a safe and healthy working environment.

5.03 Social welfare

Upholding the spirit of "taking from society and giving back to society," LuxNet will continue to serve the public within its capabilities and return the results to employees and customers. At the same time, we encourage employees to engage in social engagement outside of work, contributing money when they have money and contributing effort, striving to do meaningful things for society. We hope to fulfill our corporate social responsibility and contribute our efforts through participation in various corporate social welfare activities.

5.03.1 Promote employment for people with disabilities

Charity sale event

During the reporting year, our company collaborated with Yucheng Social Welfare Jixian Sheltered Workshop and Leya Runmi Sheltered Workshop to organize charity sales activities. By purchasing and promoting high-quality products produced by sheltered workshops, we supported stable employment and vocational skills development for people with disabilities.

Additionally, through the charity sale, the sheltered workshop not only helps expand product visibility and sales channels, but also encourages employees to participate in charitable activities, deepening care and support for disadvantaged groups.

5.03.2 Promoting healthy living and well-being

Our company continuously fulfills corporate social responsibility, committed to promoting social care and public welfare, with particular attention to the needs of disadvantaged children, women, and groups with relatively limited resources. During the reporting year, our company supported charitable organizations such as Taichung Orphanage, Hualien Wuweiwu, Minxiong Xinchuan Secondhand Bookstore, and the International Children's Education Foundation through donations, assisting in child welfare, educational empowerment, assistance for disadvantaged families, and community care. In the future, our company will continue to integrate corporate resources with social needs, actively engage in public welfare actions, fulfill corporate citizenship responsibilities, and work together to create a more inclusive and sustainable social environment.

Our company supports the international aid program promoted by the International Christian Care Association for the Save Old Shoes Lives. Through donations and public welfare participation, we help resource-limited areas improve living conditions and provide practical support and care to disadvantaged groups.

Meanwhile, during the reporting year, our company partnered with the Zhongli Industrial Park Service Center of the Ministry of Economic Affairs to jointly promote blood donation activities, encouraging employees to show a spirit of caring for society and actively participate in blood donation efforts, supporting the blood needs of the medical system through concrete actions.

By participating in related charitable activities, our company transforms corporate resources into positive social impact, demonstrates corporate citizenship responsibility, and continues to support social inclusion, humanitarian aid, and sustainable development through concrete actions, working hand in hand with all sectors to create a future with greater care and hope

6. Environmental aspects

6.01 Climate Change

1. Climate Monitoring and Governance Framework

To fulfill corporate social responsibility, senior management is responsible for coordinating environmental protection, climate change, and other issues, and setting management objectives for climate change risk-related issues. The chairperson reports to the ESG meeting, the management system's execution performance, and conveys the ESG Committee's suggestions for improvement. It is also proposed to submit annual reports to the Board of Directors on the current year's implementation results and the next year's work plan, and to seek the Board's opinions for revisions.

2. Strategies for managing climate change-related risks and opportunities

Our company's organizational greenhouse gas carbon inventory will be verified by 2025. SBTI education and training and implementation began in 2025, with carbon reduction plans expected to apply in 2026 and solar energy construction projects planned for 2027. Facing climate change issues, it will inevitably have a significant impact and change on the supply chain and sales conditions in the market. In the short term, besides implementing internal design plans for resource conservation and carbon emission reduction, from a medium- to long-term perspective, the overall market trend toward carbon pricing and carbon taxation poses a potential cost increase for our product R&D, production, and sales. Therefore, we are concerned about potential product and industrial transformation or adjustments brought about by climate change in the future. This will be a key issue that our company must consider and plan for in future financial planning.

3. Risk management

Our company is currently gradually implementing related operations in accordance with regulatory requirements and practical needs, and has not yet used scenario analysis to assess resilience to climate change risks.

4. Indicator targets

Our company is currently gradually implementing related operations in accordance with regulatory requirements and practical needs, and currently has no plans to introduce an internal carbon pricing mechanism as a management tool. According to the Financial Supervisory Commission's "Sustainable Development Roadmap for Listed Companies," the company is classified as a company with paid-in capital below 2 billion NTD. It must complete the inventory by 2026 and verification by 2028. Subsequently, greenhouse gas inventory and assurance operations will be carried out in accordance with the regulatory authorities' reference guidelines and related regulations, so this is not yet applicable this year.

