

2024

Environmental Social Governance

Sustainability Report

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Notice to readers

This English version sustainability report is a summary translation of the Chinese version. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

Sustainability Report

Editing Guidelines

About This Report

The "Sustainability Report" issued by Evertex Fabrinology Ltd. Through this report, we provide our stakeholders with insights into our vision and strategy for sustainable governance, present our sustainability performance, and respond to stakeholders' concerns regarding Evertex Fabrinology sustainable development.

Reporting Period and Scope

This report covers the period from January 1, 2024, to December 31, 2024. The organizational boundaries of the report include the Taipei headquarters, the Taoyuan plant, and the subsidiary Tong Fa Green Energy Co., Ltd. The content of the report encompasses Evertex Fabrinology's sustainability vision and goals, as well as objectives, concrete actions, and performance data in the economic, environmental, and social aspects. The data is compiled and aggregated by the respective responsible departments, with financial data aligned with the scope of the consolidated financial statements and verified for accuracy by the GM's Office. As 2025 marks the first issuance of Evertex Fabrinology's sustainability report, there are no issues related to restating previous information. Upon completion, the report will be reviewed and confirmed by the General Manager and department heads, without additional external verification.

Reporting Framework

This report is structured in accordance with the latest Global Reporting Initiative (GRI) Standards 2021, as issued by the Global Sustainability Reporting Association. It also follows the Sustainability Accounting Standards Board (SASB) industry standards for apparel, accessories, and footwear, ensuring the disclosure of material topics, related strategies, goals, and actions. The report is written based on the listed guidelines and framework. Additionally, the report discloses climate-related information and is prepared in accordance with the Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies. The GM's Office ensures that all material topics are comprehensively covered before submitting the report to the Board of Directors. Finally, an indicator index table is provided in the appendix of this report.

Publication Timeline

The company will continue to publish this Sustainability Report annually on a regular basis. It will also be publicly disclosed on the company's website under the "Sustainability Development" section: <https://www.evertex.tw/>.

The first edition will be published in August 2025, following approval by the Board of Directors. The next edition is scheduled for August 2026.

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Message from the Management

Evertex Fabrinology has long upheld the philosophy of sustainable operations. In the face of external competition and market positioning challenges, we have transitioned from early-stage OEM dyeing and finishing production to becoming a diversified supplier of high-value-added functional knitted sports fabrics. Fabric sales now account for over 80% of our consolidated revenue. To remain competitive, we continue to enhance the added value of our textile processes-emphasizing multi-stage production, advanced technology, high-value pricing-while steadily reducing carbon emissions.

Sustainable development has become a global priority, with ESG (Environmental, Social, and Governance) principles recognized not only as a worldwide trend but also as a new opportunity for businesses to enhance competitiveness and increase profitability. At Evertex Fabrinology, we are committed to achieving our vision of sustainable operations through green production, smart manufacturing, and the development of high-quality, sustainable fabrics.

Looking ahead, we will continue to evolve with the times, upholding an environmentally sustainable business philosophy while embracing innovation, effective management, and long-term operational commitment. Our goal is to continuously generate business momentum and competitive value while fulfilling our role as a responsible global corporate citizen. As we strive for excellence, we remain dedicated to advancing toward the goal of sustainable operations.

Corporate Governance

To continuously promote corporate governance, the company follows the "Corporate Governance 3.0 - Sustainable Development Blueprint" issued by the Financial Supervisory Commission (FSC). We have implemented several measures to strengthen the board structure and operations, enhance information transparency, and promote sustainable development, all aimed at improving the level of corporate governance. In the 2024 corporate governance evaluation, the company was ranked in the 51%-65% range of listed companies, maintaining the same position as last year.

Economic Benefits

In 2024, the economy gradually began to recover. In the face of this economic challenge, the company has focused on prudent management. Under our lean management policies, we have strictly controlled inventory and accounts receivable. By the end of 2024, our financial indicators remained strong, with a current ratio of 396%, days sales outstanding (DSO) of 28 days, and a debt ratio of 15%, reflecting a healthy operational structure. We expect that with the economic recovery in 2025, the company will experience significant growth in operations, further driving profitability.

Sustainability and Environmental Protection

The company is committed to complying with all applicable environmental regulations and minimizing the impact of its operations on the environment. To achieve this, we have established an Environmental Management System Manual, which outlines procedures for managing chemicals, energy, water resources, air pollution, wastewater, and waste. We also have emergency response and corrective measures in place. To ensure the effectiveness of these procedures, we have implemented auditing and management review mechanisms to uphold our environmental commitments.








In response to the government's green energy policies, the company established a subsidiary, Tong Fa Green Energy Co., Ltd., in July 2017 as a solar energy demonstration plant. The company actively develops renewable energy, having installed a solar power generation capacity of 1,998.3 kW, generating 2.025 million kWh of electricity in 2024. We continue to promote energy-saving and carbon reduction efforts by purchasing and updating high-efficiency machinery and equipment. From 2021 to 2024, we achieved a 33.7% reduction in electricity consumption, saving 4.25 million kWh. Moving forward, We will continue to collect and analyze data on other indirect greenhouse gas emissions. Through effective communication and collaboration with our value chain, we aim to collectively reduce GHG emissions.

Human Resources

To protect the livelihoods of our employees, the company will increase the salaries of employees with an annual performance rating of B or above and below the deputy manager level by 10% starting in August 2024. This adjustment aims to raise employees' salary levels and boost morale, creating a win-win situation for both labor and management.

To protect employees' rights, the company has established a comprehensive retirement system and allocates sufficient retirement reserves. To improve the quality of life for employees and their families, the company shares its profits with dedicated employees. In recent years, the salary adjustment plan has been continuously revised based on company operations, the overall environment, and individual employee performance, reinforcing the philosophy of sharing success with employees.

Sustainable Development Performance

Dimensions	Category	SDGs	Performance indicators	Pages	2024 performance	2025 goals
Economy	Corporate Governance		Corporate Governance Assessment	-	In the results of the 11th Corporate Governance Evaluation, the Company ranked within 51%–65% tier.	Corporate governance continues to make steady progress
	Economic Benefits		EPS	37	EPS=NT 1.13	Maintain profit stability
	Supplier management		Chemical Supplier Letter of Commitment	31	<ol style="list-style-type: none"> 1. Require dye auxiliary suppliers to sign the "Chemical Supplier Letter of Commitment", with a total of 28 suppliers having signed. 2. Contractor suppliers are required to sign the "Contractor Commitment Letter", with 3 additional suppliers having signed. 	The signing of agreements with dye auxiliary suppliers and construction contractors should reach 100% compliance.
Environment	Climate change & energy management		Reduce energy consumption	44	Electricity consumption was reduced by 440,000 kWh compared to the set standards. From the baseline year of 2021 to 2024, the total energy savings reached 33.7%.	Electricity usage has been maintained below 8.5 million kWh.
			Develop renewable energy	37	Solar power generation is 2.025 million kilowatt hours	Maintain equipment availability
	Greenhouse gas emissions		Total verified emissions	42	Emissions were 13,218 metric tons of CO ₂ e, a 69% decrease from the base year	Below 12,644 CO ₂ e in 2030, a 70% decrease from the base year
	Green Economic		Purchase volume of recycled yarn	-	Purchased 321 metric tons of recycled yarn, accounting for 21% of total purchases.	Continue to develop recycled polyester fiber fabrics
			Water Use and Pollution Reduction	46 49	Factory water consumption: 664,000 m ³ , Wastewater discharge complies with ZDHC standard	Wastewater discharge complies with ZDHC standards
Society	Occupational Health & Safety		Safety and health performance	75	The Frequency Rate (FR) & the Severity Rate (SR) for disabling injuries is 0 days/million working hours, reaching the standard	The Frequency Rate (FR) & the Severity Rate (SR) for disabling injuries is 0
			Number of occupational accidents	76	No occupational disaster occurred	Promote the goal of "zero disaster"
	Social contribution		Donate	77	We donated 250 sweat-wicking wool-sweatshirts to the New Taipei City Fire Department and the Taiwan Leshan Association	Continuously plan activities to give back to society
			Construction and education cooperation	77	We provided 7 students with internship opportunities in the Company by collaborating with Chin-Yi University of Technology, Takming University of Technology to share our practical experience	The company continues to provide an environment where graduates can gain practical experience in the textile industry.

1、Company Profile

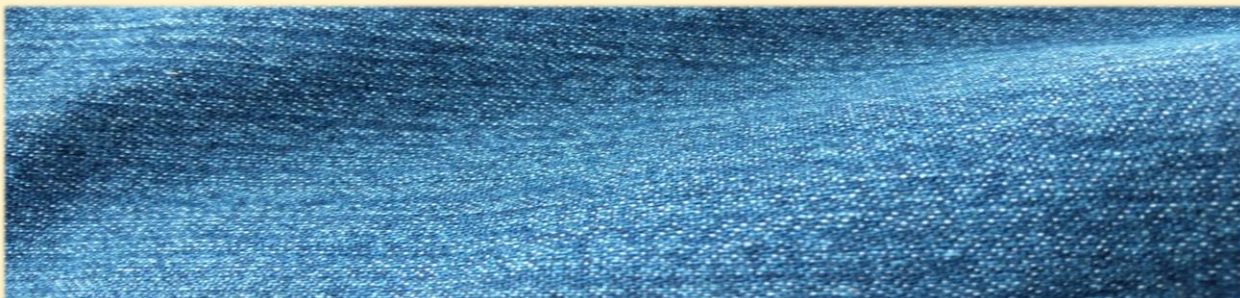
1.1 Company Introduction

Founded in December 1986, Evertex Fabrinology Ltd. is a Taiwan-based textile manufacturer dedicated to the development of high-performance knitted fabrics. The company actively listens to the needs of apparel brand designers and outdoor enthusiasts, continuously creating a wide range of products tailored for outdoor activities.

