

Everlight Chemical firmly believes that excellent corporate governance is the cornerstone of corporate longevity. We take Integrity as our core value, establishing an efficient, transparent, and resilient management system, and deeply embedding the spirit of sustainable development into operational decisions. Through sound board operations, rigorous risk control, and transparent information disclosure, we are committed to balancing the interests of stakeholders, thereby creating long-term corporate value.

Corporate Governance / Integrity Management			
Management Policy and Commitment	The Company values corporate governance and integrity management, dedicating itself to establishing a transparent, responsible, and professional governance framework, strengthening the supervisory function of the Board, implementing legal compliance and anti-corruption management, ensuring the independence and soundness of business decisions, and safeguarding the rights and interests of shareholders and all stakeholders.		
Governance Organization	Board of Directors, Audit Committee, Corporate Governance-related responsible units.		
Management Actions	- Continuously optimize the composition and operation mechanism of the Board, increasing the proportion of independent directors and enhancing Board functions. - Establish and implement integrity management, anti-corruption, and legal compliance systems, strengthening internal controls. - Regularly conduct integrity management and anti-corruption education and training for directors, managers, and all employees.		
Input Resources	- Allocate dedicated personnel for corporate governance and legal compliance to support the Board and governance-related affairs. - Invest in education and training resources to ensure employees fully understand integrity management and anti-corruption regulations. - Introduce internal control systems and audit mechanisms to enhance governance effectiveness.		
Indicators and Targets	Management Indicator	2026 Target	2030 Target
	Proportion of Independent Directors (%)	27	36
	Board Attendance Rate in Person (%)	≥ 90	≥ 90
	Group Employee Anti-corruption Training Coverage Rate (%)	100	100
	- Proportion of Independent Directors = (Number of Independent Directors / Board Members) x 100% - Board Attendance Rate in Person = (Number of Directors attending in person / Board Members) x 100% - Group Employee Anti-corruption Training Coverage Rate = (Number of Group employees trained in anti-corruption / Total Group employees) x 100%		
Evaluation and Improvement Mechanisms	- Regularly review Board operations, attendance, and governance performance to ensure the governance mechanism operates effectively. - Track the implementation of integrity management and anti-corruption systems through internal audits and compliance checks. - Continuously adjust Board composition and training plans based on evaluation results to refine governance quality.		
2025 Execution Results	- The 12th Corporate Governance Evaluation: Ranked in the top 6%~20% bracket. - The 18th TCSA Taiwan Corporate Sustainability Awards, Sustainability Report category: Traditional Manufacturing - Gold Award. - Proportion of Independent Directors: 27%. - Board Attendance Rate in Person: 100%. - Group Employee Anti-corruption Training Coverage Rate: 66%.		
Stakeholder Communication	- Disclose the corporate governance framework and integrity management results through shareholders' meetings, annual reports, and sustainability reports. - Maintain communication with investors, regulatory authorities, and employees to respond to expectations for corporate governance and transparency.		

4.1 Corporate Governance Structure

4.1.1 Organizational Structure of the Highest Decision-making and Governance Body

GRI 2-9

GRI 2-10

The Company's highest decision-making and governance body is the Board of Directors, which is responsible for formulating the Company's sustainable development strategy and supervising management. Its exercise of authority, governance codes, and methods for director selection and performance evaluation are all executed in accordance with national regulations and the Company's Director Selection Procedures and Corporate Governance Best Practice Principles.

In addition to following regulations, the nomination and selection of members for the Board and various committees consider the Company's development needs, diversity and independence, stakeholder perspectives, and risk management capabilities in response to potential impacts on the organization. The nomination and selection process is transparent, fair, and reasonable, following the Company's development and strategy to ensure that members of the high-level governance body and committees can fulfill their responsibilities. When the Nomination Committee reviews director candidates, in addition to professional quality, it also includes risk management, crisis handling, and leadership decision-making abilities (corresponding to the material topics of organizational resilience, product strategy, and innovation R&D) as core indicators for selection to ensure supervision and management capabilities related to organizational impacts. Board members cover stakeholders such as shareholders, suppliers, employees, and external industry associations; the selection of the 3 independent directors is diverse, covering academia (Associate Professor of Law), CPA firm experts, and senior industry managers.

4.1.2 Board of Directors and Corporate Governance Framework

Board Members

A total of 11 directors (including 3 independent directors).

Board Selection

Candidate nomination system; nominated by the Board after qualification review and submitted to the shareholders' meeting for election.

Board Term

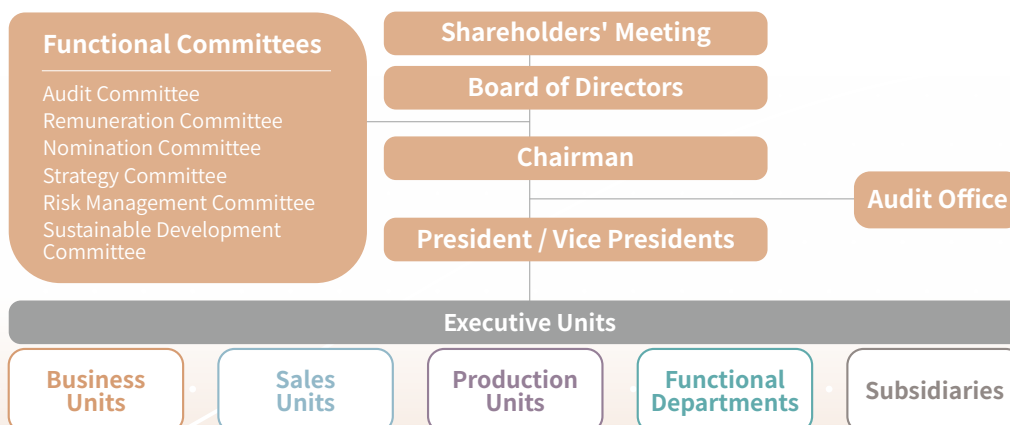
The Company completed the 19th Board re-election at the 2024 shareholders' meeting. Members were elected by vote on May 30, 2024, with a term from May 30, 2024, to May 29, 2027. In 2025, a total of 5 Board meetings were held, with a 100% director attendance rate.

Functional Committees

The Board established the Audit Committee, Nomination Committee, Remuneration Committee, Strategy Committee, Risk Management Committee, and Sustainability Development Committee to assist the Board in its supervisory duties. The charters of each committee are implemented after Board approval.

Execution Units

Include: Business Units (4), Sales Units (6), Production Units (6), Functional Offices (10).



Introduction
to Functional
Committees

4.1.3 Board Diversity and Independence

GRI 2-11

GRI 405-1

The Company has established a Board member diversity policy, actively implementing diversity and independence; all directors possess rich professional backgrounds and experience to respond to Company operations and industry development needs. As shown in the table below:

Name	Title	Gender	Industry Knowledge and Experience					Professional Background	Current Position	Previous Experience	Age	Independent Director Term	in Management? (Position)
			Operational Mgt	Chemical	Risk Mgt	Crisis Handling	Leadership etc.						
Chen Chien-hsin	Chairman	M	V	V	V	V	V	Medicine	Chairman, Everlight Chemical	Special Assistant to Chairman, Vice Chairman, Everlight Chemical	51+	N/A	No
Chen Ting-chi	Director	M	V	V	V	V	V	Education	-	President, Vice Chairman, Everlight Chemical; Director, Michael Communication	51+	N/A	No
Chen Wei-wang	Director	M	V	V	V	V	V	Industrial Engineering, Tech	President, Everlight Chemical	Assistant VP R&D, VP, Everlight Chemical	51+	N/A	President
Chen Chien-ming	Director	M	V	V	V	V	V	Mechanical Engineering	President, Trend Tone Imaging	Senior Project Engineer, GM; Deputy Director Material Res, Everlight Chemical; President, Everlight USA	51+	N/A	President, Trend Tone Imaging
Chen Ju-ai	Director	F	V		V	V	V	Legal	Senior Specialist, Everlight Chemical	Specialist, Hungsheng Law Office; Assistant VP, Everlight Suzhou	51+	N/A	No
Li Yung-lung	Director	M	V		V	V	V	Public Admin, Tech	-	Chairman, Hangzhou Yuda Tech	51+	N/A	No
Kan Wen-yuan	Director	M	V	V	V	V	V	Information	Chairman, Chung Hwa Chemical	President, Chung Hwa Chemical	51+	N/A	No
Lin Chao-wen	Director	M	V	V	V	V	V	Chemical Industry	-	Assistant VP, VP, Special Assistant to Chairman, Everlight Chemical	51+	N/A	No
Yang Wei-wen	Independent Director	M	V		V		V	Law / M&A, Strategy Mgt	Associate Professor of Law, Kainan University	Chairman, Star Buck Energy; Independent Director & Managing Director, Agricultural Bank of Taiwan	51+	4-6 yrs	No
Chang Yuan-chen	Independent Director	M	V	V	V	V	V	Engineering Econ, Civil Env, Mechanical, Tech, M&A	Senior VP, Innovation Industrial Technology Transfer Co.	Independent Director, Jian Lin Co.; Senior Strategic Investment Consultant, Lite-On IT; Senior VP, Gintech Energy; Dev Mgt, AES USA	51+	4-6 yrs	No
Lin Hsiu-yu	Independent Director	F	V		V	V	V	Accounting, Audit, Finance, Internal Control	CPA, Xi Yue Accounting Firm	Practicing CPA, KPMG; Founding Secretary General, Computer Audit Assoc & Corporate Governance Assoc; Finance & Accounting Mgr, Aurora Corp; Chief Auditor, Aurora Group & Special Assistant to Board	51+	1-3 yrs	No



Corporate
Governance
Best Practice
Principles

The Company has established Corporate Governance Best Practice Principles, specifying a diversity policy for Board members. Diversity guidelines are formulated based on the Company's operational model and development needs, including an aim for one-third of directors to be female, and ensuring members cover professional backgrounds such as law, accounting, industry, finance, marketing, or technology.

Among the 11 board members for the 2025 term, there are 2 female directors (18%); there are 3 independent directors (27%), close to 1/3, ensuring independence. All independent directors have served no more than 3 consecutive terms. Among all board members, 2 concurrently serve as senior executives of the Company, accounting for 18%, which is less than 1/3.

