DIAMOND QUANTUM
BIOTECH CORPORATE

SUSTAINABILITY REPORT 2024

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PREFACE

About This Report

Diamond Quantum Biotech Co., Ltd. (hereinafter referred to as “Diamond”) has prepared this report to provide stakeholders with a comprehensive understanding of the company’s efforts and achievements in corporate sustainability. This report serves as a communication bridge between the company and its stakeholders and acts as a key reference for public and private institutions and the public to understand the company’s practices.

The content of this report follows the 2021 Global Reporting Initiative (GRI) Standards and incorporates relevant guidelines from the Sustainability Accounting Standards Board (SASB). It also references the framework of the Task Force on Climate-related Financial Disclosures (TCFD), while responding to the United Nations Sustainable Development Goals (SDGs) and their corresponding action plans.

Report Scope

Scope of this report:

This report covers the operations of Diamond Quantum Biotech Co., Ltd.’s Wangtian Plant. The production facility is located in Taichung City, Taiwan, with the registered address at No. 1, Wangfu Street, Wangtian Village, Dadu District, Taichung City. There were no significant changes to the organization’s scale, structure, ownership, or supply chain during the reporting period.

Reporting period:

This report discloses information for the period from January 1, 2024, to December 31, 2024. It presents the company’s management performance in corporate governance, environmental, and social aspects. Financial data is consistent with audited financial statements certified by external accountants, while some statistics are derived from publicly available information issued by government agencies and related websites.

MESSAGE FROM THE CHAIRMAN

Dear Colleagues and Shareholders,
As the chairman of the company, I, like all of you, am acutely aware of the environmental challenges we face today, especially the growing threat of extreme climate events. In a time of rapid global economic transformation, escalating climate change, and increasing concerns over food security, **Diamond has continued to explore and confirm the benefits of calcium, silicon, and trace elements in supporting plant growth. These elements have proven effective in promoting plant health, reducing pesticide use, and increasing yields.** Therefore, it is imperative that we move forward with a forward-looking vision and a firm commitment to lead our company toward sustainable development.

FIRST, WE MUST EMBRACE SUSTAINABILITY AS A CORE VALUE.

Diamond places great importance on environmental sustainability and recognize the importance of environmental stewardship. The chemical industry has long been perceived as energy-intensive and polluting. However, this does not absolve us of responsibility. We must proactively invest in the development of green manufacturing processes, promote circular economy models, and reduce our environmental impact. We will continue strengthening collaborations with academia and research institutions to develop more eco-friendly and efficient products and integrate sustainability into every stage of production.

SECOND, WE MUST DRIVE INDUSTRIAL TRANSFORMATION THROUGH INNOVATION.

Innovation is the engine of our continued growth. In an increasingly competitive market, only through constant innovation can we maintain our leadership. We will encourage our colleagues to experiment boldly and challenge themselves, while providing robust R&D support to transform creativity into tangible results. By staying attuned to market trends and customer needs, we aim to develop more competitive products and services.

THIRD, TALENT IS OUR MOST VALUABLE ASSET.

We deeply understand that the company’ s success is inseparable from the efforts of every employee. We are committed to creating an open, inclusive, and dynamic work environment where everyone can thrive. Comprehensive training and development opportunities will be provided to help our colleagues grow and progress alongside the company.

FOURTH, INTEGRITY IS THE FOUNDATION OF OUR BUSINESS.

We will continue to uphold principles of integrity, comply with regulations, and fulfill our corporate social responsibilities. We aim to build mutually beneficial and trustworthy partnerships with suppliers, customers, and shareholders to create greater shared value.

LOOKING AHEAD , WE ARE CONFIDENT IN THE COMPANY’ S FUTURE.

With sustainability as our goal, innovation as our driving force, talent as our foundation, and integrity as our cornerstone, we will continue to enhance our competitiveness, create a sense of achievement for all, deliver greater returns for our shareholders, and make meaningful contributions to society.

Finally, I would like to express my heartfelt thanks to all of our employees for their dedication and to our shareholders for their long-term support. Let us join hands and move forward together toward a brighter and more sustainable future for our company.

Thank you.

THE CHAIRMAN | 林冬霖

2024 SUSTAINABILITY HIGHLIGHTS

ENVIRONMENTAL

Total energy consumption in 2024 was 1,230 MWh, down from 1,495 MWh in 2023.

Energy consumption reduced by 17.7%

Total natural gas consumption in 2024 was 179,210 m^3, compared to 231,981 m^3 in 2023.

Natural gas usage reduced by 22.7%

Actively participated in the Taichung City initiative:

"NET ZERO GREEN LIVING, LIVABLE NEW FUTURE – TURNING C INTO 0, ACT NOW"

, responding to net-zero advocacy campaigns.

Total water usage in 2024 was 49,380 tons, compared to 57,414 tons in 2023.

Water usage reduced by 14.0%

Total waste output in 2024 was 14.63 tons, down from 17.13 tons in 2023.

Waste generation reduced by 14.6%

SOCIAL

100%

100% of employees received wages in compliance with statutory minimum wage requirements.

Launched social engagement activities in collaboration with:
the **Autism Society of Taiwan (Kenner Foundation),**
Good Day Planet Café,
OKLAO Specialty Coffee,
Ernst & Young Taiwan, and
Alishan District Coffee Farmers from Chiayi.

NO CASES

No cases of sexual harassment, discrimination, infringement of Indigenous rights, or other human rights complaints were reported in 2024.

GOVERNANCE

0 INCIDENTS

Zero incidents of complaints or reports regarding unethical behavior or illegal conduct related to company operations or employee actions.

NO

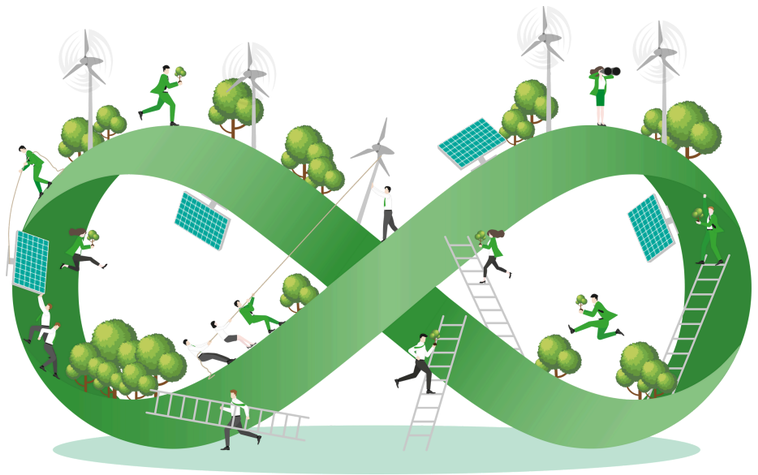
No cybersecurity incidents were reported during the year.

NO

No violations related to anti-competitive behavior, antitrust and monopoly practices, misleading marketing or promotional activities, or customer privacy infringement complaints.