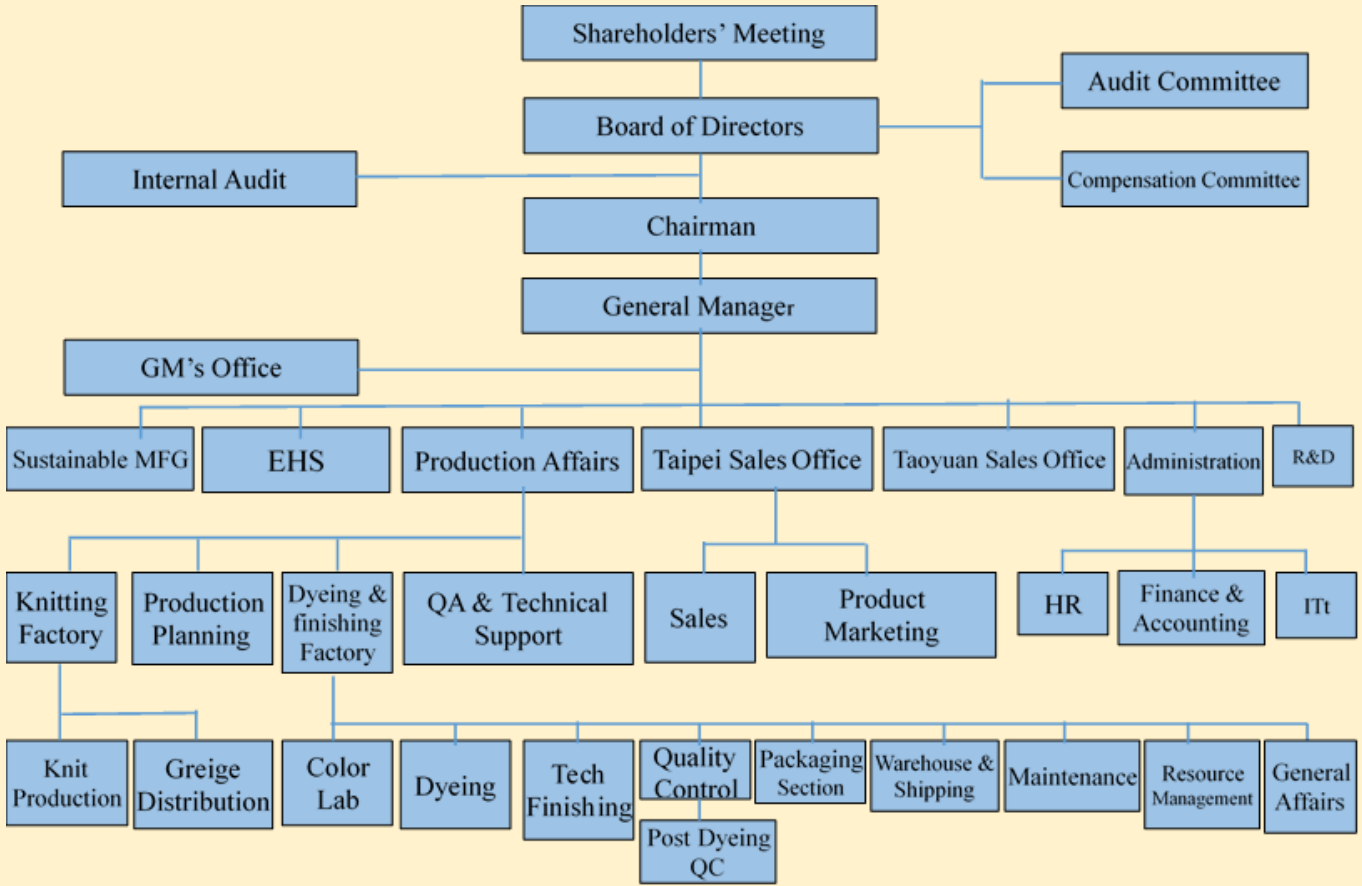
Evertex Fabrinology specializes in the manufacturing and sale of high-value functional and eco-friendly textiles, dyeing and finishing services, and solar power generation. The company operates dyeing and finishing facilities, a knitting plant, and its 100% wholly-owned subsidiary, Tong Fa Green Energy Co., Ltd.

Organizational Profile

	Item	Content
1	Company name	Evertex Fabrinology Ltd.
2	Countries and locations of operations	Taiwan (Taipei、Taoyuan)
3	Establishment date	December 9, 1986
4	Industry	Textile
5	Stock listing time	May 21, 1999
6	Headquarters location	4th Floor, No. 64, Tacheng Street, Datong District, Taipei City
7	Ownership Structure (Shareholding Structure)	For the list of major shareholders, please refer to the Annual Report or the Market Observation Post System (MOPS) for publicly available information.
8	Financial Scale	The company's capital amounts to NTD 857,670 thousand.
9	Market Scope	(Revenue Breakdown by Product in 2024): The company's total revenue in 2024 reached NTD 788 million, with the following business segments: Fabric Sales – 81%, Dyeing and Finishing Services – 18%, Electricity Sales – 1%
10	Employees	244
11	Company website	https://www.evertex.tw/

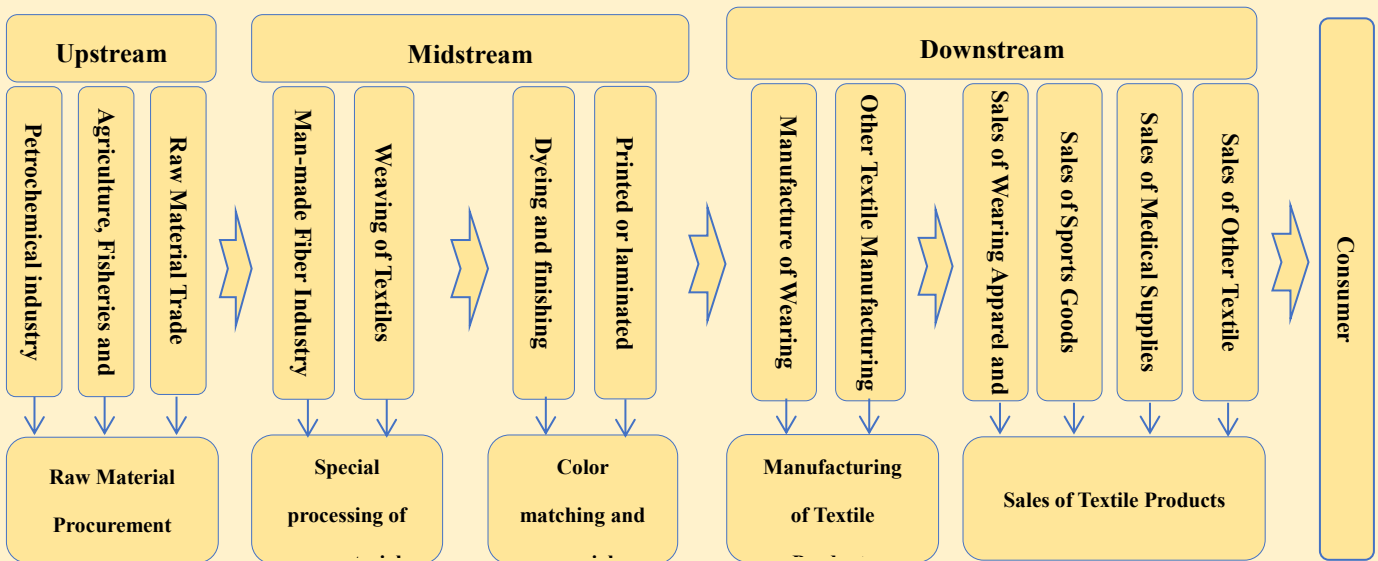


Company's Structure



1.2 Main products and services

1.2.1 Association chart of upstream, midstream and downstream of textile industry



Product Category	Number of downstream customers	Activity type	Business relations	Geographical location
Dyeing and finishing OEM	15	Manufacture	Long-term, short-term, contractual, non-contractual	Taiwan
Trading of fabric	107	Manufacture, trading	Long-term, short-term, contractual, non-contractual	Taiwan, Vietnam, Bangladesh, China, Indonesia, Cambodia, Sri Lanka, Philippines, India, China, Italy, United Kingdom, etc.
Revenue from electricity sales	1	Manufacture	Long-term, contractual,	Taiwan

Note: The company does not serve end consumers directly, and there have been no significant changes in the customer base over the past two years.