Board Seat Disclosure

Category	2022	2023	2024	2025
Total Board Seats	11	11	11	11
Independent Director Seats	3	3	3	3
Female Director Seats	1	1	2	2
Director seats with spousal or second-degree relative relationship	5	5	5	5
Director seats concurrently serving as Company managers	2	2	3	2

GRI 2-12

GRI 2-13

4.1.4 Operation of Committees and Impact Management Mechanism

The Board has established the Audit Committee, Nomination Committee, Remuneration Committee, Strategy Committee, Risk Management Committee, and Sustainability Development Committee to assist the Board in fulfilling its supervisory duties.

Committee	Audit Committee	Remuneration Committee	Nomination Committee	Strategy Committee	Risk Management Committee	Sustainability Development Committee
Required Frequency	Quarterly > 1	Annual > 2	Annual > 2	Annual > 2	Annual 2	Annual 2
2025 Actual Meetings	5 次	3 次	4 次	3 次	2 次	3 次
Attendance Rate	100%	100%	100%	95%	100%	100%

In impact management of material topics, the Board is the highest governance unit with roles in supervision and decision-making. The Risk Management Committee reviews the implementation of risk management to ensure the mechanism can fully address Company risks and integrates it into daily operations. The Sustainability Development Committee, after compiling various possible issues, conducts impact evaluation and ranking through questionnaires and interviews with department heads. The Executive Secretary of the Sustainability Development Committee reports to the Board at least once a year on the implementation of material topics and the progress of various KPIs. Board members supervise based on report results and provide guidance or suggestions for resource allocation or strategy adjustment when necessary to ensure management effectiveness.

4.1.5 Board Performance Evaluation

GRI 2-18

The Board passed the Board Performance Evaluation Regulations on March 26, 2015. Self-evaluations for the overall Board, individual members, and functional committees are conducted in the first quarter of each year for the previous year, and an external evaluation is conducted at least once every three years. Results are discussed by the Nomination Committee and reported to the Board for improvements. Although re-elected in 2024, there were no major changes in Board composition or organizational practice. To implement supervision of impact management, the 6-member Sustainability Development Committee (including 3 independent directors) regularly reviews the achievement of material topic indicators. This supervisory role is explicitly included in the committee's annual performance indicators (Awareness of Functional Committee Duties and Enhancing Decision Quality), and is also reflected in Board indicators (Participation in Operations and Enhancing Decision Quality) to ensure the highest body effectively oversees management performance related to economy, environment, and people (including human rights) impacts.

External evaluation occurs every three years; the most recent was conducted by the Taiwan Institute of Business Ethics at the end of 2023 for the 2023 calendar year. In addition to document review, the expert team conducted on-site interviews and proposed suggestions. Details of the evaluation conclusions and subsequent improvements are on the Company website.

2025 Committee Self-Evaluation Results (Out of 5 points)

Overall Board	Score (Total 5 points)
Overall Board	4.82
Board Members	4.72
Audit Committee Members	5.00
Nomination Committee Members	4.92
Remuneration Committee Members	4.93
Strategy Committee Members	4.72
Risk Management Committee Members	4.98
ESG Committee Members	4.96



Board
Performance
Evaluation

4.1.6 Board Education and Collective Knowledge GRI 2-17

Directors follow the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies, completing at least 6 hours of continuing education annually (12 hours for new members in their first year). This strengthens professional literacy and understanding of sustainability and climate change. Additionally, through regular Sustainability Development Committee meetings and its Board reports, members interact with task force members and/or external expert consultants on ESG topics to promote collective knowledge and consensus on economic, environmental, and social issues. Details are in MOPS and on the Company website.



Board
Education
Status

 In 2025, total director education hours were 103 hours, meeting legal requirements.

4.1.7 Disclosure of Conflicts of Interest to Stakeholders GRI 2-15

The Company has Regulations Governing Financial and Business Transactions between Related Parties based on the Corporate Governance Best Practice Principles to prevent non-arm's length transactions or improper interest transfers between related parties (including Board members) in sales, asset disposal, guarantees, and loans. Per the Rules of Procedure for Board Meetings, directors with a personal or represented legal entity interest in a meeting matter that may harm Company interests must recuse themselves from discussion and voting. Execution is disclosed in the annual report's Operation of the Board of Directors section. Furthermore, details on controlling shareholders (e.g., Ever Fortune Investment and Chen family members), cross-shareholdings with suppliers or stakeholders, and specific transaction amounts and outstanding balances are detailed in the Related Party Transactions section of the consolidated financial report and the Corporate Governance section of the annual report to ensure full transparency. [2025 Annual Report](#) [2025 Financial Statements](#)

4.1.8 Communication of Critical Major Events GRI 2-16

The Company established a critical major event communication mechanism through regular reports (e.g., Sustainability and Risk Management Committees), immediate reporting, and independent whistleblowing channels to ensure the Board is informed of major risks. The Internal Audit Office reports monthly work and quarterly follow-ups to the Board; financial reports are announced on MOPS and the Company website after CPA review. The ESG Executive Secretary reports material topic implementation and results to the Board; the Risk Management Committee Executive Secretary reports priority major risk items (Total score ≥ 12) and mitigation plans.

 **2025 Statistics:** During this reporting period, no critical major events occurred that required reporting to the highest governance body (e.g., fines ≥ 1 million, confirmed corruption, major cyberattacks, serious occupational accidents, or major sanctions).

4.2 Integrity Management

4.2.1 Integrity Management and Business Ethics

The Everlight Group Management Philosophy and Principles white paper declares our operation with integrity and legal compliance, establishing an image of honest management and following domestic/international government regulations and business ethics standards.

Category	Highest Level Approving Commitment	Applicable Scope	Communication Method (Location)
Integrity Management Code	Board of Directors	Directors and all employees	Website, monthly meeting promotion, Email notification
Corporate Governance Best Practice Principles	Board of Directors	Directors and all employees	Website, Email notification
Sustainability (ESG) Policy	Board of Directors	Directors and all employees	Website

4.2.2 Policy and Commitment GRI 2-23

The Company issued Procedures for Ethical Management and Guidelines for Conduct, formulating integrity-based policies and establishing good governance and risk control mechanisms to create a sustainable environment. The Board and management actively implement these commitments and require all Group employees to prohibit accepting or providing improper benefits. English and Chinese electronic files for the Integrity Management Code and Grievance System for Violations are on the website.

4.2.3 Prevention of Conflicts of Interest GRI 2-15 GRI 2-24

Guidelines were formulated to ensure the conduct of Company directors and managers (including President, VPs, Assistant VPs, Finance/Accounting heads, and others with management/signing authority) meets ethical standards and to help stakeholders understand these standards. These are disclosed on the website, annual report, prospectus, and MOPS, with the same for any amendments.

- The Company legally established relevant regulations covering the highest governance body's processes for avoiding and managing conflicts of interest.



Ethical Conduct
Guidelines for
Directors and
Managers

4.2.4 Insider Trading and Conflict of Interest Prevention GRI 2-24

The Company has Procedures for Managing Insider Trading to protect investors. Education on these laws is provided at least once a year to directors, managers, and employees; new directors and managers are briefed within 3 months, and new employees during orientation.

- In 2025, a total of 8 sessions were held for all directors, managers, and employees.

4.2.5 Whistleblowing System / Grievance Mechanism

GRI 2-25

To establish a culture of integrity and transparency, the Company issued a Grievance System for Violations of Integrity Management applicable to the Company and subsidiaries. Employees and stakeholders can report illegal or improper behavior (e.g., human rights, bribery, kickbacks) through various channels.

The Company strictly follows confidentiality for whistleblowers and reports, provides an anonymous reporting mechanism, and establishes protection measures to prevent retaliation. A Disciplinary and Grievance System exists for punishing confirmed violations.

◉ In 2025, Traditional Chinese, Simplified Chinese, and English electronic files of the system were provided for employee education; no grievance cases occurred that year. In 2026, communication will continue through labor-management and monthly meetings to optimize the mechanism.

Grievance Channels

Hotline: +886-2-2326-3502

Internal Audit Reporting Mailbox: informant@ecic.com.tw

Audit Committee Mailbox: AuditCommittee@ecic.com.tw

GRI 205-2

4.2.6 Anti-corruption, Anti-competition, Anti-trust, and Monopoly

In May 2025, the Chairman signed the Anti-corruption, Anti-bribery, and Anti-money Laundering Commitment. The Company supports and follows the UNCAC and Taiwan's Money Laundering Control Act, following integrity management principles and relevant local regulations. We formally declare zero tolerance for bribery and money laundering and provide guidance to stakeholders



Anti-corruption,
Anti-bribery,
and Anti-money
Laundering
Commitment

◉ In 2025, Everlight Group had no acts of corruption, anti-competition, anti-trust, or monopoly.

4.2.7 2025 Integrity Management Execution Results

Item	Results
Prevention and reporting of dishonest behavior	No reports.
Internal control audit	No fraud or anti-competitive, anti-trust, or monopolistic acts found.
Insider trading and conflict prevention measures (Taiwan only)	Promoted to all 11 directors on Aug 13, 2025; 7 monthly sessions for managers and employees. 1,174 person-times; 97.8 hours; 100% completion rate.
Integrity Code and Whistleblowing promotion	Promoted to all 11 directors on Aug 13, 2025; 22 sessions for the entire Group. 1,759 person-times (97.8% of Group); 146.6 hours; 97.8% completion rate.
Anti-corruption/bribery/money laundering commitment promotion	7 sessions for Everlight Chemical employees in 2025. 1,186 person-times (66% of Group); 59.3 hours; 100% completion rate. Promotion to Board and subsidiaries planned for 2026.

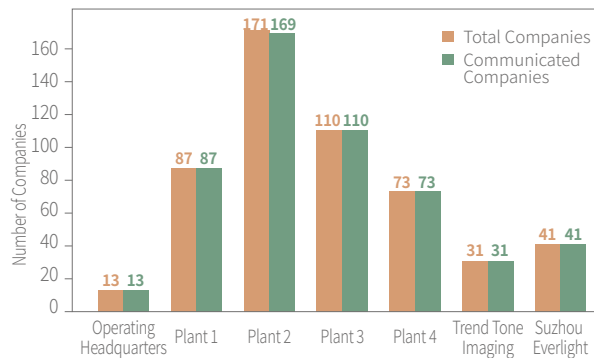
4.2.8 Suppliers and Contractors: Integrity Management and Anti-corruption results

The Company actively communicates integrity and anti-corruption concepts to partners. In 2025, the communication completion rate for major suppliers and contractors was excellent, reaching 99.6%.