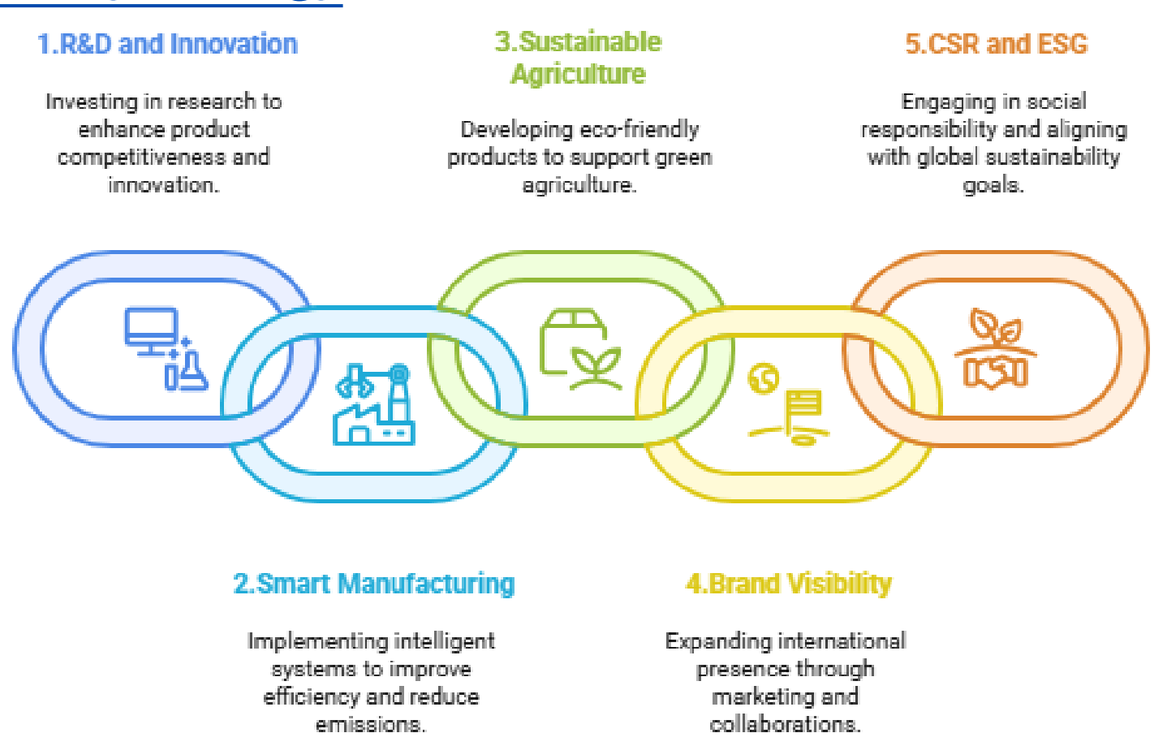
DIAMOND SUSTAINABILITY VISION

1.Diamond’ s Sustainability Vision



Upholding the philosophy of **“Materials Innovation, Sustainable Coexistence,”** Diamond is committed to becoming a leading provider in Asia of high-performance inorganic materials and green agricultural solutions. We firmly believe that quality materials are not only the cornerstone of industrial development but can also contribute meaningfully to environmental sustainability and global food security. Powered by technological innovation and grounded in environmental responsibility, Diamond continuously develops products that are beneficial to both the planet and humanity, realizing long-term harmony between enterprise and nature.

2.Diamond’ s Sustainability Strategy



OUR VALUE CHAIN AND DEVELOPMENT OVERVIEW

1.Core Products and Value Chain

The company focuses on delivering high-quality products and services to meet diverse customer needs. The main product lines include:

- Chemical Products:
  - Light calcium carbonate
  - Colloidal calcium carbonate
- Agricultural Products:
  - Calcium-silicon liquid fertilizers
  - Organic fertilizers
  - Microbial fertilizers
  - Registered-free agricultural inputs
- Cross-disciplinary Service Solutions:
  - Integrated marketing and international trade services, including import/export procurement, marketing strategy planning, and cross-border matchmaking.

The primary raw materials used by the company—such as limestone, coke, and silicon dioxide—are mainly sourced from Taiwanese suppliers, with a small portion imported from international suppliers.

- Chemical Products:
- Mainly sold to domestic clients in the rubber and plastics industries, with limited exports to Southeast Asia, Africa, and Australia.
- Agricultural Products:
- Distributed through over 100 retail outlets across various counties in Taiwan, with exports to Malaysia, the Philippines, Brazil, China, and Japan.
- Cross-disciplinary Service Solutions:
- Primarily focused on import/export procurement and marketing integration services between Japan and Taiwan, assisting clients with customized market solutions.

2.Company History

1973-2000

- 1973 Established Diamond Chemical Co., Ltd. (later renamed Diamond Quantum Biotech Co., Ltd.). Introduced high-quality, high-purity raw materials to produce premium white reinforcing fillers—DIA-CAL—serving industries such as footwear, tires, cables, and coatings.
- 1974 Plant construction completed; annual DIA-CAL output reached 7,000 metric tons.
- 1978 Founded affiliated company Diamond Silica Industrial Co., Ltd., later forming joint ventures with U.S.-based PPG and Japan’s Tokuyama Corporation. Now operating as Lansing Tung Chemical Co., Ltd., one of Asia’s largest silica manufacturers. Product applications include tires, shoe soles, silicone rubber, toothpaste, dietary supplements, agrochemicals, ink, battery separators, adhesives, and pharmaceutical packaging.
- 1981 First-phase plant expansion completed; DIA-CAL annual production capacity increased to 15,000 metric tons.
- 1985 Upgraded all production equipment; annual capacity reached 30,000 metric tons.
- 1999 Established Dongguan LIMA Chemical Co., Ltd. in mainland China, producing heavy/light calcium carbonate, DIA-CAL, CC, CCR, and other high-quality fillers.

2001-2010

- 2001 Founded the Biotechnology Division, formally entering the field of biochemistry and began construction of a food-grade facility for technical development.
- 2002 Biotech plant completed. Joined the Innovation Incubation Center of National Chung Hsing University. Initiated academia-industry collaborations with over ten universities including China Medical University, Providence University, and National Formosa University. Began development of natural organic health supplements using nano cell-wall-breaking technology.
- 2004 Received ISO 9001 and HACCP certifications. Won the 3rd National Industrial Science and Technology Talent Award and National Quality Gold Award. Appointed Dr. Chieh-Fu Chen, former director of China Medical Research Institute, as Chief Research Coordinator to lead advanced R&D.
- 2006 Published papers on nanotech functional food applications, including black bean antioxidants, Salvia miltiorrhiza, Isatis root, and nano calcium.
- 2009 Secured invention patent for dry nano-processing of natural organic substances without the need for dispersants or excipients.
- 2010 Established the Agricultural Technology Division. Developed plant protection formulations and nano-sized trace elements for foliar and fruit fertilization to enhance direct absorption.

2011-2020

- 2011 Selected for the Council of Agriculture's 3rd Agri-Tech Enterprise Innovation Award (Technology Application Category).
- 2013 Obtained fertilizer certifications for various products and began exporting to Southeast Asia, including Thailand.
- 2017 Established the International Trade Division to export high-quality Taiwanese agricultural products and import premium foreign goods.
- 2019 Partnered with National Chung Hsing University on agricultural microbial technology transfer and co-developed beneficial microbial product applications.
- 2020 Launched a smart manufacturing upgrade program to advance automation and digitization. Upgraded plant equipment and energy management systems to achieve energy savings and carbon reduction.

2020-2024

- 2022 Received the 19th Taiwan Golden Root Award from the Taiwan Industry Technology Promotion Association, the 2023 Business Award from the Taiwan Society of Plant Protection and obtained ISO 14001 environmental management certification.
- 2023 Officially renamed as Diamond Quantum Co., Ltd. (formerly Diamond Nano Biotech Co., Ltd.), and obtained ISO 14064-1 certification for greenhouse gas inventories.
- 2024 Technology transfer microbial R&D team awarded Excellence Prize in the Taipei Biotech Awards (Technology Transfer Collaboration). Registered fertilizer products in China. Supported export of Taiwanese coffee to Japan and participated in the Taichung City Net-Zero Initiative.

Company Profile

Company Name	Diamond Quantum Biotech Co., Ltd.
Operating Location	Dadu District, Taichung City, Taiwan
Headquarters Address	No. 1, Wangfu Street, Wangtian Village, Dadu District, Taichung City, Taiwan
Industry Classification	Chemical Manufacturing
Registered Capital	NT$78,000,000
Number of Employees	32

3. Major Associations Diamond Participated in During 2024

Name of Association	Position Held
Taiwan Association for the Development of Tech-Based Agribusinesses	Board Director
Chinese Agri-Business Development Association	Board Director
Taiwan Green & Low-Carbon Association	Supervisor
Taiwan-Japan Industrial and Cultural Development Association	Board Director
Taiwan Rubber & Elastomer Industries Association	Member
Taiwan Agrochemical Industry Association	Member
Chinese Society of Plant Protection	Member

1. SOUND GOVERNANCE

1.1 Corporate Governance
1.2 Economic Performance
1.3 Risk Management
1.4 Ethical Business Practices

1. SOUND GOVERNANCE

1.1 Corporate Governance

The Board of Directors of Diamond Quantum Biotech Co., Ltd. is responsible for guiding the company’ s operational strategy, supervising the management team, overseeing the execution of corporate governance practices, and ensuring accountability to both the company and its shareholders. The Board exercises its powers in accordance with applicable laws, the Company’ s Articles of Incorporation, and resolutions passed by the shareholders’ meeting.