1.2.2 Product usage and contribution to the environment

Product Category	Fabrics	Main purpose	Contribution to the environment
Dyeing and finishing OEM	Polyester fiber fabric	Sports and Leisure Apparel	The company has replaced coal-fired boilers with natural gas boilers in its production process to reduce greenhouse gas emissions. Additionally, it utilizes low-liquor-ratio dyeing machines and waste heat recovery systems to reduce water consumption and enhance energy efficiency, achieving energy savings and carbon reduction.
Trading of fabric	Hybrid wool fabric- Janerino	Multifunctionality, durability, and excellent comfort—along with superior environmental adaptability—enhance the wearer's comfort and performance in outdoor environments.	Using ethically sourced Merino wool from Australia, our company has obtained RWS certification, ensuring animal welfare while maintaining land health.
	BulkyStretch fabric	This fabric series comprise of an innovative and advanced Bulky Stretch Yarn (B.S.Y.) technology that not only possesses characteristics similar to spandex-fabrics in tech-tee applications but also B.S.Y yarn enables fabric to be 100% integrated into a closed-loop recycling, making the production process more energy-efficient and environmentally friendly. provides the same comfort, functionality, and aesthetics as blended materials but with less of an ecological footprint.	B.S.Y yarn enables fabric to be 100% integrated into a closed-loop recycling, making the production process more energy-efficient and environmentally friendly.
	Syncellux fabric	Made from natural wood-based cellulose fibers, it is biodegradable in the natural environment. It offers a delicate, smooth touch, keeping dry, breathable, and skin-friendly.	The production process adopts an eco-friendly closed-loop system, ensuring environmental sustainability. It is biodegradable in both soil and marine environments, making it an environmentally friendly fiber that

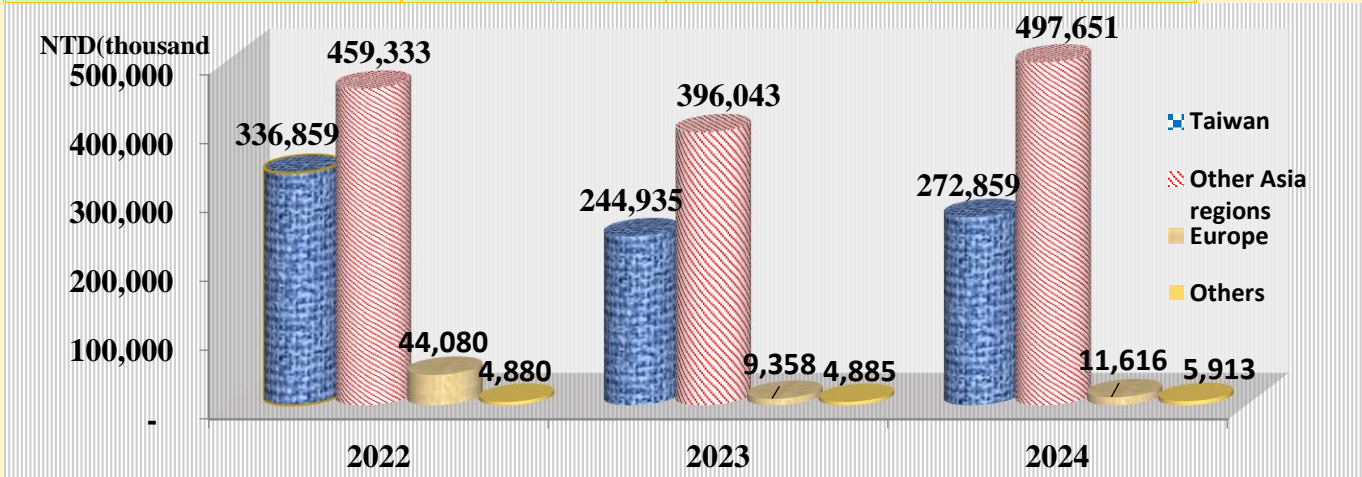
			maintains ecological balance from raw material sourcing to production and disposal.
	Tonissimo fabric	The precise structural design and refined finishing process allow the dense brushed fleece structure to retain body heat, achieving lightweight warmth, breathability, and quick drying. It features two-way stretch for comfort and durability, making it suitable for various apparel applications such as outdoor sports, urban casual wear, and training activities.	Certified recycled polyester is used in the process, meaning discarded plastic bottles are recycled and transformed into yarn, giving waste new value and enabling reuse. This helps conserve limited fossil resources, reduce carbon emissions, and minimize pollution to soil, air, and water.
	High-elasticity knitted fabric	The fabric is suitable for high-flexibility activities, featuring moisture absorption and quick-drying properties, primarily designed for base-layer clothing.	Solution-dyed polyester is also utilized, eliminating the most polluting and energy-intensive dyeing processes.
Revenue from electricity sales	Generating Electricity with Solar Panels		Solar power has long been regarded as a key green energy source. Compared to other power generation methods, it remains one of the most environmentally friendly and cleanest energy options available to humanity today.

1.2.3 Product Sales Overview

Domestically, the company focuses on dyeing and finishing services, contract knitting, limited fabric sales, and electricity revenue. For exports, the primary products are functional knitted fabrics, mainly sold to Southeast Asia, China, and other Asian regions.

The following table presents sales revenue by region and production/sales volume by product category over the past three years

Sales area		2022		2023		2024	
		Amount	%	Amount	%	Amount	%
Asia	Taiwan	336,859	39.85	244,935	37.38	272,859	34.63
	Other Asia regions	459,333	54.35	396,043	60.44	497,651	63.15
Europe		44,080	5.22	9,358	1.43	11,616	1.47
America, Australia, others		4,880	0.58	4,885	0.75	5,913	0.75
Total		845,152	100	655,221	100	788,039	100



Production volume for the most recent two years

Unit: Tons; NT\$ thousand

Production Value Major Product	2022			2023			2024		
	Production Capacity	Production Volume	Output Value	Production Capacity	Production Volume	Output Value	Production Capacity	Production Volume	Output Value
Dyeing and finishing	7,000	5,441	371,628	6,925	3,410	282,441	6,380	3,702	321,440
Trading of fabric	1,780	1,717	425,399	1,475	1,106	303,630	1,851	1,412	377,429
Total	8,780	7,158	797,027	8,400	4,516	586,071	8,231	5,114	698,869

Sales Volume Value of the Last Two Years

Unit: Tons; NT\$ thousand

Value of Sales Volume Major Product	2022		2023		2024	
	Volume	Value	Volume	Value	Volume	Value
Dyeing and finishing	3,422	242,380	1,954	143,425	1,777	136,577
Trading of fabric	1,529	592,238	1,084	500,407	1,375	640,710
Others	-	10,534	-	11,389	-	10,752
Total	4,951	845,152	3,038	655,221	3,152	788,039

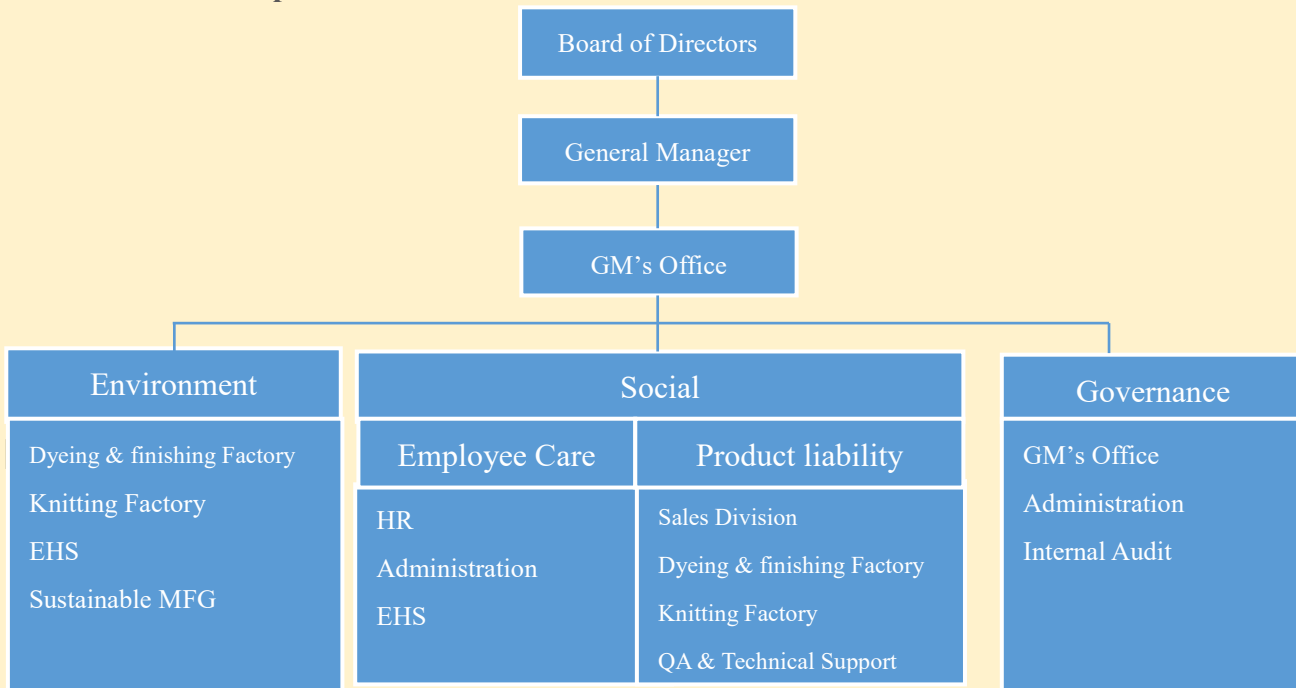


2、Materiality Analysis and Stakeholders

2.1 ESG Operation and Implementation

To maintain sound corporate governance, economic performance, sustainable environmental development, social welfare, and enhanced corporate information disclosure, the company has established the "Sustainable Development Principles". In 2022, the Board of Directors authorized the General Manager to oversee sustainability efforts, with the GM’s Office serving as the central coordinating unit. The office is responsible for appointing relevant department to execute sustainability goals, monitoring implementation effectiveness, and continuously advancing corporate sustainability in alignment with the United Nations Sustainable Development Goals (SDGs). The execution performance and objectives for the following year are reported annually to the Board of Directors.

Sustainable Development Governance Structure



Reporting to the Board of Directors in 2024		Reporting to the Board of Directors in 2025	
3/8	The power generation of the subsidiary Tong Fa Green Energy amounted to 2.14 million kWh in 2023	3/12	The power generation of the subsidiary Tong Fa Green Energy amounted to 2.025 million kWh in 2024
8/9	The company's energy conservation and carbon reduction performance for 2023, along with its GHG emissions	5/9	Report on the selected material sustainability topics and management status for 2024.
12/25	Report on the implementation status of major sustainable development projects in 2024.	8/12	The company's energy conservation and carbon reduction performance for 2024, along with its GHG emissions

Board Supervision Status(2024/12/25)	
1.	Carbon Fee Implementation: The announced carbon fee rate is 300 NTD per ton, effective January 1, 2025. Emissions under 25,000 tons per year are exempt from the fee. Currently, the company is not subject to the fee, but the exemption threshold may decrease in the future. Additionally, the calculation of other indirect GHG emissions will be required (scope 3), so preparations should begin. °
2.	Sustainability Report: The 2025 Sustainability Report must be published. The working group is requested to accurately reflect the key issues faced by the company this year (such as operational performance, energy conservation and carbon reduction, human resources, and environmental sustainability) to ensure stakeholders are well-informed.