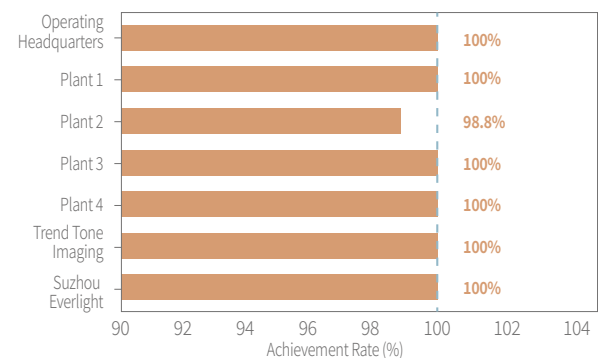
Unit / Target category	Suppliers ^(Note 1)	Contractors	Total
	Communicated / Total (Ratio)		
Operating HQ	8 / 8 (100%)	5 / 5 (100%)	13 / 13 (100%)
Plant 1	27 / 27 (100%)	60 / 60 (100%)	87 / 87 (100%)
Plant 2	36 / 38 (94.7%)	133 / 133 (100%)	169 / 171 (98.8%)
Plant 3	32 / 32 (100%)	78 / 78 (100%)	110 / 110 (100%)
Plant 4	29 / 29 (100%)	44 / 44 (100%)	73 / 73 (100%)
Trend Tone Imaging	13 / 13 (100%)	18 / 18 (100%)	31 / 31 (100%)
Everlight Suzhou	25 / 25 (100%)	16 / 16 (100%)	41 / 41 (100%)
Total	170 / 172 (98.8%)	354 / 354 (100%)	524 / 526 (99.6%)

Note 1: Suppliers surveyed are those with annual procurement ≥ NT\$ 500,000.

Integrity Policy Communication Performance



Policy Communication Achievement Rate by Unit (Communication Rate %)



4.2.9 Internal Audit Organization and Operation

The Internal Audit Office is an independent unit under the Board, assisting management in checking internal controls and measuring effectiveness. It has 1 Chief Auditor and 2 full-time auditors. The team includes professionals with CIA certification, upholding objectivity and integrity. The Chief Auditor regularly attends Audit Committee and Board meetings. The office also handles Audit Committee and Integrity reporting mailboxes.

- (1) Potential risk factors are identified annually through a risk evaluation table to determine the final risk level and plan audits, which are reported to the Board and MOPS. Planned and project audits are executed; monthly and quarterly follow-up reports are submitted to independent directors for review.

- (2) In 2025, focus areas included various operational cycles, FSC requirements, and subsidiary management. 63 audit reports were issued with 75 improvement suggestions; relevant units and subsidiaries were notified to take action and were followed up until completion.
- (3) Sustainability Information Management was included in the plan; Sept 2025 audits focused on GHG inventory, energy efficiency, employee health/safety, and supply chain management using stratified random sampling. No deficiencies were found; suggestions were improved per the schedule.
- (4) In 2025, units used an e-platform for self-evaluation of internal controls, which was reviewed by the Audit Office to form a report for the Board and President to evaluate effectiveness and issue a Statement of Internal Control System.
- (5) Management systems (ISO 9001, IATF 16949, ISO 14001, ISO 45001, ISO 50001, ISO 22301, ISO 27001, TIPS) undergo internal audits by qualified staff and external audits by verification bodies.

4.3 Remuneration Policy

As a high-tech chemical company, Everlight Group is dedicated to improving product quality and service, using a compassionate management philosophy to provide reasonable rights and benefits for employees and maintain harmonious labor relations.

4.3.1 Highest Governance Body (Board of Directors) GRI 2-18 GRI 2-19

See Director Remuneration (fixed and variable). Board performance evaluation includes five aspects: participation in operations, enhancing decision quality, composition/structure, selection/education, and internal control. Participation in operations includes management of the Sustainability Committee's execution, capturing impacts through regular reports to achieve sustainable governance.

The Board established the Remuneration Committee with duties to:

- (1) Regularly review Company remuneration regulations and propose amendments.
- (2) Regularly review policies, systems, standards, and structures for director and manager performance and remuneration.
- (3) Regularly evaluate the remuneration of directors and managers.

Director Remuneration:

Under the Articles of Incorporation, Board remuneration is determined regardless of profit/loss based on participation and contribution value with reference to industry levels. It is approved by the Remuneration Committee and the Board. Remuneration includes fixed pay and director remuneration; there is no variable pay. Independent directors receive only fixed pay. Up to 2% of annual profit is set aside for director remuneration, linking it to annual profit. Remuneration for the current term was passed in the second Board meeting; 2025 remuneration was not yet linked to ESG performance, which will be studied in the future.

4.3.2 Senior Management (Managers) GRI 2-19

Salaries and bonuses for managers are individualized based on standards, role, contribution, performance, and responsibility, and approved by the Remuneration Committee and Board. Performance evaluation includes professional, interpersonal, conceptual, and leadership skills, and is a basis for year-end bonuses and employee remuneration. Policies follow the Labor Standards Act and the Labor Pension Act.

To strengthen the link between remuneration and sustainability, we plan to incorporate ESG goals (e.g., carbon reduction, diversity, employee health) into management and reward mechanisms by 2026. Disclosed ESG indicators will serve as references for senior executive bonuses and variable pay, overseen by the ESG governance mechanism and Remuneration Committee. To implement this, ESG performance indicators corresponding to material topics were built in the internal management system (Notes system) for systematic tracking.

4.3.3 General Employees

The Company refers to industry salary levels and adopts measures superior to the Labor Standards Act for internal soundness. Variable pay like extra bonuses is issued based on individual performance and organizational goal achievement (or profit) to reward excellence. Per the Articles of Incorporation, 5% of annual profit is set aside for employee remuneration.

4.3.4 Remuneration Determination Process GRI 2-20

Per Article 27, 5% of annual profit is for employee remuneration. Manager pay is approved by the Remuneration Committee and Board based on criteria and performance (professional, interpersonal, conceptual, leadership). ESG performance indicators will serve as a reference for senior management bonuses and variable pay. Stakeholder feedback is valued via shareholders' meetings, briefings, employee communication, and labor-management meetings. Feedback on governance and remuneration is compiled for the Remuneration Committee and Board, which also consider laws, evaluations, and market levels to regularly check the appropriateness of remuneration policies.

01

02

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4.3.5 Tax Policy

Everlight Group operates with integrity and legal compliance, honestly reflecting facts and honoring contracts. We commit to following tax laws in all operating countries; no negative events or fines from tax risk occurred in years. 2022~2025 income tax paid is below; as consolidated revenue is below NT\$ 27 billion, country-by-country reporting is not required.

Entity Name	Everlight Chemical Industrial Corporation
2022~2025 Revenue	NT\$ 32,489,920 thousand ^[Note 1]
2022~2025 Pre-tax Profit (Loss)	NT\$ 706,028 thousand
2022~2025 Accrued Income Tax	NT\$ 101,304 thousand
2022~2025 Paid Income Tax	NT\$ 208,742 thousand

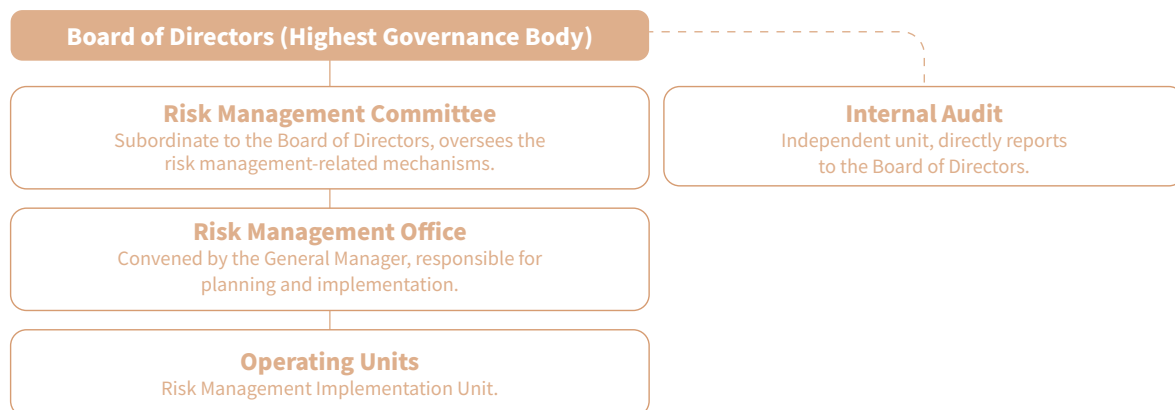
Note 1: Consolidated Group amount.

4.4 Risk Management Material Topic

To ensure sustainable operation, the Company implements risk management to mitigate overall operational risks, establishes a group risk management system, issues the **Risk Management Practice Principles**, and continuously executes risk management processes annually.



4.4.1 Risk Management Organizational Structure and Responsibilities GRI 2-12



Level	Responsibility Description
Board of Directors	Highest governance body. Approves policies, procedures, and framework; ensures strategy aligns with risk policy; builds risk culture; oversees effectiveness and resource allocation.
Risk Management Committee	Supervision and decision-making. Under the Board. Reviews policies/framework; sets risk appetite; approves priorities/levels; reports to Board annually. Members are at least 3 directors (majority independent). (2025: 5 directors, including 3 independent directors; chaired by independent director).
Risk Management Office	Planning and execution. Convened by President. Drafts policies and appetite standards; analyzes/identifies risk sources; compiles results; coordinates cross-departmental communication; oversees operations and promotes risk culture training.
Operating Units	First-line execution. Includes HQ, business unit teams, and functional office heads. Responsible for risk identification, analysis, evaluation, and response; establishes crisis mechanisms and ensures controls are effective.
Internal Audit	Independent check. Under the Board. Audits based on internal procedures; checks effectiveness of risk activities; provides suggestions to Board.

Three Lines of Defense Architecture



4.4.2 Risk Management Policy GRI 2-23

The Company recognizes the rapidly changing global environment and implements a Risk Management Policy to reduce overall risk, protect shareholder rights, understand trends, and strengthen risk awareness to ensure sustainability.