1.1.1 Governance Structure

1.1.2 Board Composition and Operation

According to **Diamond’ s** Articles of Incorporation, the Board of Directors shall consist of **3 to 7 members** and **1 Supervisor**, all elected by the shareholders’ meeting from among individuals with full legal capacity. Each term lasts for **three years**, with re-election permitted.

1.2 Economic Performance

1.2.1 Financial Information and Strategic Response

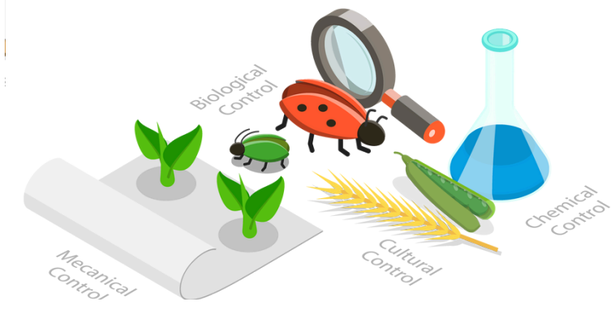
In the post-pandemic era, challenges such as rising interest rates and inflation have intensified the operational environment. Despite declining revenue and operating losses, Diamond Corporation remains committed to its core principle of sustainable management. Building on a solid financial foundation, the management team has actively enhanced its product portfolio and quality, while allocating resources efficiently. Centering on its flagship product, Diamond Calcium Gel, the company has expanded into the development of Diamond Calcium Fertilizer, aiming to stabilize operations and explore new business growth opportunities. Efforts have also been made to strengthen existing distribution partnerships and accelerate global market deployment and resource integration.

1.2.2 Product Innovation and R&D Outcomes

2022:Launched a series of liquid organic fertilizers— **[MetaGrow A+, FuelGrow, Phytotect Growth, NutriGrow]**— fermented from natural ingredients such as soybean meal, coffee grounds, rice flour, and molasses. These products enhance the accumulation of sugars within crops and effectively promote flowering and fruit development, leading to higher yields and better quality.

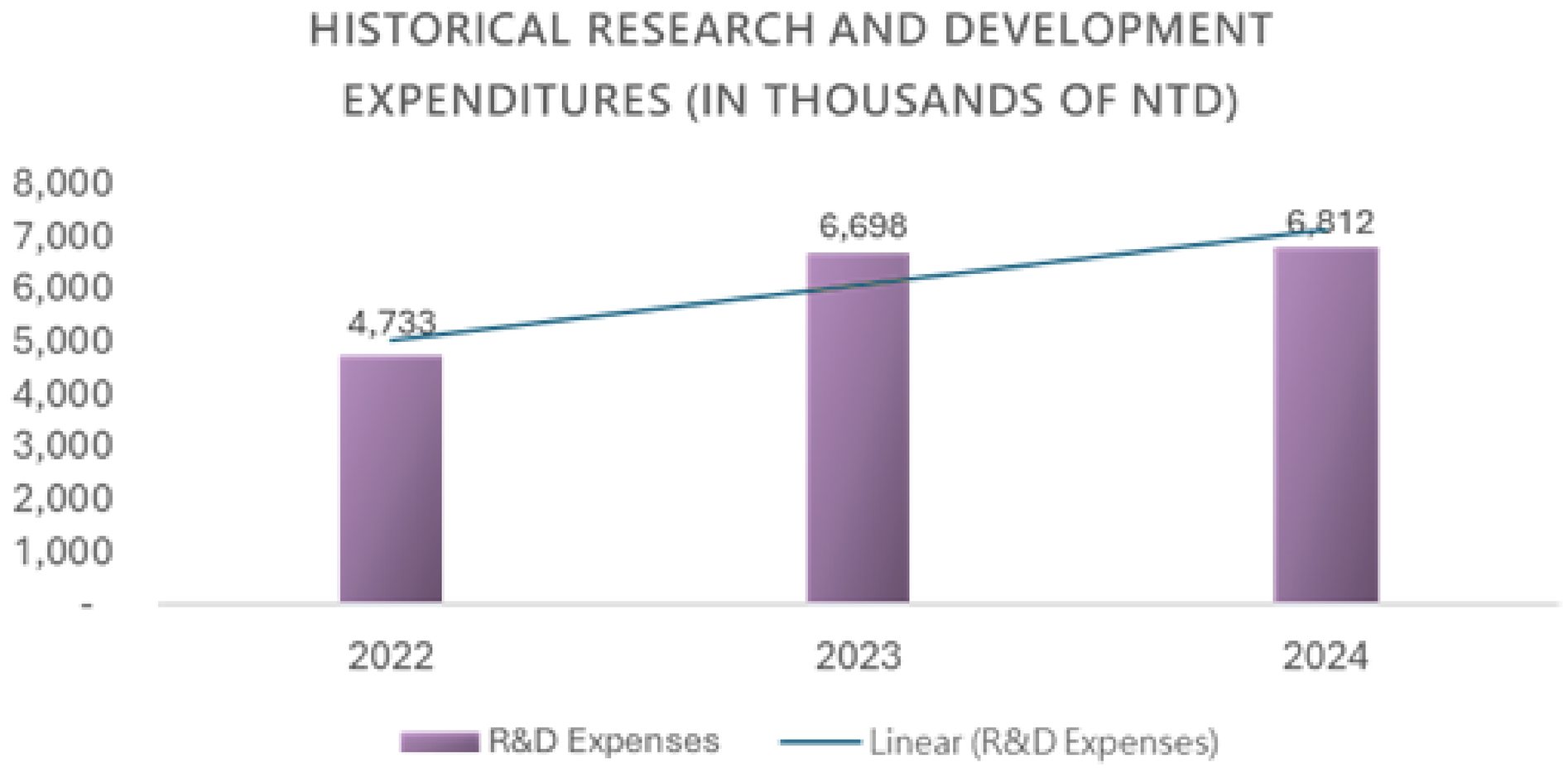
2024:

- **RootsPro Growth**: A specially formulated product that promotes healthy root development and strengthens plant structures, thereby improving crop resilience against environmental stress. It also enhances soil microbial activity and the decomposition of organic matter, creating a rich and stable growth environment.
- **Rice Fertilizer (pending registration)**: Developed specifically for gramineous (grass-family) crops, this product contains nitrogen and silicon to fulfill nutritional needs and improve lodging resistance through the formation of a silica layer—addressing the challenges posed by heavy rainfall under climate change.
- **Horticultural Fertilizer (pending registration)**: Designed for home gardening, this product line includes formulations tailored to various plant growth stages (e.g., growth, foliage, flowering, fruiting). It also contains natural plant essential oils that reduce pest and disease risks while improving the ambient scent of indoor spaces.



1.2.3 R&D Investment Strategy

Diamond continuously refines its manufacturing techniques to maintain a competitive edge. Regardless of industry fluctuations, the company consistently invests in research and development each year. These efforts focus on optimizing production efficiency, reducing costs, and introducing patented technologies to strengthen product line deployment and maintain technological leadership in the market.



1.3 Risk Management

To strengthen corporate governance and mitigate potential operational risks, Diamond began enhancing its risk management framework in 2024 to ensure sound operations and sustainable development. The company is committed to establishing a comprehensive risk management system with clearly defined professional roles and responsibilities across various risk categories. Through a rigorous internal control system, Diamond ensures operational effectiveness and efficiency, enhances the reliability, timeliness, and transparency of internal and external reporting, and ensures compliance with relevant laws and regulations.

1.3.1 Risk Management Policy

Diamond has established a “Sustainability and Risk Management Task Force” to integrate risk management into daily operations and decision-making processes. The team regularly reviews potential risks and assesses key risk items. All types of risks that may affect business operations are identified, analyzed, and evaluated, followed by the formulation of response strategies and supporting measures. This approach aims to ensure the achievement of sustainable development goals. No major deficiencies were reported in 2024.