Internal and External Implementation of ESG

Sustainable development	Corporate governance <ul style="list-style-type: none"> • Maintaining good corporate performance • Enhancing the disclosure of corporate information • Continuous innovation and growth • Pursuing reasonable profits • Maintaining good relationships with customers and suppliers 	Social <ul style="list-style-type: none"> • Occupational health and safety • Complying with regulatory requirements • Contractor management • Promotion of Health 	Preventing hazards
	Fulfilling responsibilities	Society <ul style="list-style-type: none"> • Protecting workers' rights and respecting human rights • Participating in social welfare activities • Providing appropriate work opportunities for people with physical or mental disabilities • Adhere to ethical business practices and oppose improper benefits • Complying with business ethics • Establish a whistleblowing system. 	

Corporate Sustainability

2.2 Stakeholder Identification and Communication

In pursuit of the sustainable development of Zig Sheng and the best interests of its shareholders, the GM's Office convened the executives from each department to identify ESG topics of concern to stakeholders. In accordance with the guidelines of AA1000 SES: 2015 Stakeholder Engagement Standard (SES), we identified key stakeholders-including shareholders/investors, customers, suppliers/contractors, employees, government agencies, and local community residents-based on the five principles of dependence, responsibility, concern, influence and diverse perspectives and provided timely responses to the issues of concern to the above six categories of stakeholders through our smooth communication channels to make the exchange of opinions more efficient.



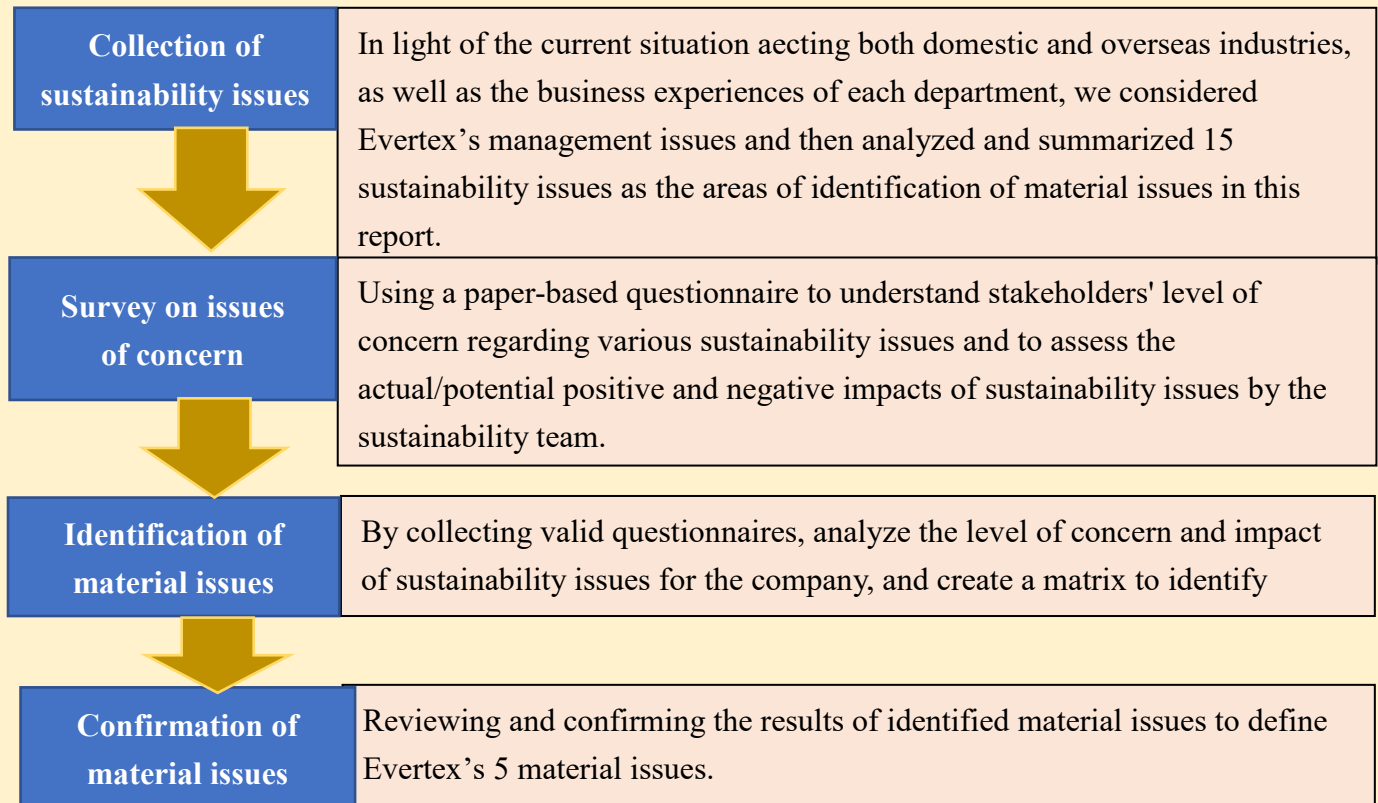
Fundamental economic, social and environmental topics that are the concerns of our stakeholders are communicated through smooth communication channels and frequencies, and are summarized as follows:

Stakeholder	Responding Department, Contact	Main Topic	Communication Channel	Communication Frequency	Communication performance
Stockholders / Investors	Administration alan.hung@evertex.tw	Corporate Governance 、 Sustainable management 、 Risk Management 、 operating performance	Shareholders' meeting, Annual report	Year	Shareholders' meeting is held every June, two investor conference are held each year, and significant information is released in accordance with the regulations set by the competent authorities.
			Investor conference	Year	
			MOPS	Irregularly	
Customers	Taipei Slaes Office fiona.hsiao@evertex.tw	Customer Satisfaction, Service Quality 、 Environmental Protection	Satisfaction surveys	Year	Customer satisfaction survey reached 90%. Regular visits to key clients, participation in textile exhibitions, and passing certifications such as GRS, RWS, and Oeko-tex factory audits.
			Customer visits, Meeting	Year	
			Exhibitions, Factory audits (Audits Quality/Human rights)	Year	
Suppliers/ Contractors	General Affairs steven.yang@evertex.tw 、 Dyeing & fishing factory neil.luo@evertex.tw	Environmental Protection 、 Occupational Health and Safety	New vendor evaluation	Irregularly	Maintenance section is established to closely monitor product progress and quality. A monthly discussion meeting on dye auxiliaries suitability is held.
			Dyeing Additives Discussion	Month	
			Supplier Communication Meeting	Year	
			Equipment Engineering Meeting	Month	
Employees	Administration csr@evertex.tw EHS pasun.lin@evertex.tw	Salary and benefits 、 Employee-employer Relationship 、 Labor and Human Rights 、 Occupational Health and Safety	Employee Welfare Committee	Month	The Employee Welfare Committee meets monthly. Annual regular health check-up services are provided. Quarterly Occupational Safety and Health Committee meetings and labor-management meetings are held to review and improve employee satisfaction, especially addressing any issues related to low satisfaction levels.
			Health Checkup	Year	
			Nursing Services	Month	
			Occupational Safety and Health Committee	Season	
			Employee Satisfaction Survey	Year	
Government Agencies	Finance & Accountiog nick.hsu@evertex.tw 、 Dyeing & fishing factory neil.luo@evertex.tw	Financial/Shareholder/Tax Information 、 Occupational Health and Safety 、 Climate Change 、 Energy saving and carbon reduction	Official Documents, Sustainability/Business Meeting	Irregularly	In 2024, there were 3 penalty incidents related to environmental protection, all of which have been rectified in accordance with regulations.
			Company Website	Irregularly	
			Reporting on Workplace Safety, Environmental Protection, ESG, Financial etc	Year	

2.3 Identification Process for Material Topics

It refers to a systematic process used to identify Environmental, Social, and Governance (ESG) issues that are relevant to the company's operations and have significant impact on the aforementioned stakeholders.

The steps are as follows:



Through a systematic process for identifying material sustainability issues, our company is able to strategically focus its limited resources on the most critical Environmental, Social, and Governance (ESG) topics. This enhances resource efficiency and overall operational effectiveness, while also helping to identify potential risks and opportunities early on. Strengthening our risk management mechanisms in this way allows us to avoid legal liabilities, reputational damage, or financial losses that may arise from overlooking key issues. At the same time, proactively responding to the expectations and needs of stakeholders fosters trust and collaboration with employees, shareholders, customers, supply chain partners, and government agencies—thereby enhancing our corporate image and competitiveness. In addition, continuously updating material topics and performance management enables us to respond flexibly to changes in the external environment (such as climate change, regulatory revisions, or shifting social concerns), strengthen organizational resilience, and lay a solid foundation for long-term sustainable development.

2.4 Substantive Analysis for Key Sustainability Topics

This year, we identified material issues by sending questionnaires to stakeholders, senior executive and sustainability team. The ranking was divided into two parts: “level of stakeholders’ concern” and “level of impact on Evertex’s sustainable development”. The former was filled in by stakeholders, while the latter was answered by senior executive and sustainability team.