Project	2024 Total emissions (ton	2024 density*	Confidence	Be sure of the

	CO2e)	(ton CO2e/million NTD)	mechanism	situation Explanation
Category One	191.7031	0.06	Afnor	ISO 14064-1
The second category	4138.979	1.20	Afnor	ISO 14064-1
Category Three (Disclosure may be voluntary)	8580.827	2.49	Afnor	ISO 14064-1

* Density is calculated based on The company's 2024 revenue of 3451.043 million NTD.

Project	2025 Total emissions (ton CO2e)	Population density in 2025* (ton CO2e/million NTD)	Confidence mechanism	Be sure of the situation Explanation
Category One	385.3348	0.08	Lianwei International Certification Co., Ltd. DNV	ISO 14064-1
The second category	4,955.1012	1.13	Lianwei International Certification Co., Ltd. DNV	ISO 14064-1
Category Three (Disclosure may be voluntary)	1446.3829	0.33	Lianwei International Certification Co., Ltd. DNV	ISO 14064-1

* Density is calculated based on The company's 2025 revenue of 4,384.846 million NTD.

6.02 Greenhouse Gas Management

6.02.1 Greenhouse gas inventory

Global warming has caused climate function imbalances, with the frequency and intensity of extreme weather events greatly increasing and affecting ecosystems. The climate change caused by the greenhouse effect has become a key focus for international organizations and governments worldwide. Besides threatening the living environment of global residents, it also affects business operations. In 2024, we added Scope 3 to our greenhouse gas inventory operations and obtained third-party verification. This not only helps us track emissions through inventory but also helps us understand whether there is room for reduction in the supply chain, thereby improving energy efficiency and lowering greenhouse gas emissions. Annual greenhouse gas emission statistics are shown in the table below:

item	2013 Base Year	2021	2022	2023	2024	2025
Category One (Unit: tone CO_2e)	2,566.36	7.953	26.5278	190.0616	191.7031	385.3348
The second category (Unit: tone CO_2e)		4,528.54	4,193.35	4,658.06	4138.979	4,955.1012
Category Three (Unit: tone CO_2e)					8580.827	1446.3829
統計(單位:ton CO_2e)	2,566.36	4,536.50	4,219.87	4848.13	12911.51	6786.81
Revenue (Unit: NT$ thousand)	2,150,962	866,016	1,318,546	2,956,487	3,451,043	4,384,846
CO_2e emission intensity (單位: ton CO_2e /千元)	0.00119	0.00524	0.0032	0.00164	0.00125	0.00122

6.03 Energy Management

Our energy use is mainly purchased electricity, with indirect energy accounting for over 99%; Direct energy use includes diesel, mainly for emergency generators. In terms of energy conservation, the focus is mainly on electricity, promoting energy-saving management programs in plant systems and public areas, supplemented by related promotional activities and training to enhance employees' awareness and habits in energy saving and greenhouse gas reduction.

6.03.1 Indirect energy

（1kWh=0.0036 GJ）

Purchased electricity	Unit	2021	2022	2023	2024	2025
Energy	Joule (GJ)	32,476	29,658	33,945	31,252	37,633
Revenue (New Taiwan Dollar)	One thousand dollars	866,016	1,318,546	2,956,487	3,451,043	4,384,846
Revenue (New Taiwan Dollar)	GJ / 千 NTD	0.0375	0.0225	0.0102	0.0091	0.0085

Note: In 2023, production capacity will be increased and energy-consuming facilities will be gradually improved to reduce carbon emissions.

Energy-saving achievements

Energy-saving measures for fiscal year 2025	Electricity savings (kWh/year)
Plant operations replaced old equipment — air compressors	150,504

6.04 Water Resource Management

6.04.1 Water resource management or reduction targets

Water use statistics

All our water sources are tap water, with the main water consumed for process use. All wastewater is treated by sewage treatment facilities and discharged into sewers to the management center's wastewater treatment plant. The discharged wastewater quality meets the requirements of the industrial park authority and has no significant impact on the ecological environment. The water source comes from Shimen Reservoir, and all water used in the water supply meets the regulations of the competent authority. The water intake does not significantly affect the water source.