Goals:

Through a complete framework, manage risks that could affect goals and integrate risk management into daily processes to achieve:

(1) Realizing corporate goals; (2) Enhancing management efficiency; (3) Providing reliable information; (4) Effective resource allocation.

4.4.3 Risk Management Scope and Process

Referring to COSO ERM - Applying ERM to ESG-related Risks, the scope is divided into: Strategic, Legal, Financial, Operational, and Other risks. [source text mapping] For climate risks, see Chapter 5.



Risk Management Process:

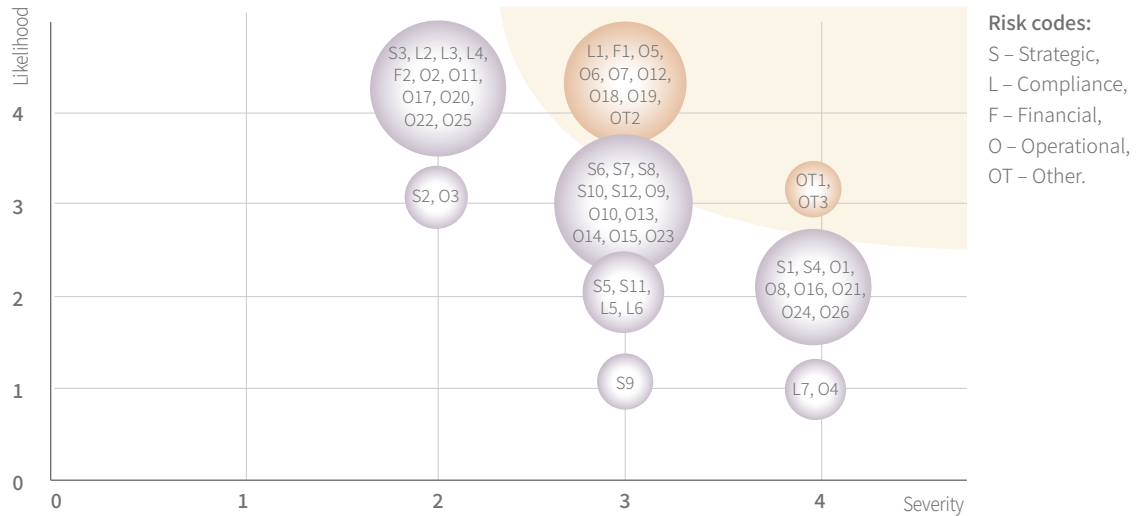


Based on ISO 31000 and TWSE standards, we established the Risk Management Best Practice Principles. Operating units perform annual or event-driven risk assessments (identification, analysis, and evaluation) and implement mitigation plans with continuous monitoring to minimize operational impacts. The process workflow is illustrated below:

4.4.4 2025 Risk Management Operation and Results

In 2025, a total of 50 major risk items were approved by the Risk Management Committee. Items with a total score ≥ 12 are Priority Major Risks with specific response plans.

2025 Major Risk Matrix (Severity/Likelihood)



2025 Priority Critical Risk Items and Mitigation Measures

Risk Category	Risk Item & Code	Risk Description	Mitigation Measures Summary
Geopolitics	Cross-Strait / US-China-Taiwan Relations (OT1, OT3)	Changes in cross-strait relations and geopolitical impacts on operations	1. Monitor credit risks and conduct market impact analysis. 2. Formulate Business Continuity Plans (BCM). 3. Conduct high-level diagnostics and external environment scanning.
Environment & Climate	Extreme Climate / Pollution / Power Supply (O6, L1, O7)	Heavy rainfall, high temperatures, soil pollution, and power shortages	1. Analyze flood potential and evaluate drainage systems at plant sites. 2. Implement soil and groundwater remediation and management procedures. 3. Participate in Taipower's demand response to improve energy efficiency.
Low-carbon Transition	Carbon Tax / Carbon Fee(O5)	Increased costs due to carbon emission policies	1. Implement ISO 50001 and carbon management systems. 2. Set carbon reduction targets and develop low-carbon products.
Finance & Economy	Financial Crisis / Trade Barriers (F1, OT2)	Global financial volatility, tariffs, and exchange rates	1. Maintain an equity ratio above 67% to strengthen the financial structure. 2. Activate crisis operation modes for tariffs and exchange rates.
Supply Chain	Supply Chain Disruption(O12)	Risks from single sourcing or specific regions	1. Develop multi-national sourcing and alternative suppliers. 2. Promote raw material ODM and conduct monthly inventory reviews.
Human Resources	Talent Shortage / Attrition (O18, O19)	Supply shortages and loss of key talent	1. Establish diverse recruitment channels and strategic partnerships. 2. Regularly evaluate compensation and benefits.

2025 Review of External Impacts and Resilience:

Facing 2025 tariff and exchange risks, the Chairman chaired response meetings in crisis mode. Strategies: Grasp cash, fight for orders, R&D support, agile decisions through natural hedging, cost-cutting, and human resource optimization. While the mechanism worked and financial resilience was okay, sales response speed lagged market changes, leading to challenges for

overseas subsidiaries and a consolidated net loss of 136 million. In 2026, focus shifts to Data Governance, building market early-warning mechanisms to strengthen precision pricing and sales integration.

BCM (Business Continuity Management)

Based on ISO 22301 with annual 3rd party verification. Priority BCM issues (geopolitics, power, extreme weather) are selected annually to develop plans for maintaining critical operations during major incidents.



Board Supervision

The Executive Secretary of the Risk Management Committee regularly reports to the Board of Directors in 2025:

May 15, 2025: Review of the 2024 execution status and reporting on the 2025 risk control prioritization and mechanisms.

Dec. 11, 2025: Reporting on the 2025 execution results and identifying the priority critical risk items for 2026 (with a total risk score of ≥ 12), along with mitigation plans to ensure dynamic alignment in risk management.

Material Topic

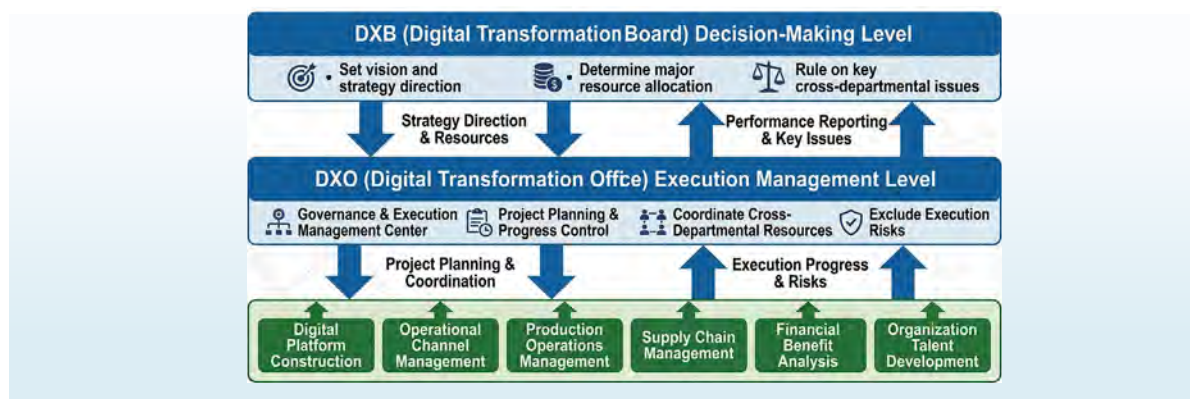
4.5 Digital Transformation and Development

Material Topic 1	Organizational Resilience - Digital Transformation and Development			
Management Policy and Commitment	Enhance operational efficiency, decision quality, and organizational resilience through digitalization, supporting innovative development and long-term competitiveness.			
Governance Organization	Digital Transformation Board (DXB) Digital Transformation Office (DXO) & Information Dept.			
Management Actions	- Plan and push cross-departmental DX projects. - Introduce digital systems and automation tools for efficiency and real-time data. - Use data analysis to support decisions and optimization.			
Input Resources	- Funding for systems and DX projects. - Dedicated DX personnel. - Training for employee digital skills and literacy.			
Indicators and Targets	Indicator Type	Management Indicator Description	2026 Target	2030 Target
	Qualitative	Strategic goal for per-capita productivity and profit contribution		
	Quantitative	Completed DX projects (number of cases)	10	50
Evaluation and Improvement	- Regularly check project progress and effectiveness. - Optimize systems based on cross-departmental review and user feedback. - Roll DX strategies and content based on needs and tech trends.			
2025 Execution Results	- Talent training: 54 physical courses (1,413 person-times); 30 online courses (646 person-times).			
Stakeholder Communication	- Explain DX goals/results to employees via internal meetings/training. - Disclose direction/effectiveness in sustainability report to investors/society.			

4.5.1 DX Organizational Governance Structure

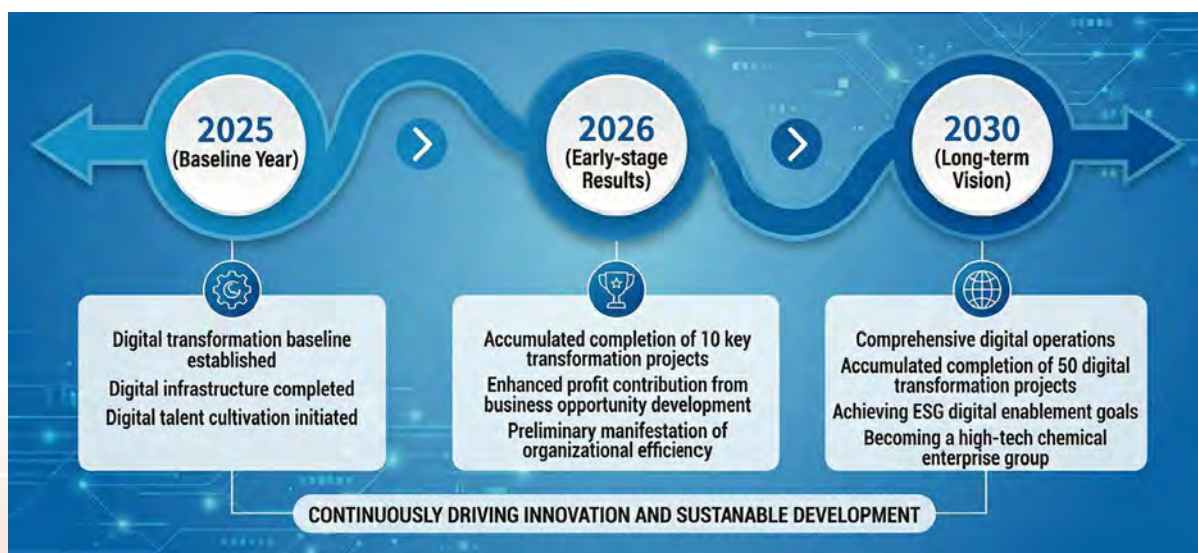
To respond to stakeholders' expectations for corporate sustainable operation, operational transparency, and governance effectiveness, Everlight Chemical has identified Digital Transformation (DX) as a core issue for strengthening organizational resilience and long-term competitiveness, led directly by senior management. The Company has established a comprehensive digital governance framework to ensure high consistency and controllability in strategic direction, resource allocation, and execution results.