The Sustainability Task Force and senior management—including the General Manager, Deputy General Manager, Plant Manager, and Deputy Plant Manager—conducted assessments of the actual and potential positive and negative impacts of each sustainability (ESG) topic. Based on the collected and consolidated questionnaire responses, it was found that the average likelihood scores for positive impacts were higher than those for negative impacts. This is primarily due to the effective management and control of ESG-related issues across the organization. The key findings are as follows:

- **Economic/Governance Aspects:** The company has not experienced losses in recent years, maintains stable relationships across its value chain, and has continuously improved its corporate governance evaluation scores in accordance with regulatory requirements.
- **Environmental Aspects:** The Taoyuan plant has been certified by bluesign®, ensuring that harmful chemicals are controlled or avoided from the raw material stage through the manufacturing process, thereby reducing environmental and health impacts. The company is also ZDHC certified, demonstrating effective control of chemical compliance and wastewater discharge testing, eliminating harmful substance pollution. Additionally, the plant’s boiler energy source has been switched from coal to natural gas, significantly reducing greenhouse gas emissions. A climate risk management strategy has also been established.
- **Social and Human Rights Aspects:** The company is Higg SLCP certified, indicating standardized confirmation of social responsibility and labor conditions, thus indirectly supporting sustainable operations. We emphasize employee rights and welfare, with no significant incidents or complaints reported, and maintain a positive and healthy working environment.

After analyzing the scores across all ESG topics, any topic with an average score of 3.5 or above (out of 5) for both likelihood of occurrence and impact severity is classified as a material topic. Furthermore, even if a negative impact has a low likelihood, it is still considered a material topic if its potential impact severity exceeds 3.5, as such impacts may lead to serious consequences if they occur. Based on the initial comprehensive ranking, five sustainability issues have been identified as material topics: climate change,

GHG emissions, occupational safety and health, waste management, and business performance.

The evaluation scores for each issue by the Sustainability Team and Senior Executives are as follows:

Aspect	Topics	Positive Impact			Negative Impact		
		Likelihood of Occurrence	Impact Severity	Average	Likelihood of Occurrence	Impact Severity	Average
Economy / Governance	① Economic Performance	3.89	3.00	3.44	1.67	3.67	2.67
	② Corporate governance	3.44	3.00	3.22	1.22	3.33	2.28
	③ R&D Innovation	3.44	3.22	3.33	1.44	2.78	2.11
	④ Customer Relations	3.44	3.44	3.44	1.44	3.33	2.39
	⑤ Supply Chain Management	2.67	3.00	2.83	1.89	3.00	2.44
Environment	⑥ Climate change	4.22	3.67	3.94	1.67	3.11	2.39
	⑦ GHG emissions	4.44	3.33	3.89	1.67	3.22	2.44
	⑧ Energy Management	4.00	2.67	3.33	1.89	2.89	2.39
	⑨ Water Resource Management	3.67	2.44	3.06	1.56	2.78	2.17
	⑩ Waste Management	3.67	3.11	3.39	1.89	3.78	2.83
Social / Human rights	⑪ Talent attraction and retention	3.78	2.89	3.33	1.78	2.78	2.28
	⑫ Talent development and training	3.56	2.56	3.06	2.22	2.33	2.28
	⑬ Occupational safety and health	4.33	2.89	3.61	1.67	3.44	2.56
	⑭ Diverse society, and human rights	4.00	2.22	3.11	1.56	2.22	1.89
	⑮ Social Welfare	2.67	1.89	2.28	1.44	1.67	1.56

A total of 45 valid paper questionnaires were collected from stakeholders in 2024 (response rate of 90%). The comprehensive average of stakeholders' level of concern regarding sustainability issues was calculated and ranked accordingly. The top 5 sustainability issues with the highest level of concern were selected as material topics, including:

Business Performance (4.29)

Climate Change (4.07)

Waste Management (3.89)

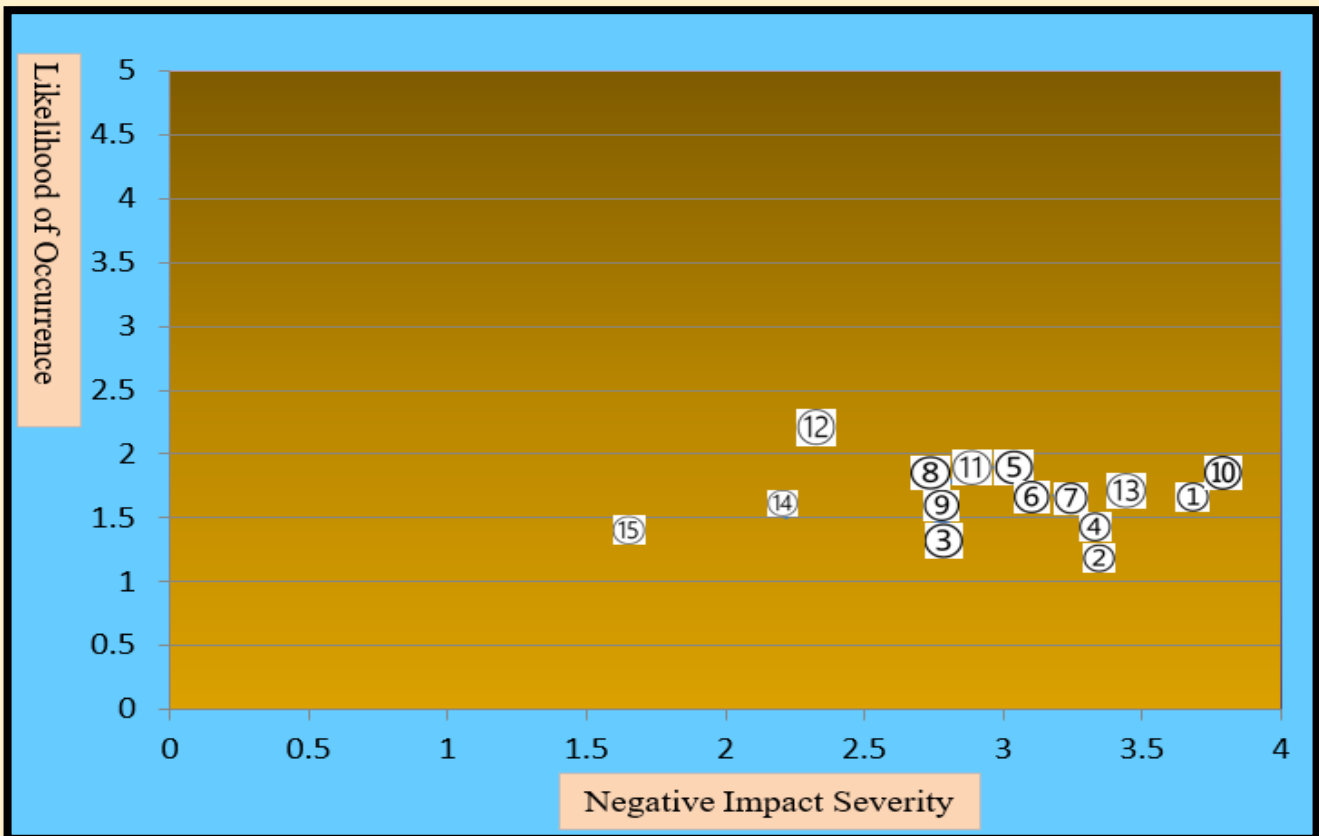
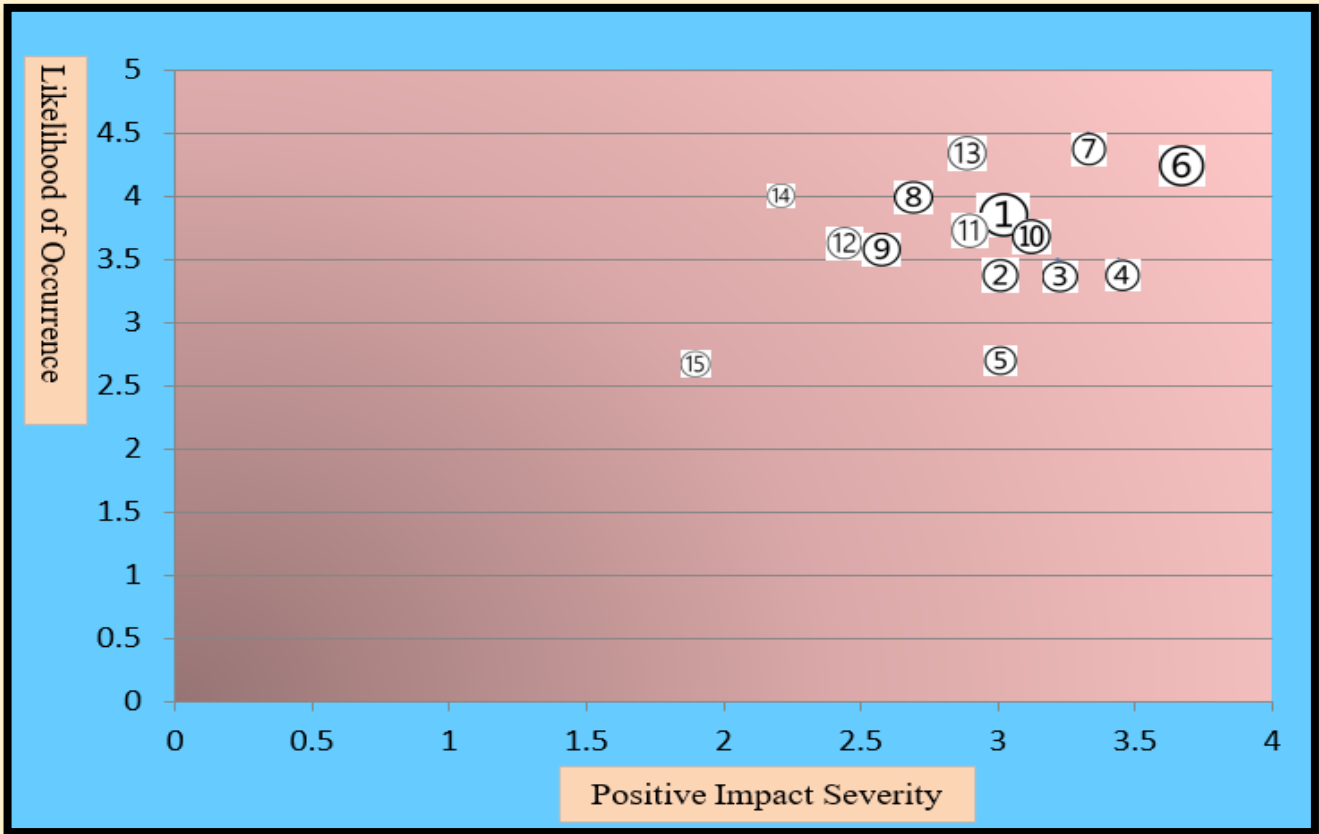
GHG Emissions (3.84)

Occupational Safety and Health (3.76).