Water resource conservation

We manage water resources based on the ISO14001 management system framework and continuously promote water-saving measures, reducing water usage in production processes, increasing water recycling and reuse initiatives, and promoting employee water conservation through daily management.

6.04.2 Water Consumption

Statistical Table of Water Intake, Drainage, and Water Consumption Over the Years Unit: million liters

item	2021	2022	2023	2024	2025
Measure water usage	43.26	34.99	35.37	46.07	45.17
Migration	28.92	23.99	17.90	20.12	21.25
Water usage	14.34	10.00	17.47	25.96	23.92

Note: In 2025, air pollution control equipment will be upgraded to activated carbon to reduce water consumption and drainage.

6.05 Waste management

Through waste and hazardous substance management, LUXNET monitors the generation and flow of waste and toxic substances to minimize waste generation as much as possible.

6.05.1 Waste Disposal

To ensure that waste generated at our factory is properly and safely handled as industrial waste, in addition to complying with the EPA's Waste Disposal Act, we also have clear waste management regulations. General industrial waste is entrusted to county or city incinerators for disposal.

Statistical Table of Waste Treatment Methods Over the Years Unit: ton

item	General waste	Hazardous waste

Intermediate handling methods	Incineration treatment	Chemical treatment	Physical therapy	Incineration treatment
2021	23.29	0.79	6.02	7.20
2022	12.54	0.37	2.313	5.56
2023	30.94	0.78	2.80	1.30
2024	29.12	0.285	3.87	9.78
2025	36.463	0	0.005	25.88

Note: The increase in chemical waste liquids used for the 2025 production volume increase will be significant

6.05.2 Wastewater discharge

The plant discharges rainwater and sewage from the plant, and all chemical waste liquids discharged during the process are collected and handed over to waste contractors. Process cleaning water is collected through pipelines and collected into the plant's sewage treatment equipment for preliminary water quality treatment, then transferred to the Zhongli Industrial Zone Wastewater Treatment Plant for processing. Every six months, the plant discharge water and related information on wastewater (sewage) discharge must be reported and disclosed to the competent authority as required.

Annual Wastewater (Sewage) Discharge Statistics

Unit: ton

Item	2021	2022	2023	2024	2025
Sewage (Sewage) Discharge (M3)	28,923	23,998	17,900	20,115	21,255

Note: In 2025, due to continued production growth, the amount of waste (sewage) discharged will also rise.

6.06 Hazardous substance management

We commit to strict management of restrictions and prohibitions on environmentally harmful substances, and implement this during the design phase, in addition to selecting conflict-free minerals and avoiding restricted substances; We have also established a hazardous substance management mechanism, clearly declaring compliance among internal employees, suppliers, contractors, and partners.

6.06.1 Conflict minerals

We commit to following the OECD's due diligence guidelines to avoid using and sourcing conflict minerals sourced from high-risk areas, and are committed to requiring upstream raw material and component suppliers to fulfill social and environmental responsibilities, prohibiting the use of conflict minerals from high-risk areas, and ensuring that related transactions comply with the Responsible Business Alliance Code of Conduct.

We are committed to continuing to focus on conflict minerals regarding the regulated sources of metals such as gold (Ag), tin (Sn), tantalum (Ta), and tungsten (W), and require suppliers and their upstream suppliers to commit to strictly complying with relevant regulations

Fulfilling corporate environmental and social responsibilities.

6.06.2 Environmental restricted substances

We continue to monitor various hazardous substance-related regulations, including the EU Electronic Products Regulation< the Restriction of Hazardous Substances in Electrical and Electronic Equipment Directive (>RoHS), < regulations on chemical registration, evaluation, licensing, and restriction > (Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) and other related regulations, ensuring that all production processes comply with the Management Measures for Prohibiting or Restricting the Use of Environmentally Hazardous Substances and ensuring that LUXNET has consistent implementation standards. Scope involving raw materials, parts, and processed goods must all be carried out in accordance with these regulations.