1.3.2 Risk Categories and Responsible Departments

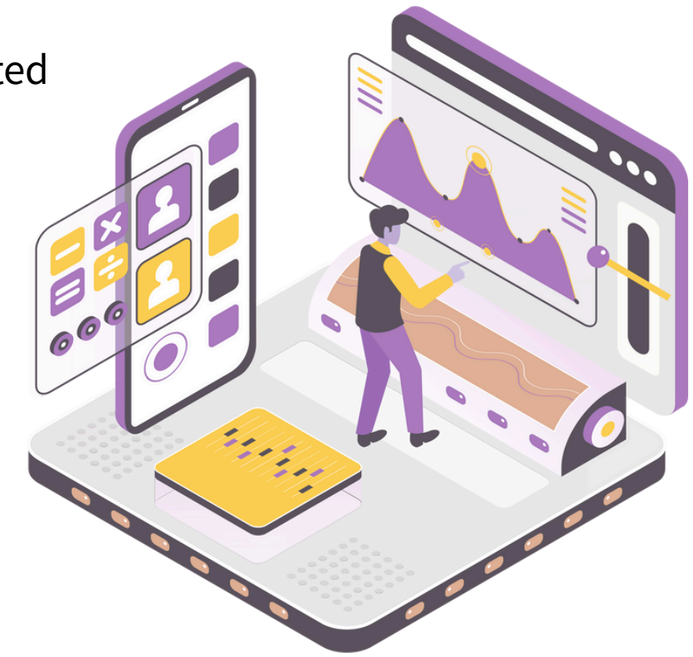
Risk Category	Responsible Department
Production	Plant Affairs Department
Sales	Marketing Department
Finance	Accounting Department
Information	Administration Department
R&D	R&D and Quality Assurance Dept.
Administration	Administration Department

1.4 Ethical Business Practices

“Integrity and honesty” are core values of Diamond’s business philosophy. To embed these principles into its corporate culture and systems, the company has established a Code of Ethical Conduct and Corporate Integrity Guidelines for all directors, managers, and employees to follow. Suppliers are also required to sign the Supplier Integrity Commitment Letter and Supplier Corporate Social Responsibility (CSR) Commitment Letter, pledging to uphold fundamental human rights, comply with relevant business ethics, and adhere to legal standards. These documents and management guidelines are made publicly available on the company’s website for all stakeholders to review.

1.4.1 Regulatory Compliance

Diamond is committed to regulatory compliance across all operational domains. The company continuously monitors and gathers information on updates to government regulations related to corporate governance, labor and human rights, environmental protection, and occupational health and safety—ensuring compliance across environmental, social, and governance (ESG) dimensions. Internal policies are adjusted accordingly to maintain compliance and manage related risks.



Compliance

- In 2024, Diamond had no violations of environmental protection laws, including the Air Pollution Control Act, Water Pollution Control Act, Waste Disposal Act, or the Toxic and Concerned Chemical Substances Control Act.
- No environmental penalties were incurred due to regulatory non-compliance.

- No incidents of bribery, discrimination, or related complaints were reported in 2024.
- No human rights complaints were filed, processed, or settled.
- No complaints were received regarding violations of customer privacy or misuse of personal data.

- In 2024, the company complied with the Fair Trade Act, with no involvement in anti-competitive behavior.
- No violations were reported regarding product/service health and safety regulations or labeling requirements.
- No non-compliance incidents occurred related to marketing or communication practices.

2. PRODUCT INNOVATION

2.1 Product Innovation and R&D
2.2 Market and Brand Management
2.3 Raw Material Sustainability

2. PRODUCT INNOVATION

2.1 Product Innovation and R&D

Diamond has obtained ISO 14001 Environmental Management System certification. Each of its business divisions fully incorporates factors that help reduce environmental impact throughout the product life cycle into their design and development processes and continuously promotes actions to improve environmental performance. We are committed to “green design” and “green manufacturing” by reducing the use of hazardous chemicals (low toxicity), minimizing pollution (low pollution), and decreasing energy consumption (low energy use). We also strive to develop environmentally friendly products with the aim of protecting the environment, fulfilling corporate social responsibility, and creating a better, safer, healthier, and more comfortable life.

2.1.1 Technology R&D

For our R&D team, continuous development of new and niche products, and integration of the Group’s R&D resources, are key to creating high profitability and ensuring sustainable operations.
Over the years, Diamond has devoted itself to technical R&D, successfully developing new and niche products that are both environmentally friendly and customer oriented. These efforts have not only met market and client demands but also improved our R&D capabilities and increased revenues, achieving outstanding performance. In addition to improving process technologies, we are also establishing proprietary core technologies and enhancing innovation differentiation. Diamond invested NT$4.73 million, NT$6.7 million, and NT$6.81 million in R&D in 2022, 2023, and 2024, respectively.

2.1.2 Successfully Developed Technologies or Products

A. A new product containing nitrogen and silicon was successfully developed for gramineous crops. It effectively provides essential nutrients and enhances the crop’ s lodging resistance by promoting the formation of a silicon layer, thereby helping to withstand heavy rainfall events caused by recent climate change.

B. For horticultural plants, a series of fertilizers with different functions—such as promoting growth, foliage development, flowering, and fruiting—has been developed. These can be used on common household plants at various growth stages. In addition, natural plant essential oils are added to the formula to reduce pest and disease infestations while also improving the ambient scent of the space.

2.1.3 R&D Projects in Progress

A. In pursuit of sustainable agriculture, Diamond is assessing the feasibility of using agricultural and food industry waste as alternative raw materials for existing products and developing new product formulas. The goal is to utilize existing waste while creating environmentally friendly products.

B. Modern agriculture places greater emphasis on conserving soil and water resources, protecting ecosystems and biodiversity, and promoting eco-friendly practices and sustainable resource use. In addition to current liquid calcium-silicon fertilizers, Diamond is collaborating with the Agricultural Chemicals Research Institute of the Ministry of Agriculture and National Chung Hsing University to transfer technology for beneficial agricultural microorganisms. Joint efforts are underway to develop fertilizer products that improve plants’ nutrient absorption and efficiency, aiming to reduce the use of chemical fertilizers.

C. Regarding soil acidification, Diamond already offers a soil amendment product—Calcium Source Tou—to mitigate soil acidity. Nevertheless, R&D continues to further enhance its effectiveness. Through formula optimization, the goal is not only to improve soil pH but also to simultaneously increase soil nutrient content.

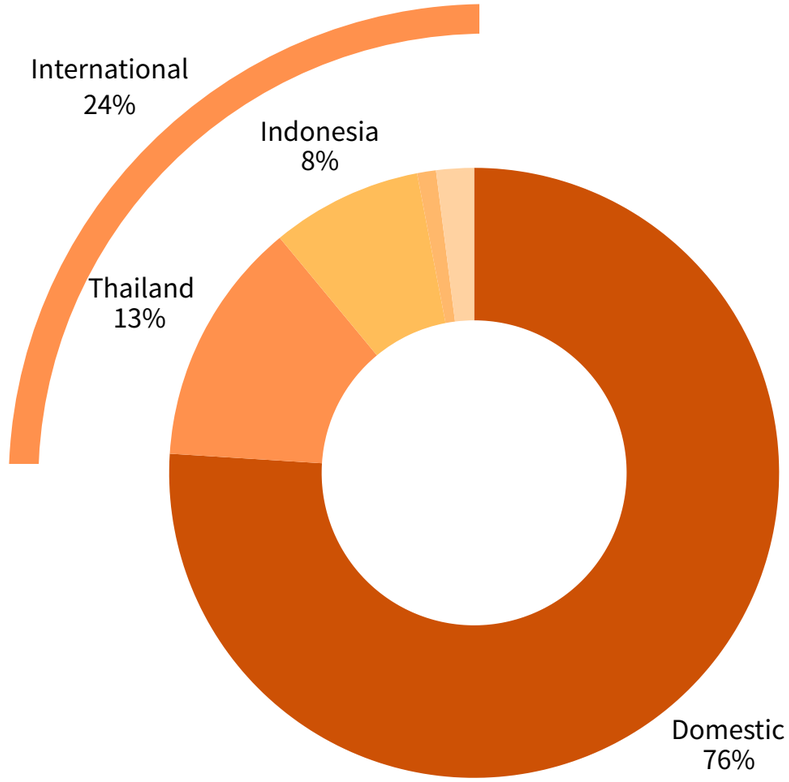
2.2 Market and Brand Management

2.2.1 Product Sales Regions

The company’ s main products include industrial-grade calcium carbonate, agricultural liquid fertilizers, and soil conditioners. In addition to the domestic market, its business scope also extends to the Asian markets such as Northeast Asia (currently expanding), Southeast Asia, as well as Central and South America and other regions.
When conducting sales, Diamond considers the pricing and quantity demands of different markets. In response to a wide range of customer needs, the company strives to create maximum mutual benefit while meeting the requirements of both Diamond and its clients.