Aspect	Topic	Level of concern
Economy / Governance	①Economic Performance	4.29
	②Corporate governance	3.64
	③R&D Innovation	3.66
	④Customer Relations	3.70
	⑤Supply Chain Management	3.68
Environment	⑥Climate change	4.07
	⑦GHG emissions	3.84
	⑧Energy Management	3.72
	⑨Water Resource Management	3.58
	⑩Waste Management	3.89
Social / Human rights	⑪Talent attraction and retention	3.53
	⑫Talent development and training	3.51
	⑬Occupational safety and health	3.76
	⑭Diverse society, and human rights	3.33
	⑮Social Welfare	3.03

The Sustainability Team consolidated the significance of the impact of sustainability issues and the level of concern from stakeholders, resulting in the identification of 5 material topics.

Ranking	Aspect	Topic
1	Governance	Economic Performance
2	Environment	Climate change
3	Environment	Waste Management
4	Environment	GHG emissions
5	Social	Occupational safety and health



2.5 Boundaries of Significant Sustainability Topics

After analyzing and ranking the sustainability topics, Evertex has provided a boundary analysis and confirmed the chapters of this report. We will continue to strengthen the management of these significant sustainability topics, disclose the relevant information in our Sustainability Report, and respond to all of the important stakeholders of our company.

Aspect	Material Topic	GRI Code	Concern	Impact				
				Employees	Customers	Vendor	Stockholders	Government Agencies
Governance	Economic Performance	201-1	Direct economic value generated and distributed	▲	●	▲	●	▲
Environment	Climate change	201-2	Financial impacts and other risks and opportunities that arise from climate change	●	▲	▲	●	●
	Waste Management	306-3	Waste generation	✘	✘	✘	✘	●
	GHG emissions	305-1	GHG emissions (direct emissions)	●	▲	✘	✘	●
		305-2	Volume of GHG emissions through energy consumption (indirect emissions)	●	▲	✘	✘	●
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant gas emissions	●	▲	▲	▲	●	
Social	Occupational safety and health	403-1	Occupational Health and Safety Management System	●	▲	●	✘	●
		403-2	Hazard identification, risk assessment, and incident investigation	●	✘	▲	▲	✘
		403-3	Occupational health services	●	✘	✘	✘	✘
		403-4	Worker involvement, consultation and communication regarding occupational health and safety	●	✘	✘	✘	✘
		403-5	Worker training related to occupational health and safety	●	✘	●	✘	✘
		403-6	Promotion of health for workers	●	✘	✘	✘	✘
		403-7	Preventing and mitigating occupational health and safety impacts directly related to company business	●	✘	✘	✘	✘
		403-9	Occupational injury	●	✘	●	✘	●

Note: ● = Directly relevant 、 ▲ = Relevant through facilitation 、 ✘ = Not relevant

2.6 Consultation on Issues of Concern

Opinion Survey: Evertex has provided contact information on its website for use by internal and external stakeholders.

Immediate Response: Main management dept. is dedicated to handling and responding to issues of concern in a timely manner, and reports on operations to the Board of Directors, the top level of management, on a regular basis. The topics to be disclosed in the following year are determined by the GM's Office based on internal and external communications.

We have also set up sustainability development area on our website to regularly disclose information from our Sustainability Report each year to respond to issues of interest to all internal and external stakeholders.

2.7 Management Policies for Material Topics

Aspect / Material Topics	Governance / Economic Performance (Performance Results p37)
Description of Significance	Achievements in Economic Activities
Actual/Potential Impacts	Stable growth in financial performance enhances investor willingness to invest, categorized as mid-to-long term.
Policy or Commitment	Continue to engage in innovation and R&D Increase operating performance, pursue reasonable profits
Target	<ol style="list-style-type: none"> 1. Ensure an adequate supply of raw materials, and achieve balance in production and sales. 2. Control operating costs, and maintain a sound financial structure. 3. Develop new markets, and meet customer requirements.
Responsible Unit	Management Level
Management Method	<ol style="list-style-type: none"> 1. Quarterly management meeting to report on performance targets, and continuously improve and maintain performance. 2. Monthly sales profit report for each product is used as the basis for the management's decision making.
Evaluation Mechanism	Financial reports are verified by third-party CPAs.

Aspect / Material Topics	Environment / Climate change (Performance Results p.51)
Description of Significance	It's a globally recognized issue, net-zero carbon emissions are a goal that the entire world is striving to achieve.
Actual/Potential Impacts	It may lead to extreme climate events. Implementing a climate risk assessment mechanism, future planning, and evaluating target effectiveness fall under long-term strategies.
Policy or Commitment	Value the issue of climate change and comply with regulations.
Target	Reduce carbon emissions by 70% from 2021 to 2030, aiming for net-zero emissions by 2050.
Responsible Unit	GM's Office
Management Method	Conduct climate change risk assessments based on the TCFD framework and develop corresponding response strategies and measures.
Evaluation Mechanism	Regular review of TCFD

Aspect/Material Topics	Environment/Waste Management (Performance Results p50)
Description of Significance	Waste that is not properly disposed of can easily cause water, soil, and air pollution, posing a threat to the environment and public health.
Actual/Potential Impacts	Improper waste disposal is a short-term issue.
Policy or Commitment	Complying with waste disposal regulations and reducing waste.
Target	Entrust qualified waste disposal contractors for transportation and regularly review waste disposal documents.
Responsible Unit	Sustainable MFG
Management Method	Report waste disposal volumes in accordance with regulations.
Description of Significance	The number of violations of environmental regulations and the amount of fines announced by the government.

Aspect/Material Topics	Environment/GHG emissions (Performance Results p.42)
Description of Significance	Global warming is becoming increasingly severe, and stakeholders are paying more attention to air pollution emissions.
Actual/Potential Impacts	Failure to implement air pollution control and greenhouse gas reduction measures is a mid-term issue;
Policy or Commitment	Comply with relevant regulations, prioritize climate change and global warming issues, and reduce greenhouse gas emissions.
Target	1. Steam boilers and thermal oil boilers have been converted to natural gas to reduce CO ₂ emissions, with continuous improvements. 2. Air pollution control equipment has been added to thermal oil boilers.
Responsible Unit	Sustainable MFG
Management Method	Conduct emissions inventory in accordance with ISO 14064-1
Description of Significance	Verification performed by an external certification

Aspect/Material Topics	Social/Occupational safety and health (Performance Results p.69)
Description of Significance	Properly care for employees' health and provide a safe working environment, while striving to prevent occupational diseases and promoting health initiatives.
Actual/Potential Impacts	Occupational accidents or diseases may prevent employees from attending work and providing labor, while also leading to compensation expenses, lawsuits, and damage to the company's reputation, belong a short-term issue.
Policy or Commitment	Comply with occupational safety regulations, fulfill corporate responsibilities, promote education and training, strengthen employee response capabilities, prevent potential hazards, implement risk management, promote health initiatives, and establish a supportive workplace.
Target	1. Comply with occupational safety and health regulations and ISO 45001 Occupational Health and Safety Management System standards to establish a safe and healthy work environment. 2. Set "zero occupational accidents" as a long-term goal.
Responsible Unit	EHS
Management Method	Safety and health education training, regular health check-ups, and nurse consultations.
Description of Significance	Occupational injury statistics

3、Corporate governance & management

3.1 High level executive management

3.1.1 Operations of the Board of Directors

The Board of Directors is the highest decision-making body of the company, responsible for overseeing overall operations and supervising the implementation of management policies. The election of board members follows the company's "Rules of Election of Directors" and adopts a candidate nomination system. After review by the Board, the list of candidates is submitted to the shareholders' meeting for voting and appointment. Additionally, according to the provisions of the Company Act, shareholders holding more than 1% of the total issued shares of the company may submit a list of director candidates to the company in writing. The Board of Directors comprises members with diverse backgrounds and expertise aligned with the company's development needs. To enhance the board's operational effectiveness and implement sound corporate governance, the company has established regulations such as "Meeting Rules of Board of Directors", the Scope of Duties of Independent Directors, the Corporate Governance Best Practice Principles, and the Board Diversity Policy. Additionally, under the Board of Directors, the company has set up a Compensation Committee and an Audit Committee, both composed entirely of independent directors. These committees leverage professional specialization and independent perspectives to assist the board in decision-making, aiming to strengthen oversight functions and enhance management capabilities.

The company's Board of Directors consists of 11 directors, including 4 independent directors, each serving a three-year term.

The company has appointed a Corporate Governance Officer to actively enhance the functions of the Board of Directors. To enable directors to fully perform their duties, the company has secured liability insurance for them, ensuring the rationalization of their rights and responsibilities while maximizing shareholder interests.