Appendix

Appendix 1. GRI Content Index

Explanation of the GRI Content Index Table

Use the statement	[LuxNet] has followed GRI guidelines for reporting from January 1 to December 31, 2025The content during the day
GRI 1 is used	GRI 1: Base Plane 2021
Applicable GRI industry guidelines	Not applicable

GRI content index table

Number	Disclosure items	Corresponding chapters	Page number	Notes/ Omitted explanation
General disclosure				
GRI 2: Overall 2021 Display				
2-1	Organization details	About the Company	5~7	
2-2	The entities included in the organization's sustainability reporting			
2-3	Reporting period, frequency, and contacts	Report information	8~9	
2-4	Information restructuring			
2-5	External assurance / assurance	Report information	9	This report has not been verified by any third-party verification agency

2-6	Activities, value chains, and other business relationships	Product and service management	43~47	
2-7	Employees	Human resource development	53~58	
2-8	Non-employees			
2-9	Governance structure and composition	Sustainable management	10~12	
2-10	Nomination and selection of the highest governing body	Board of Directors and Functional Committees	14	
2-11	The chairman of the highest governing body	Promote sustainable development mechanisms	10~12	
2-12	The highest governance authority plays a role in overseeing impact management			
2-13	The person in charge of impact management			
2-14	The role of the highest governance body in sustainability reporting			
2-15	Conflicts of interest	Board of Directors and Functional Committees Risk management	14~15、42	
2-16	Communicate key	Board of Directors and Functional	13~17	

	major events	Committees		
2-17	The collective intelligence of the highest governing body	Board of Directors and Functional Committees	13	
2-18	Performance evaluation of the highest governance body			
2-19	Compensation policy	Board of Directors and Functional Committees Human resource development	15、57	
2-20	The process for determining compensation	Human resource development	55~57	
2-21	Annual total compensation ratio			
2-22	Statement on the Sustainable Development Strategy	Words from the operator Management of major topics	5、28~29	
2-23	Policy commitments	Words from the operator Sustainable Development Strategy Information security and customer privacy protection	5、10、42~46	
2-24	Incorporate policy commitments	About the Company	5、40、42~46	

		Operate with integrity Risk management Information security and customer privacy protection		
2-25	Procedures to remedy negative shocks	Stakeholder negotiations Risk management	18~22 、42	
2-26	A mechanism for seeking advice and raising concerns	Operate with integrity	40~42	
2-27	Regulatory compliance	Risk management	42	
2-28	Membership in the association	Participate in various social organizations	46	
2-29	Stakeholder consultation policy	Stakeholder negotiations	18~22	
2-30	collective agreement			No union has been established, so there is no collective contract
Major topics				
GRI 3: Major Themes 2021				
3-1	The process for deciding on major topics	The process for deciding on major topics	23	
3-2	Main topic list	Main topic list	25~37	

3-3	Major topic management	Major topic management	25~37	
Economically				
GRI 201: Economic Performance 2016				
201-1	The direct economic value generated and distributed by the organization	Operational performance	38	
201-2	The financial impacts of climate change, as well as other risks and opportunities	Environmental aspects SASB disclosure indicators	69 90	
201-3	Defined benefit obligations and other retirement plans	Human resource development	60~61	
GRI 202: Market position in 2016				
202-1	The ratio of the standard salary for grassroots staff of different genders to the local minimum wage	Human resource development	53~58	
202-2	The proportion of local residents employed as senior management	Human resource development	53~58	
GRI 204: Procurement Practices 2016				

204-1	The proportion of procurement expenditure from local suppliers	Responsible suppliers	48~52	
GRI 205: Anti-Corruption 2016				
205-2	Communication and training on anti-corruption policies and procedures	Operate with integrity	40~41	
205-3	Confirmed corruption cases and actions taken			
GRI 206: Anti-competitive Conduct 2016				
206-1	Legal actions against anti-competitive conduct, antitrust, and monopolistic behavior	Operate with integrity	40~41	
GRI 207: Tax 2019				
207-1	Tax policies	Operational performance	38~40	
Environmental aspects				
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	Energy management	72	