Scope of Business | Products Sold | Sales Volume Share (%)

Region	Product Categories	Sales Volume Share (%)
Domestic	Industrial calcium carbonate, agricultural liquid fertilizers, non-registered agricultural materials, soil conditioners	76%
Thailand	Industrial calcium carbonate	13%
Indonesia	Industrial calcium carbonate	8%
South Africa	Industrial calcium carbonate	1%
Other regions (Australia, China, Brazil, Malaysia, Philippines, etc.)	Industrial calcium carbonate / agricultural liquid fertilizers	2%
	Total	**100%**



2.3 Raw Material Sustainability

2.3.1 Source of Raw Materials

Diamond aims to integrate the supply chain within its industry to provide customers with environmentally friendly products, thereby fulfilling its corporate social responsibility and contributing to the industry's transition toward a low-carbon economy. To this end, it is promoting sustainability-related research projects, including the current feasibility evaluation of using agricultural or food industry waste as raw materials. The goal is to reduce waste and incorporate it into a circular reuse model, thereby developing bio-based, low-carbon products.

2.3.2 Chemical Management

Upholding the spirit of environmental friendliness and care for the land, Diamond’ s R&D team considers environmental impacts at all stages of the product life cycle—concept, raw materials, semi-finished products, finished products, and waste. In accordance with the principles of sustainable development, we conduct R&D activities aimed at reducing the impact of our products on the natural environment by developing products that meet both environmental standards and customer needs, thereby lessening the burden on the planet.

Our Implementation Strategies:

A. In compliance with **ISO 9001 Quality Management System and ISO 14001 Environmental Management System**, we have established management systems and implemented them through risk management to ensure product and service quality that meets stakeholder requirements.

B. We have installed various testing instruments and staffed professional personnel to operate them. The R&D team designs verification methods based on different product development needs at various stages of the product life cycle. At the design stage, raw materials compliant with **RoHS, REACH, and GHS standards** are prioritized to ensure the final products meet customer expectations.

C. Products are regularly tested by third-party laboratories, and **Safety Data Sheets (SDS)** are compiled and provided to stakeholders to ensure safe use and transparency.

Diamond’ s products are broadly categorized into chemical and agricultural applications based on their characteristics and usage. In 2024, third-party testing agencies conducted evaluations for compliance with **RoHS, REACH, PAHs, PFAs, halogens, heavy metals, and pesticide residues. All products were found to meet legal and customer requirements.**

In response to increasing global attention—particularly in Europe and the United States—on monitoring PFAs content in food over the past decade, Diamond though not producing products for the food industry, remains attentive to relevant international regulatory trends. The company proactively commissions PFAs testing by third-party laboratories to ensure the safety and high quality of its products for customers.


Quality Certified
Certificate of Registration
台茂寬騰生技股份有限公司
operates a
Quality Management System
which complies with the requirements of
ISO 9001:2015

ISO 9001 Quality Management System


Environmentally Certified
Certificate of Registration
台茂寬騰生技股份有限公司
operates a
Environmental Management System
which complies with the requirements of
ISO 14001:2015

ISO 14001 Environmental Management System

3. Eco-Friendly Environment

3.1 Climate Change
3.2 Energy Management
3.3 Water Resource Management
3.4 Pollution Control
3.5 Waste Management

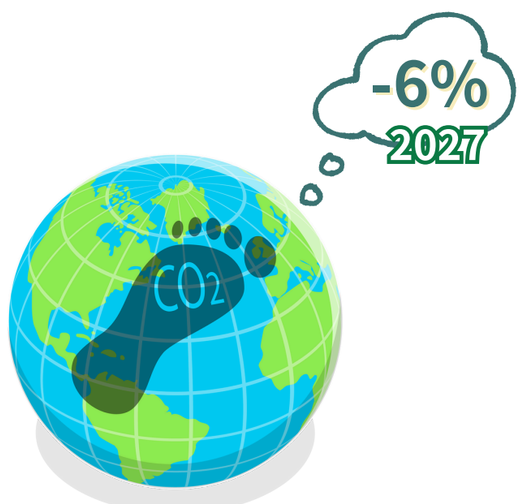
3. ENVIRONMENTALLY FRIENDLY INITIATIVES

3.1 Climate Change

Since 2023, the company has begun conducting greenhouse gas (GHG) emissions inventories. The 2022 data serve as the base year for tracking future carbon management performance and target reviews. To align with global climate action trends, Diamond actively implements GHG management, **has adopted the ISO 14064-1 standard**, and established a carbon inventory system within **organizational boundaries to disclose direct emissions (Scope 1)** and **indirect emissions (Scope 2)**. Future include gradually expanding coverage to **other indirect emissions (Scope 3)** in line with industry trends and supply chain requirements.

According to the 2023 carbon inventory, Diamond’ s carbon emission intensity is approximately 0.71 kg CO_2e per ton of calcium carbonate product. The 2024 emissions data is scheduled for third-party verification in July this year.

The company has set medium- and long-term carbon reduction goals: to reduce total emissions by 6% by 2027 compared to 2024, and to move toward net-zero emissions by 2030.



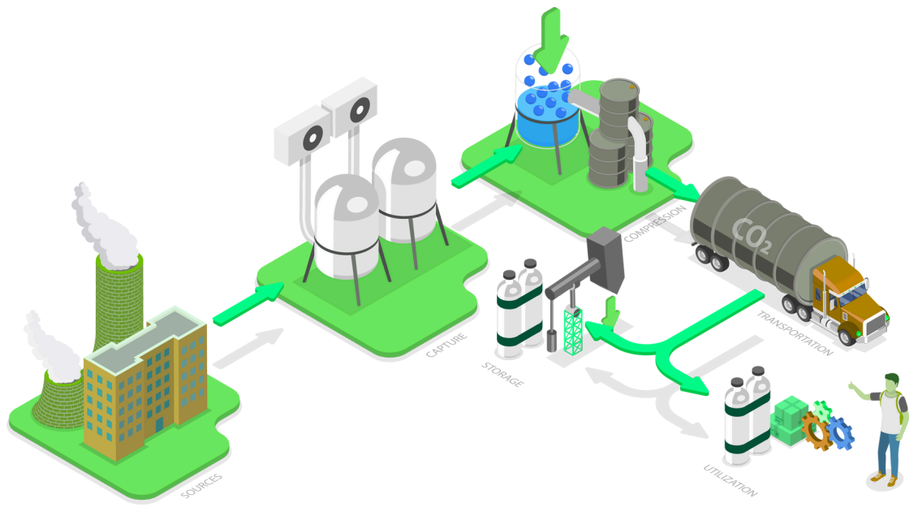
3.1.1 Climate Change Response

A. Climate Action Goals

The company actively supports the 2050 net-zero target and closely monitors climate policy developments. The "Climate Change Response Act" (passed in February 2023), Taiwan’ s first climate law, established national carbon reduction goals and introduced a carbon fee mechanism and corporate carbon reduction responsibilities. The company proactively analyzes regulations and develops response strategies aimed at reducing emissions and enhancing environmental sustainability.
To this end, the company implements carbon inventory, equipment efficiency upgrades, emission reduction measures, and actively introduces circular economy practices and renewable energy, aiming to reduce carbon emissions and environmental impact. These efforts not only enhance sustainability but also strengthen corporate competitiveness and contribute to a net-zero future.

B. Carbon Reduction Pathways

(a) Identify carbon emission hotspots in operations through carbon inventory and use findings to improve processes and upgrade equipment.
(b) Replace outdated energy-intensive equipment, perform regular maintenance and servicing of machinery to improve production efficiency, and reduce energy consumption per unit of product.
(c) Increase the reuse of water resources to reduce pollutant discharge, minimize water usage, and prevent waste.