The Board of Directors is convened at least once per quarter. In 2024, a total of five board meetings were held, with an average attendance rate of 93%. All directors attended in compliance with relevant regulations, meeting the legally required quorum. Directors uphold a high level of self-discipline and, when matters involving conflicts of interest with themselves or the entities they represent arise, they refrain from participation in discussions and voting, apart from expressing opinions and responding to inquiries. They also do not act as proxies for other directors in voting. In 2024, aside from requiring the General Manager and other executives to recuse themselves from voting on the year-end bonus proposal for management, all board resolutions were free of conflicts of interest with board members.

For details on the operations of the Board of Directors and training programs, please refer to pages 4~8, 15~16, and 31~32 of the company's 2024 annual report.

Additionally, please visit our company website:<https://www.evertex.tw/tw/about/永續發展/公司治理>

3.1.2 Functional committees

Compensation Committee: The committee is dedicated to assisting the Board of Directors in implementing and evaluating the company's overall compensation and benefits policies. All committee members maintain a professional and objective independent stance. The committee holds two remuneration meetings annually to regularly assess the operational performance of directors and executives, determine compensation policies, approve the distribution of year-end bonuses for executives, and allocate remuneration for directors and employees. The evaluation process considers individual performance and the company's overall operational results, including management capabilities, goal achievement rate, profitability, and contributions. It also benchmarks industry standards and assesses the correlation with future risks. In 2024, the committee held two meetings, with an average attendance rate of 100%.

Audit Committee: The annual key tasks include reviewing financial reports, assessing the qualifications and independence of the external auditors, and ensuring the effective implementation of the company's internal controls. The Audit Committee is convened at least once per quarter. In 2024, a total of five meetings were held, with an average attendance rate of 100%.

For details on the operations of the functional committee, please refer to pages 18~20, 33~35 of the company's 2024 annual report. Additionally, please visit our company website:

3.1.3 Board's performance evaluation

In 2019, the company established the "Board Performance Evaluation Procedures", which require an annual self-assessment of the Board of Directors, individual board members, and functional committees. In 2024, all self-assessment results were rated as "Meeting Standards", indicating that the Board of Directors and functional committees are operating effectively. Based on these evaluation results, the company will continue to enhance the board's functions to further improve corporate governance.

Please refer to pages 16~18 of the company's 2024 annual report.

3.1.4 The remuneration of the Company's directors and managers

Directors	According to "Remuneration Policy for Directors and Managers" of the company, as approved by the company's Compensation Committee and Board of Directors, directors' remuneration is divided into remuneration, compensation and service expenses. Under Article 33-2 of the Company's Articles of Incorporation, the Company shall pay a fixed remuneration to directors regardless of the Company's operating profit or loss. According to Article 33 of the Company's Articles of Incorporation, the Board of Directors has resolved to allocate no more than 3% as directors' remuneration. The allocation is based on the directors' level of participation in company operations and their contributions, including factors such as EPS, corporate governance, risk management and control, and supervision of sustainability implementation. The company may pay business execution fees when convening functional committees, shareholders' meetings, and the board of directors to approve annual financial reports.
Managers	According to "Remuneration Policy for Directors and Managers" of the company, the remuneration structure of managerial officers consists of salary, bonus, employee' compensation, retirement benefits. Salary shall be by Article 33-2 of the Company's

Articles of Incorporation, when the managers of the company perform their duties, the Company shall pay remuneration to managers regardless of the Company's operating profit or loss. Its remuneration is authorized to the Board of Directors according to their individual contributions to the Company and the standards of peer industries. Managers below the assistant vice president level will be awarded based on the assessment of operating performance (items as follows) and the company's operating results. The performance appraisal of senior managers (General Manager and Deputy General Manager) is divided into operating performance (operation and management capabilities, revenue target achievement rate, pre-tax profit and loss) accounting for 70%, and sustainable development performance (low-carbon transformation(10%), occupational safety and health(3%), acquisition of international environmental protection and human rights-related certifications(15%), other major sustainability topics(7%), etc., divided into long/short term) accounting for 30%, and calculate the remuneration based on the assessment results. Employee' compensation shall be not less than 3% of the Company's profit according to the Company's Articles of Association. Retirement fee are conducted pursuant to labor-related laws and regulations. Salary, bonus, employee' compensation shall be reviewed by the remuneration committee.

3.2 Integrity and Ethics

3.2.1 Code of Ethical Conduct

To ensure that the actions of the company's directors and managers comply with ethical standards and adhere to relevant laws and ethical principles, the "Code of Ethical Conduct for Directors and Managers" has been established. This code includes regulations on preventing conflicts of interest, avoiding opportunities for personal gain, confidentiality obligations, fair dealings, protection and proper use of company assets, compliance with laws and regulations, encouragement to report any illegal or unethical behavior, and disciplinary measures. These guidelines are designed to safeguard the company's assets, rights, and reputation.

For internal employees, all conduct and disciplinary actions, both internally and externally, are governed by systems such as the "Employee Code of Ethical Conduct" and "Work Rules" to prevent unlawful and dishonest behavior. ◦

3.2.2 Ethics and Integrity

Our company, adhering to the principles of integrity, transparency, and accountability, has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct." These guidelines explicitly define our integrity management policy as follows: "Based on the principles of integrity, transparency, and accountability, we establish sound corporate governance and risk control mechanisms to create a sustainable business environment."

This policy has been approved by the Board of Directors, and all directors and senior management recognize integrity as the core value of the company. They have agreed to comply with the "Integrity Management Policy" and have jointly signed the "Statement of Compliance with the Integrity Management

Policy" to ensure its implementation.

The company strictly prohibits personnel from directly or indirectly offering, promising, requesting, or accepting any improper benefits in the course of business activities. This includes money, gifts, commissions, positions, services, special privileges, rebates, facilitation payments, and hospitality in any form or under any name. However, exceptions may be made for normal social etiquette in occasional circumstances that do not impact specific rights and obligations.

To establish a robust internal mechanism for handling and disclosing significant company information, and to prevent improper information leaks, we have formulated the "Insider Trading Prevention Management Measures." This is to ensure that internal personnel and external institutions or individuals do not inadvertently violate regulations or engage in insider trading, which could lead to legal disputes and reputational damage.

According to the 2024 Internal Control Self-Assessment Report, no abnormalities were found, and no corruption reports were received. Our company's corruption risk is effectively controlled, with no significant risks identified.

The Statement of Compliance with the Integrity Management Policy is jointly signed by all directors and senior management. *(There is no English version of the statement)*



In 2024, we continued to conduct integrity management awareness training, with a total of 20 participants and 30 training hours.

For details on the "Ethical Corporate Management Best Practice Principles" and related regulations, please visit our company website: <https://www.evertex.tw/tw/ir/related>.

3.2.3 Grievance and Reporting System

The company is committed to fostering a corporate culture of integrity management and sustainable development. To achieve this, we have established multiple internal grievance and communication channels, including an employee suggestion box, email, supervisor meetings, as well as a whistleblower mailbox and hotline. The company ensures strict confidentiality of the identity and content of complaints and whistleblower reports to prevent any form of retaliation or improper handling.

As of this year, no incidents of unethical behavior have occurred.

Grievance cases: 0

Report box: 0

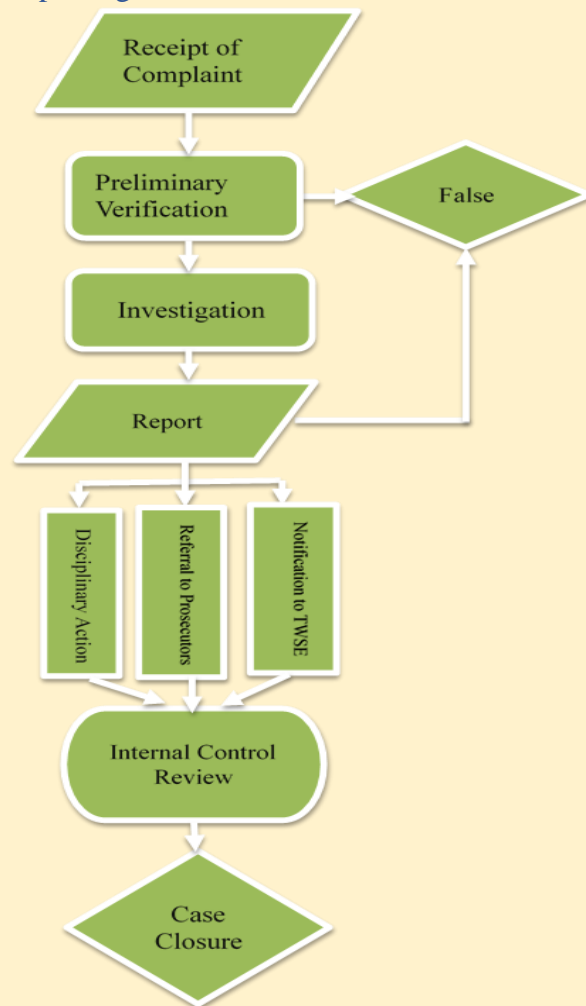
Covetous and greedy cases: 0

Notes:

If a case involves directors or senior management, it must be reported to independent directors.

If a major violation or damage is identified, a written notice must be submitted to independent directors.

Reporting Procedure Flowchart



3.2.4 Public Associations We Joined

The company is committed to corporate sustainable development and fulfilling social responsibilities. We actively participate in domestic textile-related industry associations to engage in interaction and exchange with industry organizations, ensuring we stay informed about industry trends and developments.

Name of Public Association	Form of Participation
Taiwan Knitting Industry Association	Member
Taiwan Regional Association of Filament Fabrics Printing Dyeing & Finishing Industries	Member

Currently, the company does not hold any positions in the aforementioned associations, nor has it made any significant financial investments. Moving forward, we will continue to evaluate the extent of our participation to strengthen industry collaboration and jointly promote the sustainable development of the textile sector.