Everlight Chemical Digital Transformation Governance Architecture Map



Level	Core Organization	Governance Duties and Key Functions
Decision-making	DX Board (DXB), Chaired by President	Set vision, strategy, and phase goals; adjudicate major resource allocation and cross-departmental issues; ensure digital investment links to ESG/sustainability goals.
Management/Execution	DX Office (DXO)	Pivot between governance and execution; responsible for project planning, tracking, risk control, and budget; coordinate resources.

Everlight Chemical Digital Transformation Milestone Roadmap



— Mechanism:

DXB meets regularly (approx. every 2 months) on strategy/resources; DXO meets bi-weekly to check progress and resolve risks.

4.5.2 Digital Sustainability: Dual-axis Transformation Strategy

DX is a cornerstone for sustainability and governance, systematically supporting ESG management and decision-making through a Digital x Sustainability strategy.

Digital tools enhance:

- Operational efficiency and info integration
- Decision quality and resilience
- Sustainability disclosure and compliance

This reduces manual risk/cost and improves disclosure quality and credibility.



4.5.3 2025 Digital Application Results and Sustainable Value

We transform digital tools into tangible operational benefits through smart manufacturing and business empowerment.

— Overview of Smart Manufacturing and Operational Efficiency

Application Area	Digital Tool	Core Benefit (Quantified)
Logistics Management	RPA	Processing time reduced by 99.9% (full automation).
OEM Evaluation	AI Evaluation	Process shortened by 70-80% (faster response).
Line Planning	3D Digital Twin	Built digital infrastructure; optimized maintenance.
Cost Control	Power BI + AI	Precise control of manufacturing costs via data.
R&D Decision-making	AI Knowledge Retrieval	Cross-dimensional info integration for deep insight.

— **Business Development:**

AI screened potential customers, increasing specific product revenue by 30-35%; AI combinations overcame distant market information asymmetry for subsidiary evaluations and new UV absorber markets.

4.5.4 Digital Talent Cultivation and Organizational Culture Transformation

The core of successful transformation lies in People. We not only invest in technology but are also committed to driving a shift in the organizational mindset.

— **2025 Talent Training Performance:**

Physical Courses: 54 classes, reaching 1,413 attendees.

Online Courses: 30 classes, reaching 646 attendees.

— **Cultivating Digital Talent with Five Core Traits:**

Digital Literacy: Understanding and utilizing digital tools.

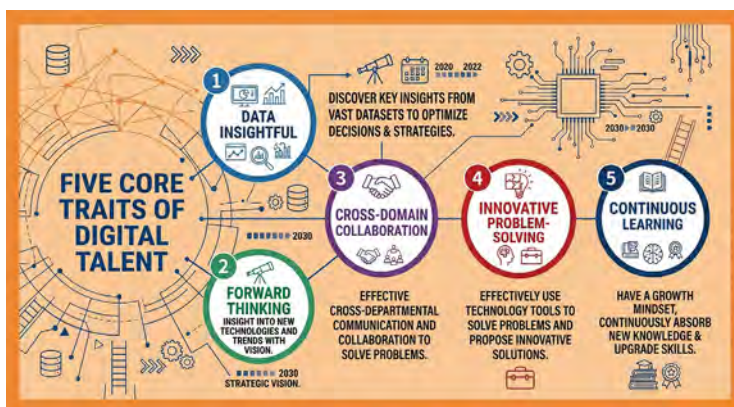
Cross-domain Expertise:

Breaking down departmental silos to foster collaborative innovation.

Business Mindset: Utilizing data to provide feedback on business value.

Data-driven: Cultivating evidence-based decision-making habits.

Innovative Spirit: Having the courage to experiment with new work models.



— **Cultural Transformation and Role Reshaping**

- We emphasize that AI is for empowerment, not replacement, driving the evolution of organizational roles:

Role	Before Transformation (From)	After Transformation (To)
Frontline Employees	Task Doer	Process Architect
Management	Commander	Enabler: Providing resources and a platform for support

4.5.5 Future Planning and Outlook

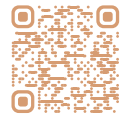
Positioning DX as a systematic engineering project aiming for 50 projects by 2030. We will deepen AI in R&D, supply chain, and business, using data-driven decisions to support ESG commitments, accelerate toward being a high-tech group contributing to mankind.

4.6 Information Security Management

Material Topic

Material Topic 1	Organizational Resilience - Information Security Management			
Management Policy and Commitment	Policy: Implement protection measures to ensure information security. Value security and personal data protection; follow international standards for ISMS through a sound governance framework and risk management to prevent leaks, tampering, or system interruption.			
Governance Organization	Information Department			
Management Actions	Operate ISMS based on ISO 27001; use risk-oriented management to identify threats and vulnerabilities to reduce incident probability and impact.			
Input Resources	Dedicated Info Dept staff and Security/Privacy Committee; regular risk evaluations, scans, social engineering drills, and disaster recovery drills; strengthen equipment, backup, and awareness.			
Indicators and Targets	Indicator Type	Management Indicator Description	2026 Target	2030 Target
	Qualitative	Maintain CIA (Confidentiality, Integrity, Availability).	Continuously maintain and strengthen CIA management principles.	
	Quantitative	Major security incidents / Confidential data leaks	0 / 0	0 / 0
Evaluation and Improvement	Annual 3rd party verification audits to check ISMS operation and effectiveness.			
2025 Execution Results	Major incidents/leaks: 0 / 0; Critical equipment/system failure time/frequency: 0 / 0.			
Stakeholder Communication	Communicate policy to employees; disclose practices/performance in sustainability report to customers, investors, and others.			

Everlight Chemical recognizes information security as a core issue for sustainable business operations. Since the establishment of the Information Security and Personal Data Management Committee in 2016, and the formal appointment of a dedicated Information Security Officer in 2023, the Company has been committed to constructing a dual-layered protection network to defend against external threats and strengthen internal management.



Information
Security
Management
Policy

2025 Specific Execution Results

Implement information security awareness for all employees through systematic defense drills and education.

Item	Execution Content and Results				
InfoSec & Personal Data Awareness	Conducted online courses via eHRD and awareness sessions during monthly meetings; 1,080 participants, with a participation rate of 92.78% and an average of 0.5 training hours per person.				
Social Engineering Drills	Conducted two phishing email drills for all employees, and implemented follow-up guidance and training addressing specific deficiencies identified during the drills.				
Emergency Response Drills	Completed a server room fire simulation drill at Everlight Plant 2 to enhance response and recovery capabilities in the event of a disaster.				
System Security Testing - Vulnerability Scanning Remediation	Risk Level	Total Vulns	Fixed / In Progress	Risk Acceptance*	Improvement Progress
	Critical	18	12	6	100% Under Control
	High	81	61	20	100% Under Control
	Medium	116	In Progress (Tracking)	-	Continuous Optimization
*Note: Risk accepted means compensatory controls were used due to environment needs rather than direct repair.					
Operational Security Records	No major security incidents impacting operations in 2025.				

4.6.1 Organizational Structure of Authority and Responsibility

The Information Security and Personal Data Management Committee, led by the General Manager, regularly oversees security policies and risk remediation.



Information
Security
Committee
Organization

4.6.2 Information Security and Personal Data Management Actions and Certifications

We institutionalize information security through the PDCA cycle, utilizing regular management reviews and audit mechanisms to ensure system effectiveness and maintain a resilient defense network.

— International Verification

After initially adopting ISO 27001 in 2021, we successfully upgraded to ISO 27001:2022 via a DNV audit in 2024. We also passed our annual surveillance audit in August 2025, ensuring continuous compliance with international standards.

— Information Security Governance

To maintain transparent governance, the IT head regularly reports performance to the Board. The November 2025 governance report specifically detailed risk remediation effectiveness, management plan progress, and future strategies.

— Regulatory Compliance

Strictly adhering to the PDPA, we govern the entire lifecycle of personal data. By implementing specific management procedures and hierarchical authorization, we strengthen privacy protection and prevent data leakage.



InfoSec Risk
Mitigation and
Management
Actions

4.6.3 Information Security Incident Notification, Response, and Remediation Mechanisms GRI 418-1

To control security risks, we utilize a standardized process:

- **Remediation:** We follow Incident Management Procedures for immediate impact minimization.
- **Notification:** Defined hierarchies ensure prompt reporting to responsible units.

 **2025 Incident Overview:** In 2025, four non-major incidents were resolved on time with zero customer data or privacy leaks.



InfoSec and
Personal
Data Incident
Notification
Process

4.6.4 Future Planning and Outlook

By 2030, we plan to implement OT security across Plants I to IV, combining it with existing IT defenses to build a comprehensive protection network.

4.7 Intellectual Property Management

IP is a core competitive asset; combining it with operational goals ensures a leading position via tech foundation and high-tech green products.

4.7.1 Intellectual Property Management Policy and Strategy

The Company is committed to the development of the high-tech knowledge industry and green economy industry, while constructing a comprehensive intellectual property protection system.

Item	Description
Management Policy	Comply with intellectual property regulations and safeguard intellectual property.
Core Strategies	1. Institutional Perfection: Continuously improve the intellectual property management system to ensure process compliance. 2. Resource Integration: Connect R&D resources with market demands to seize business opportunities. 3. Awareness Strengthening: Implement education and training to deepen the legal awareness of intellectual property among all employees.
Development Goals	Adhere to government regulations, respect the rights of others, and protect proprietary core technologies.

4.7.2 Organizational Structure and Operating Mechanism

Through dedicated units and digital tools, we ensure the depth and breadth of intellectual property management.