C. Climate Change Governance Structure

(a) Governance:

The Board of Directors is the highest governing body overseeing climate-related issues at Diamond. Additionally, a Sustainability and Risk Management Task Force has been established to collect and assess climate risks, identify key issues, develop countermeasures and goals, track progress, and report to the Board.

(b) Strategy:

Scenario analyses include both transition and physical risks, identifying short-, medium-, and long-term climate risks and opportunities, and assessing their potential business and financial impacts. The company primarily addresses two categories of climate-related risks:

- Transition Risks: policies and regulations, technology, market dynamics, and reputation
- Physical Risks: acute events (e.g., typhoons, floods) and chronic conditions (e.g., temperature rise, sea-level rise)

Opportunities:

Climate change also presents opportunities, such as improving resource efficiency, developing and applying new energy technologies, enhancing products/services, exploring new markets, and improving resilience. By upgrading high-efficiency equipment, conducting GHG inventories, and implementing energy-saving and carbon-reduction actions, the company links its efforts to sustainable development goals and contributes to the vision of a low-carbon economy.

(c) Risk Management:

In accordance with the TCFD framework, the Sustainability and Risk Management Task Force is responsible for identifying climate-related financial risks. Based on risk assessments, the company formulates appropriate mitigation strategies, incorporates them into sustainability objectives, and conducts regular reviews and follow-ups.

(d) Metrics and Targets:

The company has established various management metrics for climate change response and regularly reviews implementation progress based on defined goals.

3.1.2 Greenhouse Gas (GHG) Management

Out of concern for global climate change, efficient use of energy resources, and fulfillment of corporate responsibility, the company has adopted the ISO 14064-1:2018 standard for GHG management as issued by the International Organization for Standardization. A “GHG Inventory Task Force” has been established, with the Deputy General Manager serving as the management representative responsible for convening relevant committee members and forming the implementation team. All members have completed training courses provided by professional institutions.

The task force systematically carries out the inventory of GHG emissions across all production units and develops emissions registers, providing a foundation for the formulation of effective future mitigation and management strategies. According to third-party verification, the company’s total GHG emissions for 2023 amounted to **4,056.140 metric tons of CO_2e**, broken down as follows:

- **Total Direct Emissions (Scope 1): 1,903.8252 metric tons CO_2e**
- **Total Energy Indirect Emissions (Scope 2): 738.4806 metric tons CO_2e**
- **Other Indirect Emissions (Scope 3, Categories 2–4): 2,152.3151 metric tons CO_2e**


SGS

Statement TW23/00596GG

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in year2022 of

DIAMOND QUANTUM BIOTECH CO., LTD.

No.1, Wang Fu Street, Wang Tian Village, Dadu Dist., Taichung City, 432006, Taiwan (R.O.C.)

has been verified in accordance with ISO 14064-3:2006 as meeting the requirements of

ISO 14064-1:2018

Direct emissions
2,898.2744 tonnes of CO_2e
Indirect emissions
2,788.9226 tonnes of CO_2e
Direct emissions and indirect emissions
5,687.197 tonnes of CO_2e

Authorized by

Stephen Pao
Knowledge Deputy General Manager
Date: 03 December 2023
Version 1

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This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement.

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ISO 14064-1 Third-Party Verification Statement.

3.2 Energy Management

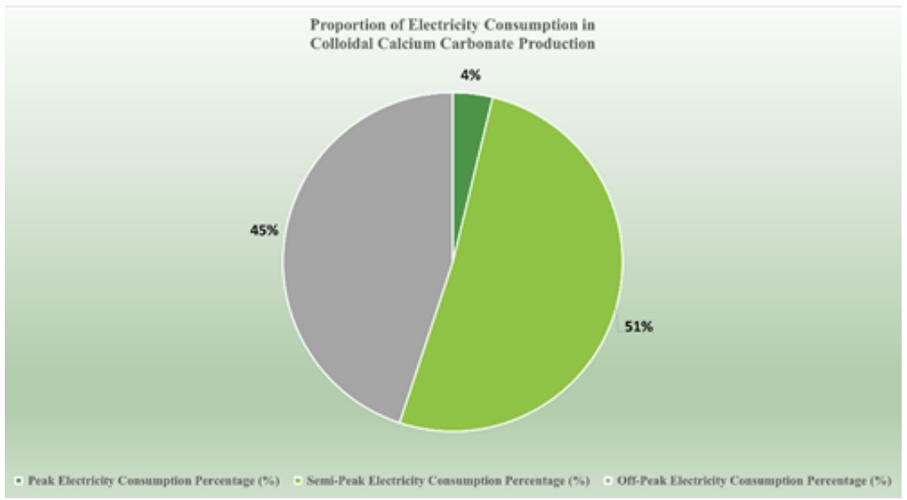
Energy efficiency and electricity management are among the core concerns in the company’ s operational management. Starting in 2024, Diamond has conducted its first systematic energy usage inventory, including electricity and natural gas statistics. Energy intensity is calculated based on calcium carbonate product units to serve as a reference for future improvements.

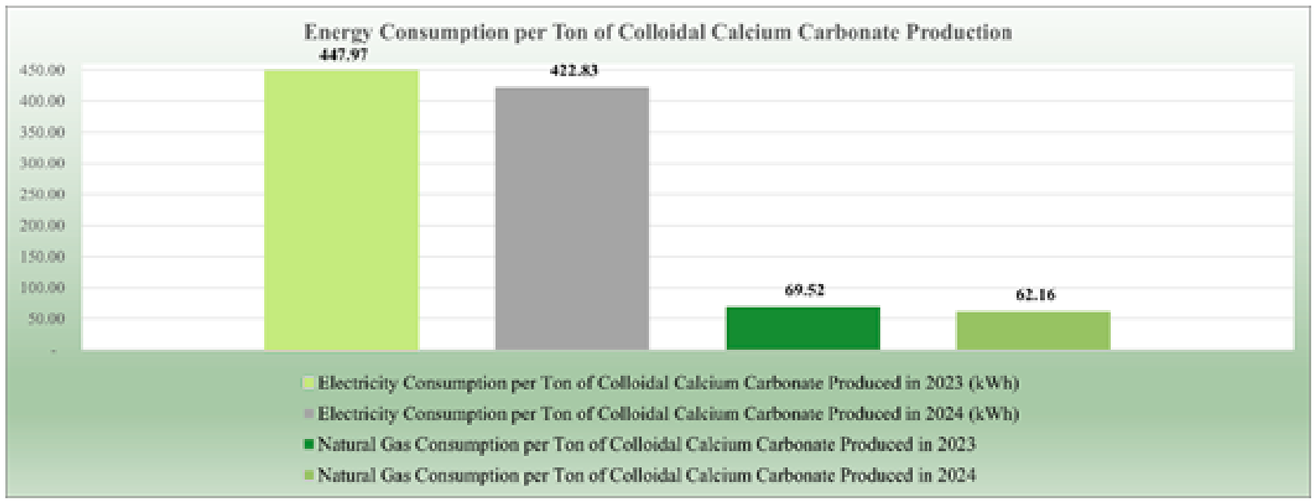
In 2024, the average electricity consumption per ton of calcium carbonate product **was 422.83 kWh**, and natural gas consumption **was 61.62 cubic meters**. Compared to the previous year’ s energy usage in production, electricity consumption decreased by **5.61%**, and natural gas usage decreased by **11.37%**.

3.2.1 Energy Management Mechanism

2024 Electricity Consumption in Calcium Carbonate Production – Taimao Energy Use Overview

To align with Taipower’ s electricity usage guidelines, Diamond adjusts its production schedule to avoid peak load periods. This enables effective control over electricity costs while achieving sustainability goals such as reducing energy intensity, improving energy efficiency, and lowering greenhouse gas emissions.





A. Energy Management Policy

Electricity supplied by Taipower is received through a high-voltage system. To ensure stability and efficiency in electricity management, the company has implemented a power monitoring system. This system allows for real-time monitoring, power usage analysis, and load management, ensuring the safe and stable operation of the power supply.

Furthermore, the company continues to optimize its energy management strategies by using digital dashboards to monitor high-consumption equipment, evaluate performance, and assess whether replacement is needed. This approach not only reduces unnecessary energy use but also lowers carbon footprints and environmental impact, demonstrating Taimao’ s active commitment to sustainability and environmental protection.