302-2	Energy consumption outside the organization			
302-3	Energy intensity			
302-4	Reduce energy consumption			
302-5	Reducing energy demand for products and services	Energy management	72	
GRI 303: Water and Release 2018				
303-3	Measure water usage	Water resource management	72~74	
303-4	migrate			
303-5	Water usage			
GRI 305: 2016 emissions				
305-1	Direct (Scope 1) greenhouse gas emissions	Greenhouse gas management	69~70	
305-2	Energy indirect (Scope 2) greenhouse gas emissions			
305-3	Other indirect (Scope 3) greenhouse gas emissions			
305-4	Greenhouse gas emission intensity	Greenhouse gas management SASB disclosure indicators	69~70 90	

305-5	Greenhouse gas emission reduction	Greenhouse gas management	69~70	
305-6	Emissions of substances that destroy the ozone layer			
305-7	Emissions of nitrogen oxides (NOx), sulfur oxides (SOX), and other significant gases			
GRI 306: Waste 2020				
306-1	Waste generation is associated with significant impacts related to waste	Waste management	73~74	
306-2	Management of significant impacts related to waste			
306-3	Waste generation			
306-4	Disposal and transfer of waste			
306-5	Direct disposal of waste			
GRI 308: Supplier Environmental Assessment 2016				
308-1	Use environmental standards to screen new	Responsible suppliers	48~52	

	suppliers			
308-2	Negative environmental impacts in supply chains and actions taken		48~52	
On the social level				
GRI 401: Labor Relations 2016				
401-1	New hires and departing employees	Human resource development	53	
401-2	Benefits provided to full-time employees (excluding temporary or part-time staff).		57~58	
401-3	Parental leave		58	
GRI 402: Labor Relations 2016				
402-1	Minimum notice period for operational changes	Human resource development	53	
GRI 403: Occupational Safety and Health 2018				
403-1	Occupational Safety and Health Management System	Occupational safety and hygiene	62	
403-2	Hazard identification, risk assessment, and		62~65	

	accident investigation			
403-3	Occupational health services		65~67	
403-4	Participation, consultation, and communication related to occupational safety and health		65~67	
403-5	Training for workers related to occupational safety and health		65~67	
403-6	Promoting worker health		65~67	
403-7	Preventing and mitigating occupational health and safety impacts directly related to business relationships		62~64	
403-8	Workers covered by the occupational safety and health management system		62~64	
403-9	Occupational injuries		64	
403-10	Occupational disease		64	
GRI 404: Training and Education				

2016				
404-1	The average number of training hours per employee per year	Human resource development	61	
404-2	Enhance employee competencies and transition support programs		60	
404-3	Percentage of employees who undergo regular performance and career development reviews		56~57	
GRI 405: Employee Diversity and Equality Relations 2016				
405-1	Diversity of governance units and employees	Board of Directors and Functional Committees Human resource development	13、56	
405-2	The ratio of basic salary to salary between women and men	Human resource development	55	
GRI 406: 2016 Non-Discrimination				
406-1	Discrimination incidents and improvement actions taken by	Occupational safety and hygiene	65	

	the organization			
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1	Operating locations or suppliers that may face risks related to freedom of association and group negotiation	Human resource development	54	
GRI 408: Child labor in 2016				
408-1	Significant risks of operating sites and suppliers using child labor	Responsible suppliers	48~52	
GRI409: Forced or Compulsory Labor 2016				
409-1	Operational locations and suppliers with significant risks of forced or forced labor events	Human resource development	53	
GRI 411: Indigenous Rights 2016				
411-1	Incidents involving violations of indigenous rights	Human resource development	53	
GRI 414: Supplier Social Assessment				

2016				
414-1	Screening new suppliers using social criteria	Responsible suppliers	48~52	
414-2	Negative social impacts in supply chains and actions taken		52	
GRI 418: Customer Privacy 2016				
418-1	Complaints confirmed as invasion of customer privacy or loss of customer data	Product and service management Information security and customer privacy protection	43	

Appendix 2: Climate-related information

Project	Content	Implementation status	Page number
1	This outlines the board and management's supervision and governance of climate-related risks and opportunities.	Please refer to the climate change section	88~90
2	Explain how the identified climate risks and opportunities affect the company's business, strategy, and finance (short-, medium-, and long-term).		
3	Describe the financial impact of extreme climate events and transition actions.	Our company is currently gradually carrying out related operations in accordance with regulatory requirements and practical needs.	88~90