- **Responsible Unit: Patent Management Committee** Responsible for coordinating the layout, application, management, and rights protection of all corporate intellectual property and patents.
- **Digital Management: E-Management Platform** Utilizes the Intellectual Property Management Manual and the E-platform to implement daily management, internal and external audits, and management reviews, continuously optimizing management effectiveness through the PDCA cycle.

4.7.3 Patent Protection Measures and Achievements

Everlight Chemical has constructed an all-encompassing protection network ranging from research and development to certification.

Taiwan Intellectual Property Management System TIPS certification



- **Incentives and Promotion:** Established an evaluation and reward system, coupled with regular promotional education, to encourage employees to transform R&D results into patent assets.
- **Asset Revitalization:** Conducts annual maintenance evaluations on certified patents to ensure the effectiveness and economic value of the patent portfolio.
- **Taiwan Intellectual Property Management System (TIPS) Certification:** Everlight Chemical successfully passed the Taiwan Intellectual Property Management System (TIPS) Grade A re-certification at the end of 2024 and completed the certificate collection in February 2025.
Certificate Validity: Until December 31, 2026
Significance: Demonstrates that the Company's intellectual property management system has reached national standards, possessing comprehensive risk control and innovation protection capabilities.
- **2025 Execution Results**
 - (1) Zero major intellectual property violation incidents.
 - (2) In 2025, the Patent Management Committee conducted 6 new patent application reviews, published 9 journal articles or conference papers, and held 6 intellectual property-related training sessions.
 - (3) As of December 2025, the Company has obtained 211 invention patents, with a total of 557 global patent certifications and 203 domestic and international trademarks.

2025 Invention Patent Technical Highlights Summary

Technical Project	Core Innovation and Value
Phthalocyanine Pigment Aqueous Dispersion	Specific ratio dispersion technology achieving low viscosity and high stability.
Polyimide (PI) Negative Photoresist	Grafted functional group modification significantly strengthening the mechanical properties of thin films.
Aqueous PUD Absorber	Introduction of chain extension technology enhancing product stability and anti-UV effectiveness.
Red and Yellow Pigment Aqueous Dispersions and Their Ink Compositions	Optimized formula composition enhancing printing performance and liquid-phase dispersibility.
Reactive Anthraquinone Colorant	High-solubility dye with a new structure, paired with environmentally friendly green manufacturing processes.

Cumulative Patent Applications and Certifications by Country (2024–2025)

Cumulative Applications		Cumulative Certifications	
2024	2025	2024	2025
980	991	549	557

4.8 Regulatory Compliance

GRI 2-27

To ensure that daily operations comply with regulatory requirements, Everlight Chemical has established codes of conduct for all personnel, from senior management to frontline employees. We have consistently upheld Integrity-based Management as our core corporate value. While pursuing financial performance, we actively undertake corresponding social responsibilities and maintain constant self-vigilance.

In 2024 and 2025, there were zero Major Regulatory Violations ^[Note 1]. There were only a few minor administrative penalties in the social and environmental categories, and no news incidents involving negative impacts (geographic scope limited to Taiwan), as shown in Tables 1 and 2. In the spirit of honest reflection, the Company has carefully reviewed these violations, assessed potential loopholes in our management systems, and implemented specific improvement plans to prevent recurrence.

Note [1]: Following the Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities in Taiwan, the Company defines a Major Regulatory Violation as a single incident with a cumulative fine of NT\$1,000,000 or more.

— **Total number of major regulatory violations during the reporting period: 0**

— **Major non-monetary sanctions: 0**

(Definition of major non-monetary sanctions: Significant restrictions imposed on the company's operations by governments or regulatory authorities, such as revocation of business licenses, mandatory work stoppage orders, or restrictions on the right to operate in specific highly regulated industries.)

Year	Total Number of Fines	Total Amount of Fines (NTD)
2024	5	901,335
2025	8	472,500

— **Incident Description: In 2025, the Company had no administrative or judicial non-monetary sanctions resulting from major violations.**

2024 Penalties and Improvements (Scope: Taiwan)

Category	Item	2024 Penalty Incident		Reason for Violation	Corrective Measures	Improvement Progress
		Fine Amount (NTD)	Administrative Obligations (Act/Inaction)			
Environmental	Air Pollution Control Act	500	None	Taipei HQ: Official motorcycle missed the annual exhaust inspection deadline.	Implement a regular tracking mechanism by the General Affairs unit to ensure all vehicles are inspected on time.	Inspection completed.
Social	Building or Construction Regulations	60,000	None	Chuan-Tung Tech Plant 2 (Building C): Construction began on new equipment before obtaining plan review approval.	Strictly require General Affairs and contractors to operate within the legal framework, ensuring reporting procedures are completed before construction.	Contracts have been awarded according to schedule; construction is expected to be completed and a valid usage permit obtained in 2026.
		60,000	None	Chuan-Tung Tech Plant 3 (Building D): Construction began before obtaining plan review approval.		
		68,000	None	Chuan-Tung Tech Plant 2 (Building C): Construction began before obtaining a building permit.		
		712,835	None	Everlight Plant 1: Failed to report for inspection before starting construction.	Strengthen compliance with construction regulations to ensure statutory reporting is completed before construction.	Reporting has been corrected; a secondary inventory review will be conducted to confirm compliance before construction resumes.

2025 Penalties and Improvements (Scope: Taiwan)

Category	Item	2025 Penalty Incident		Reason for Violation	Corrective Measures	Improvement Progress
		Fine Amount (NTD)	Administrative Obligations (Act/Inaction)			
Environmental	Air Pollution Control Act	\$500	None	Plant 2: An official vehicle passed through an Air Quality Maintenance Zone without a valid exhaust test record within the past year.	Ensure all vehicles undergo annual exhaust testing as scheduled.	The General Affairs unit has implemented vehicle management tracking.

Category	Item	2025 Penalty Incident		Reason for Violation	Corrective Measures	Improvement Progress
		Fine Amount (NTD)	Administrative Obligations (Act/Inaction)			
Environmental	Air Pollution Control Act	2,000	None	(Related to vehicle exhaust/ records)	Ensure all vehicles undergo annual exhaust testing as scheduled.	The General Affairs unit has implemented vehicle management tracking.
		100,000	None	Plant 3: Odor from the flue exceeded standards during regulatory testing.	Strictly inspect exhaust systems at all plants and strengthen filter maintenance.	All plant sites are cooperating with outsourced contractors to implement monitoring.
	Toxic and Concerned Chemical Substances Control Act	100,000	None	Everlight HQ: Imported Tributyltin hydride; failed to submit the transport form before shipping.	Strengthen management of toxic chemicals and strictly enforce reporting before transportation.	The Procurement unit has incorporated the requirements into Standard Operating Procedures (SOPs).
		60,000	Improvement within a deadline	Plant 4: Failed to complete the previous month's operation records for Acetonitrile on time.	Completed late reporting and required all plants and contractors to implement reporting tasks diligently.	Labor law education and training have been implemented, and compliance audits are being conducted.
Social	Labor Standards Act	30,000	None	Plant 1: Failed to notify the authority 10 days prior to employee severance.	Ensure HR procedures comply with statutory notification timelines.	All plant sites are coordinating with outsourced professional contractors to perform spatial adjustments.
	Fire Services Act	80,000	None	Plant 3: Insufficient clearance space around outdoor hazardous material storage tanks, violating setting standards.	Re-plan plant space according to fire regulations to ensure safety distances meet legal requirements.	All plant sites are coordinating with outsourced professional contractors to perform spatial adjustments.
	Labor Standards Act	100,000	Disclosure of the names of the sanctioned entity and responsible person	Plant 1: Employee contact with specific chemical substances.	Establish documentation for operating methods and PPE integrity; strengthen the responsibilities of managers in charge of specific chemicals.	Improvement has been completed, and occupational safety and health law promotion and training have been implemented.

4.9 Sustainable Supply Chain Management

Everlight Chemical recognizes that the supply chain is a pivotal factor in a company's journey toward sustainable development. To ensure that supply chain activities align with environmental, social, and economic principles, we have formulated a Sustainable Procurement Policy, placing integrity as the cornerstone of our partnerships. We are dedicated to promoting green procurement, strengthening supplier management, and supervising partners' compliance with labor human rights and EHS (Environment, Health, and Safety) regulations to jointly create a safe, reliable, and competitive win-win value chain.

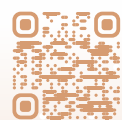
4.9.1 Sustainable Procurement Policy and Commitment

GRI 2-23

GRI 2-24

Adhering to the principles of integrity-based management, Everlight Chemical seeks to establish partnerships with suppliers. Our defined procurement policy is: Establish a sustainable supply chain with reliable suppliers to create value with customers. We adopt five core action strategies to build robust partnerships:

1. **Quality and Reliability:** Require suppliers to provide goods and services with stable quality, on-time delivery, and reasonable pricing.
2. **Social Responsibility:** Supervise suppliers to fulfill corporate social responsibilities, follow labor human rights and ethical norms, conduct fair, just, and transparent transactions, and implement industrial safety, environmental protection, and risk management.
3. **Integrity and Compliance:** Strictly prohibit improper behaviors such as bribery and corruption. Promote the signing and compliance of the Code of Conduct by suppliers to ensure integrity-based management and adherence to legal and ethical standards.
4. **Green and Sustainable Growth:** Advocate for green and low-carbon supply chains by purchasing Green Mark and eco-friendly products. Conduct ESG assessments and due diligence to establish long-term cooperation with suppliers possessing sustainable development capabilities.
5. **Risk Management:** Implement a supply chain risk identification mechanism and formulate corresponding response plans. This procurement policy is approved by the General Manager and published on our official website.



Procurement
Policy

4.9.2 Supplier Code of Conduct and Contract Management

We publicly disclose our supplier conduct norms and require suppliers to sign and adhere to the Code of Conduct and Commitment Letter to align with international sustainability standards. The content covers five key issues:

1. **Ethical Standards:** Integrity-based management, elimination of improper benefits, protection of whistleblowers, and the zero use of conflict minerals.
2. **Labor and Human Rights:** Respect for basic human rights, freedom of association, prohibition of forced labor and child labor, avoidance of harsh or inhumane treatment, and commitment to a workplace free from harassment and illegal discrimination.
3. **Health and Safety:** Focus on occupational safety, management of occupational injuries and illnesses, and environmental hygiene.
4. **Environmental Standards:** Compliance with environmental permits, management of water resources and energy consumption, greenhouse gas reduction, and adherence to regulations for hazardous substances in raw materials.
5. **Management Systems:** Establishment of various management systems and achievement of ISO certifications (e.g., ISO 14001, ISO 45001, and Information Security Management) to ensure the continuous execution of standardized norms.