Moving forward, the company plans to align with the ISO 50001 Energy Management System standard to further improve energy efficiency and establish a systematic and continuously improving energy management framework. Through internationally recognized strategies, we are committed to reducing environmental impact and enhancing overall energy performance, thereby strengthening the company’ s sustainability standards under ESG principles.

B. Energy-Saving Initiatives

By monitoring high-consumption equipment, the company gains insight into operational performance. In collaboration with the Ministry of Economic Affairs' energy-saving performance guarantee program, Diamond replaced major energy-intensive equipment such as chillers, pumps, and cooling towers. The chillers were upgraded to Grade 1 energy-efficient vapor compression models, and related pumps and cooling towers were replaced with IE3 high-efficiency motors with variable frequency drives (VFDs). These systems adjust flow rates based on temperature and pressure differences and control speed based on outdoor wet bulb temperature, achieving an outstanding energy-saving rate of **60.1**%.

3.3 Water Resource Management

Diamond’ s manufacturing processes rely heavily on water resources. Therefore, the company continuously strengthens water use efficiency and promotes water recycling. In 2024, the primary water source was groundwater, with a total withdrawal of **53,147 cubic meters**.

To improve water use efficiency, the company implemented a water intensity index. In 2024, the average water consumption per ton of calcium carbonate product was **16.98 cubic meters**. Compared to the previous year, the average water consumption per ton decreased by **1.32%.**

Through pipeline optimization and upgrades to water purification equipment, the company has improved its water reuse rate. Recycled water is mainly used in cooling towers and process rinsing systems, achieving a **recovery rate of 40.92%**. In addition, to address potential water resource constraints caused by extreme climate events, the company has also enhanced its water storage and backup capabilities to reduce operational risks.

3.4 Pollution Control

The company strictly adheres to relevant environmental regulations, including the **Air Pollution Control Act, Water Pollution Control Act**, and **Waste Disposal Act**, in executing all pollution control operations. In 2024, the company recorded **no violations related to air, water, or waste pollution**, and no environmental penalties were incurred.

For air pollution, the company regularly commissions third-party agencies to monitor fixed emission sources from lime kilns and packaging facilities. In addition, dust collectors and filtration equipment have been installed to control fugitive dust emissions.

For water pollution, process wastewater undergoes acid neutralization, sedimentation, and filter press treatment before being discharged into designated water bodies. Monitoring results have consistently met legal standards.

Furthermore, the company has established **contingency response plans and drill mechanisms** for major pollution risks to enhance emergency responsiveness and ensure environmental safety within the plant.

3.5 Waste Management

In response to limited resources and the growing momentum of the circular economy, the company views **waste reduction and recycling** as a critical component of sustainable operations. In 2024, Diamond established its first waste classification and statistical tracking system, categorizing waste into three major types: **general domestic waste, process consumables, and reusable by-products.**

- **Domestic waste** is sorted at the source by employees and collected by licensed contractors for disposal.
- **Process filter cloths and filter bags** are reused as much as possible, and incinerated only when worn beyond use.
- **Collected dust and sludge mixtures**, primarily composed of calcium carbonate, are recognized for their resource reuse value and are 100% recycled back into the production process.

The company has also set a target to reduce waste by **3% by 2025**, and has implemented **internal auditing and data monitoring systems** to regularly review recycling rates and waste reduction performance—demonstrating a concrete commitment to resource circulation and waste minimization.

Monthly Statistics of General Waste and Recyclables from Employee Activities - 2024

Month	General Waste (Kg)	Paper (Kg)	Other Recyclables - Glass (Kg)	Other Recyclables - Plastic, etc. (Kg)
1	319.7	59.2	13	32.5
2	217.8	50.8	0	24.4
3	372.2	129.2	27.7	22.8
4	457.2	81.6	0	16.1
5	248.7	276.2	0	31.4
6	236.5	52.8	0	22
7	225.3	232.2	7	13.2
8	255.8	199.6	0	17.2
9	294.2	22.6	0	15.4
10	316.3	27	0	14
11	229.7	23.1	0	24.9
12	206.8	46.5	0	20
Total	3380.2	1200.8	47.7	253.9

4. SOCIAL INCLUSION

4.1 Personnel Recruitment and Retention
4.2 Talent Development
4.3 Occupational Safety and Health

4. SOCIAL I NCLUSION

4.1 Talent Recruitment and Retention

4.1.1 Goal Achievement and Description

Diamond places great emphasis on talent development and is committed to offering growth opportunities to promising new employees. According to 2024 statistics, one new management-level staff member was hired, and **100% of internal management promotions** were filled from within, highlighting the company’ s dedication to cultivating talent and providing room for advancement.

Additionally, **53% of employees have over five years of service**, and the **employee turnover rate in 2024 was 0%**, indicating strong employee trust and alignment with the company’ s long-term vision. This reflects Diamond’ s commitment to providing a stable and sustainable career platform.

4.1.2 Workforce Structure

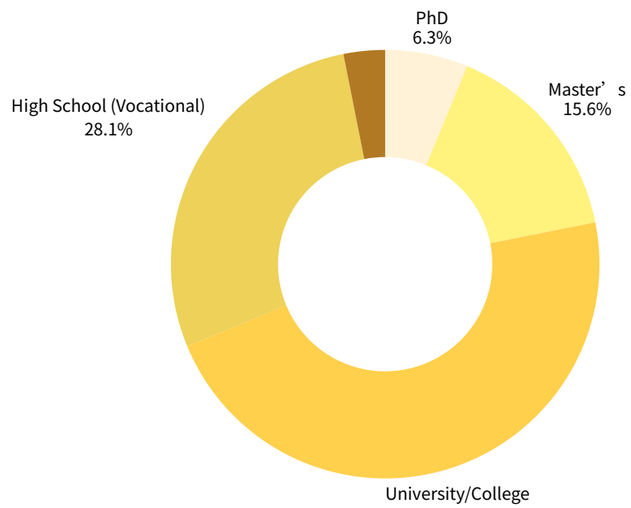
In 2024, the company had a total of **32 employees**, including **26 males (81.25%)** and **6 females (18.75%)**. Diamond strictly adheres to international human rights standards and domestic labor laws, ensuring **non-discriminatory practices regardless of gender**.

Regarding employee nationality, **26 employees (81.25%)** are Taiwanese and **6 (18.75%) are from Vietnam**. All members of the senior management team are **locally hired from Taiwan**.

In response to technological upgrades and the company’ s pursuit of **smart and low-carbon manufacturing**, Diamond has been actively recruiting specialized talent to enhance generational workforce transitions and optimize organizational structure. As a result of these efforts, the **majority of employees (37.50%) are aged between 41 and 50**.

The **average employee age is 44.5 years**, with an **average tenure of 7.5 years**. In terms of educational background, **46.88% hold college degrees**, followed by **28.13% with high school (or vocational school) diplomas**, and **15.63% with master's degrees**.

Employee Education Level Distribution - 2024



4.1.3 Salary System

The salary structure is determined based on educational background, work experience, professional skills, and individual performance. There is no discriminatory treatment based on gender, ethnicity, religion, political stance, marital status, etc. Diamond starting salaries are all higher than the minimum wage stipulated by the Labor Standards Act.

To attract talent, Diamond places great importance on employee compensation and benefits. Monthly salaries are above the legal minimum, and all employees are eligible for annual year-end bonuses based on the company's performance. Additionally, holiday gifts are distributed during the three major traditional festivals. The year-end bonus is allocated based on the revenue of the previous fiscal year, reflecting a profit-sharing model between the company and its employees.

4.1.4 Employee Benefits

Life is more than just work. We are committed to ensuring our employees' physical and mental well-being. Various benefits are offered, including marriage subsidies, childbirth subsidies, hospitalization consolation allowances, funeral condolences, emergency assistance funds, and holiday gifts. The company also provides statutory benefits such as pension contributions and group insurance, safeguarding employees' work and life security.

In 2024, Diamond further promoted a friendly workplace environment. To encourage staff participation in company events, Christmas office decorations were provided by the company. Employees were encouraged to creatively decorate their workspaces together, symbolizing a shared vision of growth and success with the company.