4	Describe how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.	Please refer to the climate change section	88~90
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and main financial impacts should be explained.	Please refer to the climate change section	88~90
6	If there is a transition plan to manage climate-related risks, explain the content of the plan and the indicators and objectives used to identify and manage physical and transition risks.	Please refer to the climate change section	88~90
7	If internal carbon pricing is used as a planning tool, the basis for price setting should be explained.	Please refer to the climate change section	88~90
8	If climate-related targets are set, information should be provided on the activities covered, the scope of greenhouse gas emissions, the planning schedule, and the annual progress to be achieved; If carbon offsets or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon reduction credits or renewable energy certificates (RECs) to be credited must be specified.	Please refer to the climate change section	88~90
9-1-1	Company greenhouse gas inventory information for the past two years.	Please refer to the climate change section	88~90
9-1-2	Greenhouse Gas Consensus Information for the Past Two Years.	Please refer to the climate change section	88~90
9-2	Greenhouse gas reduction targets, strategies, and concrete action plans.	Please refer to the climate change section	88~90

Appendix 3: SASB Content Index Table

Reveal the theme	Indicator code	Disclosure indicators	Category	Data / Disclosure Chapter
Greenhouse gas emissions	TC-SC-110a.1	Total greenhouse gas emissions under Scope 1	Quantitative analysis	385.3348 metric tons of CO_2-e equivalent carbon dioxide
		Total emissions from perfluorinated compounds	Quantitative analysis	0 metric tons of CO_2 equivalent CO_2-e
	TC-SC-110a.2	Discussion of long-term and short-term strategies or plans for Management Scope 1 emissions, emission reduction targets, and performance analysis for these targets	Discussion and analysis	Please refer to climate-related information.
Energy management in manufacturing	TC-SC-130a.1	Total energy consumption	Quantitative analysis	37633.68GJ (Unit: billion joules) 37,633 GJ (Unit: billion joules)
		Grid percentage	Quantitative analysis	Greater than 73%
		Regeneration rate	Quantitative analysis	0%
Water resource management	TC-SC-140a.1	Total water withdrawal, as a percentage in areas with high or very high baseline water pressure	Quantitative analysis	The total water withdrawal is45.17 cubic meters, accounting for 0% of the area in

				areas with high water pressure
		Total water consumption, as a percentage in areas with high or very high baseline water pressure	Quantitative analysis	Total water consumption is 23.92 cubic meters, accounting for 0% of the area in areas with high water pressure
Waste management	TC-SC-150a.1	The percentage of hazardous waste generated during manufacturing by weight recycled	Quantitative analysis	Generated hazardous waste: 25.88 metric tons, recycling rate 0.02%
Labor Health and Safety	TC-SC-320a.1	A description of efforts made to assess, monitor, and reduce workers' exposure to human health hazards	Discussion and analysis	Please refer to this report on occupational safety and health.
	TC-SC-320a.2	Total monetary losses caused by violations of legal procedures related to employee health and safety	Quantitative analysis	In the most recent year, our company has not committed any major violations related to employee health and safety, resulting in a monetary loss of 0 NTD.
Recruiting and managing global and skilled workers	TC-SC-330a.1	Percentage of employees requiring work visas	Quantitative analysis	Foreign employee 2599%, overseas employees 0%.

Product lifecycle management	TC-SC-410a.1	Includes the percentage of product revenue from substances subject to declaration under IEC 62474	Quantitative analysis	The proportion of revenue from products not meeting IEC 62474 is 0%.
	TC-SC-410a.2	(1) Server, (2) desktop computer, and (3) notebook processor at the system level	Quantitative analysis	Our company's non-end-use products do not have corresponding applicable content.
Procurement of materials	TC-SC-440a.1	A description of risk management related to the use of critical materials	Discussion and analysis	Please refer to this report on responsible suppliers.
Intellectual property protection and competitive behavior	TC-SC-520a.1	The total monetary loss caused by legal proceedings under anti-competitive conduct regulations	Quantitative analysis	If this does not occur in 2025, the total loss from related legal litigation: 0 NTD.