Environmental
and Social
Responsibility
Standards



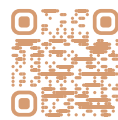
Raw Material
Regulated
Substance
Specification

4.9.3 Supplier Evaluation and Screening GRI 2-26

Adhering to the vision of becoming a high-tech chemical enterprise group that contributes to humanity, Everlight Chemical implements ESG supply chain management. We ensure supply chain sustainability through the following mechanisms:

1. Formulating the Procurement Policy and Supplier Code of Conduct and maintaining transparency on our official website.
2. Setting environmental protection, social responsibility, and business ethics as assessment criteria.
3. Requiring suppliers to comply with international Regulations on Controlled Substances in Raw Materials and national standards for restricted substances.

We conduct annual supplier evaluations and incorporate sustainability performance into the scoring system. If major deficiencies or violations (such as child labor or illegal pollution discharge) are discovered, the Company takes measures to suspend or reduce procurement volumes until improvements are completed. In cases involving bribery, kickbacks, or conflicts of interest, suppliers can report through the following dedicated channels. The Company strictly adheres to the principle of confidentiality regarding the whistleblower's identity and the content of the report, provides an anonymous reporting mechanism, and establishes protective measures to prevent whistleblowers from facing improper treatment:



Supplier Zone

Integrity Whistleblowing and Complaint Channels

Whistleblowing Hotline: +886-2-2326-3502

Internal Audit Office Email: informant@ecic.com.tw

Audit Committee Email: AuditCommittee@ecic.com.tw

-  In 2025, we received zero reports regarding supply chain corruption or major labor human rights deficiencies, indicating that the Supplier Code of Conduct has been effectively integrated into our collaborative culture.

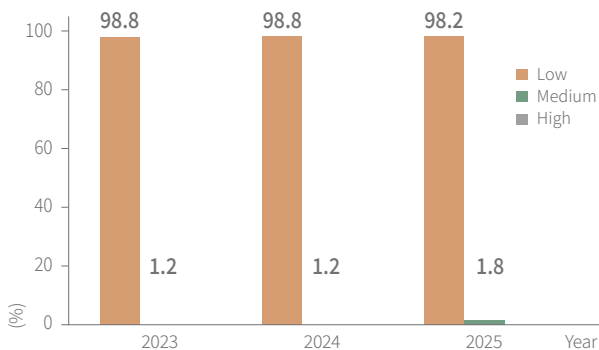
4.9.4 Supply Chain Risk Management and Organizational Resilience

To ensure an uninterrupted supply of critical raw materials, Everlight Chemical conducts supplier risk assessments for all items, setting an annual control target of keeping the proportion of medium and high-risk suppliers below 2.5%.

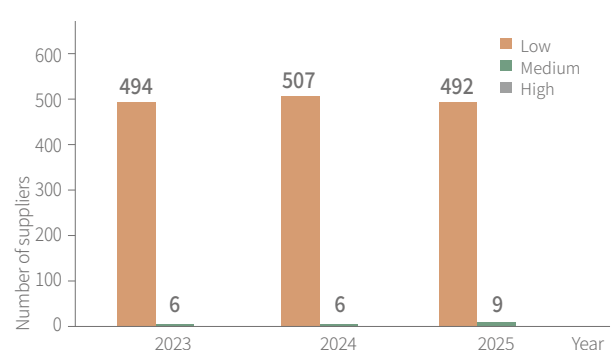
2023-2025 Everlight Chemical Supplier Risk Assessment Results and Analysis

Year	2023		2024		2025	
Risk Level	Count	Percentage (%)	Count	Percentage (%)	Count	Percentage (%)
Low Risk	494	98.8	507	98.8	492	98.2
Medium Risk	6	1.2	6	1.2	9	1.8
High Risk	0	0	0	0	0	0
Total	500	100	513	100	501	100

Risk Level of Chemical Supplier(%)



Risk Level of Chemical Supplier (number)



The 2025 assessment results indicate that 98.2% of suppliers maintained a low-risk level. Although the proportion of medium-to-high risk suppliers rose slightly from 1.2% in 2024 to 1.8% in 2025, it remained below the 2.5% control limit, successfully achieving the annual target. The analysis of the slight increase in risk proportion is as follows:

1. Critical raw materials for Everlight dyes: Production equipment in the China region underwent upgrades and renovations, increasing the risk of supply disruption. As renovations continued through the fourth quarter of 2025, we will maintain continuous monitoring of supply status and potential stock-out risks.
2. Key raw materials for specialty chemicals: These items involve customized intermediates and single sourcing, resulting in higher inherent risk. We have initiated source development in other regions; once quality verification is passed, the risk level is expected to decrease.

Risk Control Measures

For medium-to-high risk and single-source suppliers, we implement dual-track management to eliminate threats to supply continuity:

- **Proactive Monitoring:** Track inventory levels monthly and implement advance procurement and logistics monitoring.
- **Enhanced Evaluation:** Issue the Supplier Evaluation Form, with a scope focusing on ESG governance (including human rights, labor norms, and the status of ESG report issuance).

Through inventory monitoring and strengthened supplier relationships, Everlight Chemical continues to optimize supplier governance performance, building a highly resilient and sustainable supply network.

4.9.5 Local Procurement and Regional Layout

GRI 204-1

Everlight Chemical implements supply chain localization to reduce logistics carbon footprints and promote regional economic prosperity. We utilize data monitoring through the dual dimensions of procurement amount and number of suppliers to ensure production stability and competitiveness amidst environmental changes.

Under the premise of meeting product technical specifications and customer quality requirements, the Company actively promotes the Priority Local Procurement policy. Through data analysis, we continuously monitor the supply chain structure of our major plant sites:

- **Steady Growth of Core Plant Sites:** For Everlight Chemical (Taiwan plant sites), the local procurement amount percentage increased from 27% in 2024 to 31% in 2025. This demonstrates our successful integration of local supply resources alongside the growth of manufacturing projects.
- **Tailored Supply Strategies:** We adopt differentiated management models based on the industrial characteristics of various plant sites. For instance, Suzhou Everlight consistently maintains a high ratio of local suppliers (over 75%). Meanwhile, Chuan-Tung Tech, belonging to the toner industry, must maintain close collaboration with top international supply chains to ensure the stability and high quality of key materials such as resins and colorants, thereby balancing supply stability with product performance.

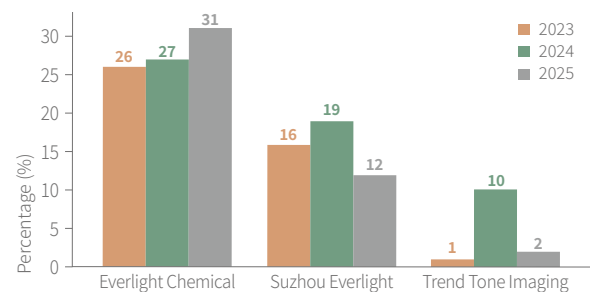
Through data tracking from 2023 to 2025, Everlight Chemical demonstrates that while pursuing operational growth, we also continuously strengthen links to and reliance on the local supply chain, constructing a sustainable value chain with high adaptability and responsibility.

Analysis of Local Procurement Amount Percentage

2023–2025 Percentage of Raw Material Procurement Amount (Local vs. Non-Local)

Category	Plant Site	2023	2024	2025
Local (%)	Everlight Chemical	26	27	31 ^[Note 1]
	Suzhou Everlight	16	19	12
	Trend Tone Imaging	1	10	2 ^[Note 1]
Non-Local (%)	Everlight Chemical	74	73	69
	Suzhou Everlight	84	81	88
	Trend Tone Imaging	99	90	98

Local Procurement Percentage (2023-2025)



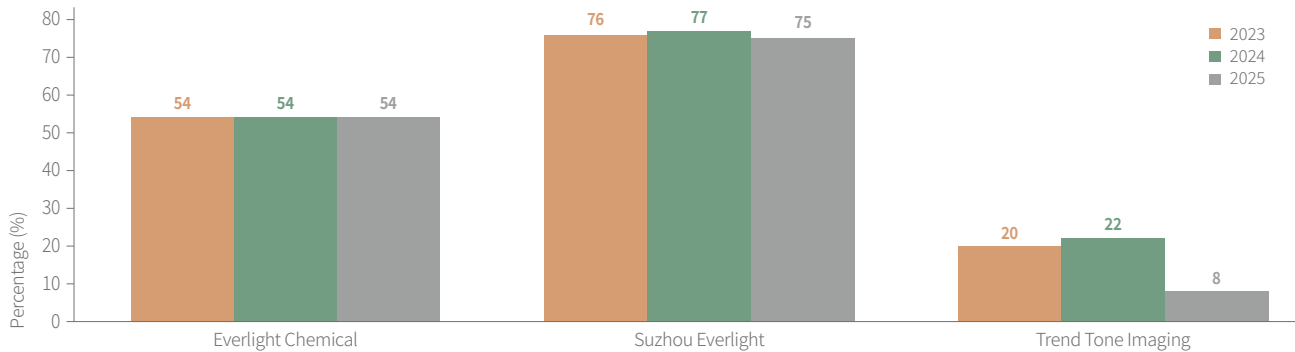
Note 1: Chuan-Tung Tech belongs to the toner industry and collaborates with key domestic and overseas supply chain manufacturers for upstream resins, iron powder, and colorants to ensure the stability of material supply sources.

Analysis of Local Procurement Supplier Count Percentage

2023–2025 Number and Percentage of Local/Non-Local Raw Material Transaction Suppliers

Plant Site		Everlight Chemical			Suzhou Everlight			Chuan-Tung Tech		
Year		2023	2024	2025	2023	2024	2025	2023	2024	2025
Local	Count	226	214	206	31	34	46	14	15	3
	%	54	54	54	76	77	75	20	22	8
Non-Local	Count	193	180	175	10	10	15	55	53	37
	%	46	46	46	24	23	25	80	78	92
Total (Count)		419	394	381	41	44	61	69	68	40

Local Procurement Supplier Percentage (by Number of Suppliers) (2023-2025)



4.9.6 Supply Chain Empowerment and Due Diligence

GRI 308-1

GRI 414-1

Everlight Chemical transforms the concept of sustainability into the core competitiveness of its partners through mechanisms such as on-site visits, supplier audits, educational training, and mutual exchanges, thereby constructing a resilient supply chain.