Parental Leave Application and Reinstatement

Diamond complies with the Labor Standards Act in providing various types of leave, including personal leave, sick leave, marriage leave, bereavement leave, menstrual leave, family care leave, and parental leave. Full-time employees who meet the legal eligibility for parental leave without pay may apply accordingly. Employees encountering parental responsibilities, major illnesses, or other circumstances requiring extended leave are also eligible to apply for leave without pay, with reinstatement upon expiration of the leave period.

According to the company's statistics from 2022 to 2024, one female employee applied for parental leave without pay and returned to work within the same year, resulting in a return-to-work rate of 100%. The one-year retention rate post-return was also 100%, demonstrating the company's commitment to gender equality and its support for employees balancing work and family responsibilities.

4.1.5 Human Rights Policy

To fulfill corporate social responsibility and implement human rights protection, Diamond references internationally recognized human rights standards such as the **International Bill of Rights** and the **ILO Declaration on Fundamental Principles and Rights at Work**. The company strictly adheres to labor laws applicable in its operational locations, aiming to prevent human rights violations. In addition to ensuring a safe and reasonable working environment, Diamond commits to treating its employees with fairness and dignity.

4.1.6 Human Rights Concerns and Practices

Since 2018, Diamond has established "Workplace Sexual Harassment Prevention Measures" based on the guidelines from Taiwan’ s Occupational Safety and Health Administration to prevent unlawful harm in the workplace. This aims to prevent employees from being subjected to physical, verbal, psychological, or sexual harassment or violence by employers, supervisors, colleagues, or clients during work-related activities.

In 2024, there were no reported cases of sexual harassment, discrimination, violations of indigenous rights, or other human rights complaints within the company.

4.1.7 Grievance Mechanism

The company has established clear and accessible grievance channels. If employees encounter any issues in the workplace, they may file complaints through the company’ s grievance mechanism to their respective supervisors or the Human Resources Department.

In addition, to uphold gender equality and provide a workplace free from sexual harassment and unlawful harm for both employees and job applicants, the company has set up specific grievance channels for sexual harassment prevention and the prevention of unlawful conduct.

During the complaint investigation process, all matters are handled confidentially. The identities of the complainants, including names or any identifiable information, will not be disclosed, to protect the complainant’ s privacy and rights.

4.1.8 Pension System

To safeguard employees’ retirement life and to promote organizational renewal through smooth personnel transitions, the company has established a retirement policy that exceeds the requirements of the Labor Standards Act. Employees may apply for voluntary retirement under any of the following conditions:

A.Having served for 10 years and reached the age of 60.
B.Having served for 15 years and reached the age of 55.
C.Having served for 25 years or more.

In accordance with the Labor Standards Act, the company has formulated the “Labor Pension Plan.” Contributions to employees' retirement funds are made under the new pension system and deposited into individual pension accounts managed by the Bureau of Labor Insurance, ensuring the protection of employee rights and interests.

4.2 Talent Development

4.2.1 Performance Evaluation System

Diamond conducts annual performance evaluations for employees who have served for more than three months. The assessment not only reviews past work achievements and competency performance but also includes a review of the objectives for the next phase. Employees whose performance does not meet expectations will enter a performance improvement plan, while those with outstanding performance will be given opportunities for career development and job rotation.

Evaluation results serve as the basis for promotions, salary adjustments, and bonuses, aligning employees and supervisors toward shared goals. In addition, the company has a comprehensive reward mechanism in place to recognize employees with exceptional performance.

4.2.2 Career Development

Diamond values the growth and development of every team member and offers a complete training system, including onboarding programs for new employees, and ongoing professional, general, and managerial training based on job requirements.
The company also considers both organizational and individual development expectations, continuously innovating and transforming based on organizational culture, business strategy, customer needs, and talent competencies. This ensures that talent development at every stage meets the expectations of the company, environment, and employees alike.

4.2.3 Diverse Training Programs and Achievements

Diamond spares no effort in encouraging employees to pursue continuous growth. In addition to creating comprehensive learning opportunities and actively developing diverse training resources, the company has established supportive systems to incentivize participation. This balanced development of knowledge, skills, and attitudes enables both individual growth and corporate competitiveness, fostering a learning organization where career development is unrestricted and learning resources are continually available.

In 2024, the total training hours reached 399 hours, with an average of 4.6 hours per employee—meeting the original target of 4 hours per person.

4.2.4 Talent Development

Following the impact of the pandemic, Diamond gradually resumed learning activities in 2024, resulting in an active year of training. Due to the implementation of various internal and external certification programs, total training hours significantly increased.
Diamond is committed to gender equality, ensuring that male and female employees receive equal access to training resources. In 2024, the average training hours per male employee were 4.8 hours, while female employees averaged 3.8 hours. This demonstrates that despite being a male-dominated chemical plant, the company does not discriminate in the allocation of training resources.

4.3 Occupational Safety and Health

Diamond is committed to workplace health and safety. In addition to complying with relevant regulations, the company refers to ISO 45001 international standards to continuously improve its occupational safety and health (OSH) management. Safety measures are implemented according to work types, with intrinsic safety principles applied to reduce process risks and strengthen preventative management.

4.3.1 OSH Risk and Opportunity Assessment and Control Procedures

Through risk assessment, the most appropriate control measures are determined, prioritizing elimination, substitution, engineering controls, administrative controls, and personal protective equipment (PPE) to reduce risks to acceptable levels. Diamond has established comprehensive OSH risk assessment procedures. All assessors receive professional training, and internal and external communication mechanisms ensure employee and stakeholder participation in incident investigations and risk controls, guaranteeing the effective operation of the OSH and environmental management systems.

4.3.2 OSH Performance Statistics

Diamond aims for "zero workplace accidents." This is achieved through regular safety inspections, performance evaluations, and environmental, safety, and health (ESH) meetings to track and correct deficiencies, ensuring continuous improvement and prevention of recurrence.

4.3.3 OSH Organization Structure

To provide a healthy and safe working environment and protect employees' physical and mental well-being, Diamond has implemented a robust safety and health management system. The company has formed an Environmental Safety and Health Committee, which discusses ESH topics with management periodically. All industrial safety initiatives follow government-issued OSH regulations. Pollution control facilities are maintained for efficiency and compliance with environmental protection laws. Additionally, the company promotes internal reuse and reduction of waste to support environmental sustainability. Regulatory compliance and occupational incident case studies are also promoted to help evaluate and update safety policies and execution plans.

4.3.4 Workplace OSH Operations

Regular safety inspections are conducted at the plant. For emergencies such as material spills, fires, explosions, and earthquakes, the company has defined response procedures and conducts annual fire and emergency drills to ensure all personnel are familiar with emergency handling processes.

4.3.5 Emergency Response Procedures

Diamond has established an **"Emergency Response Plan"** to enhance factory personnel’ s ability to respond to emergencies and follow proper procedures. One fire and emergency drill is held annually, led by a certified OSH supervisor, to educate employees. During the drills, employees are trained in the proper use of safety equipment, ensuring personnel safety and uninterrupted factory operations. These measures aim to minimize damage and losses in the event of an incident.

4.3.6 Environmental, Health and Safety (EHS) Education and Training

In accordance with the annual occupational accident prevention plan, the company implements occupational safety and health education and training. The training covers areas such as management systems, environmental protection, occupational safety, health and hygiene, and fire safety. The training implementation rate reached 100%, enhancing employees’ safety awareness and preventing occupational accidents.

4.3.7 Contractor Safety Management

No contractor-related incidents occurred at the company in 2024. When external contractors enter the facility, hazard communication is conducted. In addition, personnel carry out irregular inspections during contractor operations. If any violations are identified, contractors are notified on-site for immediate correction to prevent accidents.

4.3.8 Employee Health Care

To ensure employee health, new hires are required to undergo a medical examination before entering the facility. In-service employees receive health checkups every three years through certified hospitals. The examination rate has consistently reached 100% over the years. The company maintains a database of historical health data and implements tiered health management, including health education, re-examinations, follow-ups, and appropriate adjustments for abnormal cases.

4.3.9 Health Promotion

Diamond Company places great importance on the physical and mental well-being of its employees. In addition to regular health checkups, one first-aid personnel are stationed on site. First-aid kits are available in office areas and are inspected monthly to ensure their adequacy and readiness in case of emergencies.

DIAMOND QUANTUM
BIOTECH CORPORATE