— Three Pillars of Sustainability Empowerment:

- **Education and Training:** Regularly host annual supplier sustainability courses covering global ESG trends, carbon footprinting practices, and E-ESG certification standards to guide partners in aligning with international norms.
- **On-site Audit:** Implement on-site audits based on the E-ESG Evaluation Form to review compliance across environmental protection, labor human rights, and corporate governance. A total of 6 on-site audits were completed in the 2025 fiscal year.
- **Performance Incentives and Transformation Drive:** Implement a Priority Sourcing system to encourage suppliers to obtain E-ESG certification, driving autonomous green transformation through tangible business collaboration opportunities.

— 2025 Supplier Due Diligence Performance:

Referencing the ISO 20400 Sustainable Procurement Guidance, Everlight Chemical incorporates core issues—corporate governance, labor human rights, environmental impact, fair operating practices, and community development—into its management framework. We perform tiered investigations for major, important, and new suppliers to ensure supply chain transparency.

- **Environmental and Social Standards:** Assess climate change, carbon reduction actions, the zero use of conflict minerals, and labor practices through the Supplier Due Diligence Form. In 2025, investigations were conducted for 19 important suppliers (annual procurement > NT\$30 million, excluding contract manufacturers), achieving a completion rate of 100%.
- **Wastewater Management Project:** Continuously monitor the wastewater generation and discharge improvement rates of important suppliers. The survey rate reached 100% in 2025, ensuring continuous optimization of supplier wastewater management.
- **ESG Survey of Major Suppliers:** Conducted public information reviews for 137 major suppliers (annual procurement > NT\$5 million). Among them, 98 have published sustainability reports or ESG statements, with the response rate steadily increasing to 72%.
- **New Supplier Screening:** All 6 new suppliers added in 2025 (100%) passed the environmental and social pre-screening evaluations.

— Summary of Supplier Due Diligence 2023–2025

Supplier Category	Important Suppliers (Procurement > NT\$30M)				New Suppliers	Major Suppliers (Procurement > NT\$5M)		
Assessment Method	Supplier Evaluation Form			Supplier Due Diligence Form	Supplier Evaluation Form	ESG, CSR Reports/Declaration		
Year	2023	2024	2025	2025	2025	2023	2024	2025
No. of Suppliers	19	19	19	19	6	128	111	137
Response Rate	100%	100%	100%	100%	100%	61%	70%	72%
Completed Surveys	19	19	19	19	6	78	78	98
Results	Environmental standards compliance rate: 100%; Social standards compliance rate: 100%. ^[Note 1]			Survey Results: 100% Compliance. ^[Note 2] Additionally surveyed wastewater generation and discharge improvement rate: 100% survey rate. ^[Note 3]	A total of 6 new suppliers were added in 2025; their environmental and social performance was reviewed through the Supplier Evaluation Form.	Surveyed 137 suppliers, of which 98 have issued sustainability reports, corporate social responsibility (CSR) reports, or published ESG/CSR statements on their official websites.		

Note 1: Criteria for Compliance regarding environmental and social indicators in the Supplier Evaluation Form: Based on the 2022 version with a total score of 5 points, a score > 3 points is required to be considered compliant.

Note 2: 2025 Supplier Due Diligence Form covers climate, carbon, conflict minerals, diversity, anti-corruption, security, rights, and labor. Compliant is score ≥ 5/10.

Note 3: Important supplier wastewater improvement (19 total)

No. of Suppliers	Wastewater Generation Improvement Rate	Wastewater Discharge Improvement Rate
Improved	14	12
No Change	3	5
Regressed	0	0
Not Measured	2	2
Total	19	19

4.9.7 Green and Sustainable Procurement Performance

Everlight Chemical references the ISO 20400 Sustainable Procurement Guidance to actively promote green procurement and certification systems.

2025 Green Procurement Honors and Awards

The Company has long implemented green procurement by selecting products with Green Marks and eco-friendly attributes to reduce the environmental impact of its operations.

Awarded Sites	Merits
Plant I	 Received Taoyuan City 'Civilian Enterprises and Organizations Green Procurement Performance Award' for 10 consecutive years  Received the Ministry of Economic Affairs 'Excellent Enterprise in Resource Recycling Green Product Procurement' award for 2 consecutive years
Plant II	 Received Taoyuan City 'Civilian Enterprises and Organizations Green Procurement Performance Award' for 12 consecutive years
Plant III	 Received Taoyuan City 'Civilian Enterprises and Organizations Green Procurement Performance Award' for 12 consecutive years
Plant IV	 Received Taoyuan City 'Civilian Enterprises and Organizations Green Procurement Performance Award' for 4 consecutive years
Trend Tone Imaging	 Recognized as an excellent enterprise in Hsinchu City's 'Civilian Enterprise and Organization Green Procurement Evaluation'

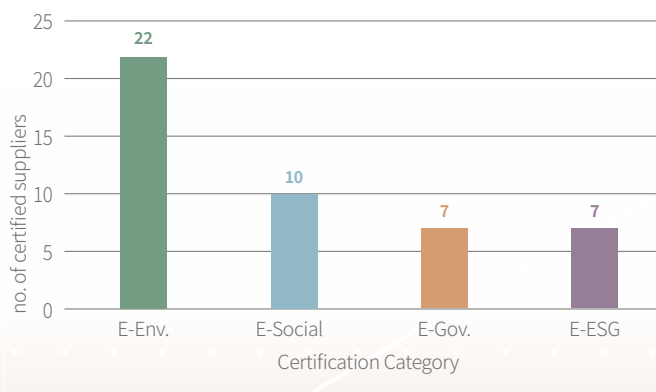
| 2025 Excellence Award for Private Enterprise and Group Buying Procurement



— Implementation of the Supplier E-ESG Certification System

We ensure the supply chain meets sustainability standards through assessments in four key areas: E-E (Environment), E-S (Social), E-G (Governance), and the comprehensive E-ESG (Sustainability) certification. Certified suppliers are granted priority sourcing rights for a five-year validity period. This system guides partners to implement sustainability policies, and we prioritize procurement from certified suppliers.

| 2025 Supplier E-ESG Certification System



outstanding partners through the Excellent Supplier Award. In 2025, we presented 3 Sustainable Supplier Awards and 1 Quality Excellence Award to move toward mutual prosperity with our supply chain.

2025 Certification Results:

E-E Certified Suppliers: 22 companies

E-S Certified Suppliers: 10 companies

E-G Certified Suppliers: 7 companies

E-ESG Certified Suppliers: 7 companies

(Includes 5 important manufacturers, accounting for 14% of the total procurement amount).

Furthermore, Everlight Chemical incorporates sustainability clauses into legal contracts. In 2025, a total of 2,678 supply contracts containing human rights and environmental clauses were completed. We also recognize

— 2025 Sustainable Supply Chain Quantitative Targets and Results

Key Performance Indicator (KPI)	2024 Actual	2025 Target	2025 Actual	2030 Target
Important Suppliers – Code of Conduct Signing Rate	12.5%	80%	87% (Exceeded)	80%
Important Suppliers – E-ESG Certification Rate	25% ^[Note 1]	25%	26%	70%
Important Suppliers – Due Diligence Rate	95%	100%	100%	100% (Ongoing)
Important Suppliers – ISO 14001 Certification Rate	81.3%	70%	89%	Continuous Improvement
Supplier Education and Training	3 sessions / 38 suppliers / 55 attendees	3 sessions	3 sessions / 50 suppliers / 78 attendees	3 sessions ^[Note 2]
Purchasing Personnel – Sustainable Procurement Training	-	-	100%	100% (Ongoing)

Note 1: On page 45 of the 2024 Sustainability Report, the figure was incorrectly stated as 37.5%; the correct figure is 25%, as stated on page 49.

Note 2: The 2030 goal for supplier education and training involves conducting three sessions per year based on the primary raw material supply regions.

4.9.8 Communication and Satisfaction

Everlight Chemical regards suppliers and contractors as strategic partners in its journey toward sustainability. We have established diversified two-way communication mechanisms, utilizing regular satisfaction surveys to accurately identify collaboration gaps and implementing the PDCA management cycle to ensure long-term stability, mutual trust, and shared prosperity within the supply chain.

— Satisfaction Survey Analysis for Raw Material Suppliers

In 2025, a survey was conducted among 23 important suppliers with an annual procurement value exceeding NT\$30 million, achieving a 100% response rate. Overall satisfaction continued to improve compared to the previous year, with an average score of 98.6.

- **Performance Results:** Staff Integrity and Contract Fulfillment received perfect scores of 100. Other items (such as professional quality and payment processing) maintained high standards above 97 points, with no items scoring below 90.
- **Optimization Focus:** Regarding relatively lower-scoring items (97 points, including non-conforming product handling, web portal usability, and certification system requirements), the Materials Department has launched a portal optimization project and will increase communication frequency and coaching to assist suppliers in meeting various certification system requirements.

— Contractor Satisfaction Survey

In 2025, Everlight Plants 1 through 4, All-Link Tech, and Suzhou Everlight conducted satisfaction surveys for 62 contractors with contract values exceeding NT\$1 million. The overall contractor satisfaction score reached 98.

Assessment Dimension	Key Performance Indicators	Score
Professionalism	Integrity and Ethics, Professional Quality, Cooperation	99
Operational Safety	Safety Training, On-site Protection Measures	98
Administration	Relevant Reviews, Payment Processing Operations	97
Communication & Acceptance	Scope Communication, Inspection and Acceptance Standards	97
Contractual Clauses	Communication on Schedule and Acceptance Terms	96

2025 Contractor Satisfaction Summary Table

Specific actions have been planned to improve the lower-scoring item, Communication of Contractual Clauses :

- **Strengthen Communication Competency:** Conduct communication skills training to ensure consistent transmission of construction schedules and acceptance standards.
- **Establish Pre-audit Mechanism:** Perform in-depth alignment before work begins to reduce cognitive gaps and enhance partner trust.

2025 Contractor Satisfaction (Total:100 Score)