3.3 Compliance with Regulations

Since 1991, our company has adhered to the standards of regulations for publicly listed companies, establishing various internal operational procedures. After becoming a listed company, we continuously monitor the regulatory changes made by the authorities and adjust accordingly. The management team remains vigilant regarding any domestic or international policies and regulations that may impact the company's financial and business operations. In collaboration with the regulatory authorities, we revise management systems and establish concrete guidelines to implement internal controls, while regularly or periodically conducting training. °

Definition of Major Regulatory Violations:

A violation is considered major if it significantly impacts the company's operations in the economic, environmental, or social aspects, or if the fines imposed exceed NTD 1 million.

Summary of General Penalties in the Last Three Years:

Violation		Year	2022	2023	2024
Number of Cases	Economy		0	0	0
	Environment		1	0	3
	Society		0	0	0
Impose a fine (NTD)			18,000	0	201,000

The violations and improvement measures for the entire plant in 2024 are as follows: Our company is committed to making improvements and will take the necessary steps to prevent similar situations from occurring again.

Item	Article of Regulation Violated	Content of Regulation Violated	Impose a fine	Improve the situation
1	Article 39, Item 1, of the Waste Disposal Act & Article 3, Item 1, paragraph 2 of the Measures for the Recycling Management of Industrial Wastes of the Ministry of Economic Affairs	Failure to send the produced textile waste to a recycling organization with a textile waste recycling project for reuse in accordance with regulations.	NT\$6,000	The waste disposal plan has been revised to allow removal and processing under the "R0802" code. All waste is now handled by authorized contractors.
2	Article 31, Item 1, paragraph 2 of the Waste Disposal Act	Clearing and transporting textile residues to reuse organizations, failing to report clearance and reuse online in accordance with regulations	NT\$6,000	
3	Article 7, Item 1 of the Water Pollution Prevention and Control Act	The sampling test result of the wastewater discharge outlet was that the water temperature was 42.0°C, which did not meet the discharge water standards.	NT\$189,000	The cooling tower cleaning for Tower B has been completed by the assigned contractor, while Tower A is awaiting scheduling for on-site cleaning by the external contractor.

3.4 Customer Service Management

The company's main customers are international brand clothing manufacturers, and they abide by international business transaction regulations and practices. The company's products must comply with the RSL (restricted substance list) requirements of international standards such as EU Oeko-Tex standard 100 and bluesign, and do not contain any hazardous substances. To ensure the health and safety of customers; the company also has a customer rights protection policy, including the confidentiality of business secrets. In the operation process of collecting, processing and utilizing customer information, attention should be paid to preventing customer information from being stolen, leaked, etc. and a grievance process to ensure that customers' needs are properly responded to.

Complaint Channel: <https://www.evertex.tw/tw/contact>

Complaint Process: Customer Complaint Received → Hold a meeting to discuss and clarify the reasons → Make solutions → Reply to customer → Improve tracking and data management.

The company has established a physical properties laboratory, which has been certified and approved by certain brand clients. This allows for in-house fabric testing, with the obtained data being directly provided to brand clients for review. This ensures that all products meet the specified requirements and reduces inspection waiting times. In 2024, the company had no violations of product health and safety regulations.

Certifications obtained in 2024:

Certification Category	Certification Name	Certification validity period
Dyeing & fishing factory	bluesign	2023/03/07~2026/04/23
	ISO 9001:2015	2024/02/01~2027/01/07
Finished fabric	Oeko-Tex Standard 100	2024/10/11~2025/10/04
Recycled fabrics	Global Recycled Standard	2024/08/03~2025/08/02
Wool cloth	Responsible Wool Standard	2024/09/15~2025/09/14



CERTIFICATE

Awarded to bluesign® SYSTEM PARTNER

Evertex Fabrinology Limited

4F, 64 Ta'Cheng St., Datong Dist., Taipei 103005, Taiwan

This certificate attests that the article range

Knits

(only valid in connection with an entry in the bluesign® GUIDE for exact article identification)

manufactured in

Evertex Fabrinology Limited

9 Rong'an Rd., Luzhu Dist., Taoyuan City 338028, Taiwan

meets the relevant bluesign® CRITERIA.

Furthermore, above company is granted authorization to use the trademark

bluesign® APPROVED

for above article(s) according to the valid communication guidelines.

Certificate number: 021.967.005

Certificate valid until: April 23, 2026

St. Gallen, March 7, 2023



Daniel Rüfenacht
CEO
bluesign technologies ag

3.5 Supplier Management

3.5.1 Supply Chain of the Organization

The company's supplier categories consist of dyeing and auxiliaries, yarns, and others (including finished fabrics, subcontracted processing, consumables, packaging materials, product transportation, instrument calibration, and infrastructure equipment). Suppliers are involved in transactions related to these products and services. According to company regulations, new suppliers undergo an evaluation process. Once they pass the assessment, their results are recorded in our ERP system. In 2024, all suppliers met the evaluation criteria. The assessment is based on factors such as quality management certification, technical capability, operational management, and corporate social responsibility.

3.5.2 Local Procurement Policy

Our company is committed to promoting localized procurement and production (Local to Local). Based on factors such as supplier quality, pricing, delivery time, stable supply, and their commitment to our expectations, we ensure that the products and services provided meet our company's requirements, allowing smooth business operations. Over the past three years, the ratio of locally procured raw materials has reached 100%. Additionally, logistics, outsourced services, waste management, and other general procurement have also achieved 100% local sourcing. This initiative supports local employment and cross-industry collaboration within the community. Over the past two years, there have been no significant changes in the supply chain.

3.5.3 Supplier Social Assessment

© Signing of the "Supplier Anti-Corruption and Social Responsibility Commitment": Suppliers of dyes and auxiliaries are required to adhere to anti-corruption principles and fulfill their social responsibilities, ensuring all products and services are compliant with laws and regulations. The signing rate is 100%.(33/33) ◦

© Management of yarn and chemical suppliers through the "Product Safety and Chemical Management Regulations": Suppliers are required to sign regularly updated commitment letters to meet the latest standards of various international certifications.

© Annual supplier evaluation: The Materials Department, Administration Department, and relevant user departments conduct annual non-compliance management and re-evaluation for suppliers exhibiting irregularities

© Environmental impact improvement plans:

Suppliers providing products or services with potential environmental impact are required to propose improvement plans and are subject to regular follow-up. Technical exchange meetings are regularly held with chemical suppliers to jointly develop projects that enhance product competitiveness.

© Future supplier strategy: To further diversify the selection of suppliers and contractors, and continuously improve the quality of products and services.

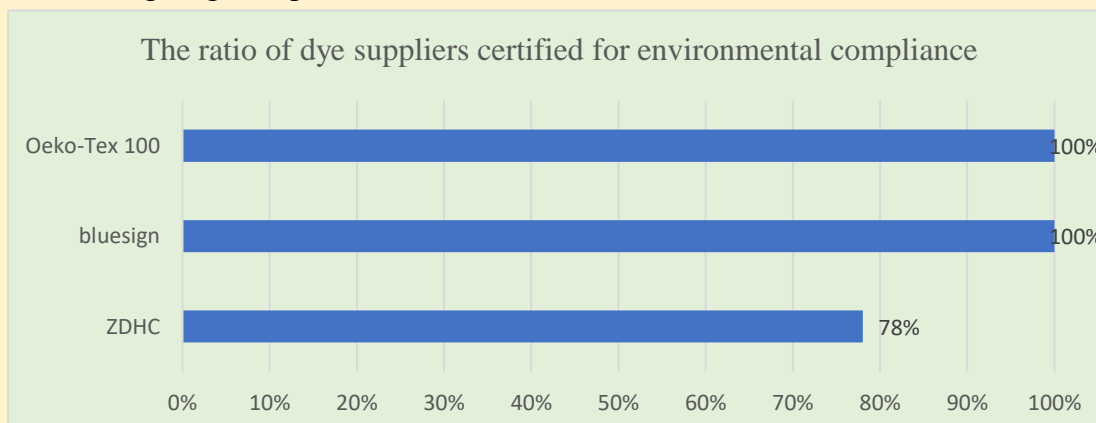
3.5.4 Supplier Environmental Assessment

The Company places particular emphasis on the environmental impact of chemicals used by dye and auxiliary suppliers. Suppliers are required to provide environmental data related to their products, including the use and discharge of hazardous substances. The Company utilizes this data to assess the environmental performance of suppliers and ensure that their products comply with environmental standards.

This environmental assessment will help suppliers and the Company move together toward more sustainable production and product development. To achieve this goal, the Company has adopted a series of evaluation methods and standards, including the following aspects:

1. **Oeko-Tex Standard 100** : As an international environmental standard for textiles, Oeko-Tex Standard 100 focuses on controlling harmful substances in products. The Company requires dye and auxiliary suppliers to be certified under Oeko-Tex Standard 100 to ensure that their products do not contain harmful substances and comply with relevant environmental standards.
2. **bluesign** : It's a widely recognized standard for sustainable textile production, emphasizing the environmental friendliness of materials and the sustainability of production processes. The Company requires suppliers to comply with bluesign standards to ensure that the materials used and the production methods adopted meet these requirements.
3. **Zero Discharge of Hazardous Chemicals (ZDHC)** : ZDHC is a global initiative aimed at reducing the use of hazardous chemicals in the textile industry. The Company requires dye and auxiliary suppliers to participate in the ZDHC program and take actions to achieve the goal of zero discharge of hazardous chemicals.

These standards serve as tools to assess suppliers, ensuring that their products and processes are environmentally friendly and reduce negative environmental impact. Evertex actively collaborates with suppliers by providing training and guidance to ensure their understanding and compliance with these standards, while continuously improving their environmental performance. The Company also regularly monitors and evaluates supplier performance to ensure ongoing compliance and further reduce environmental risks.





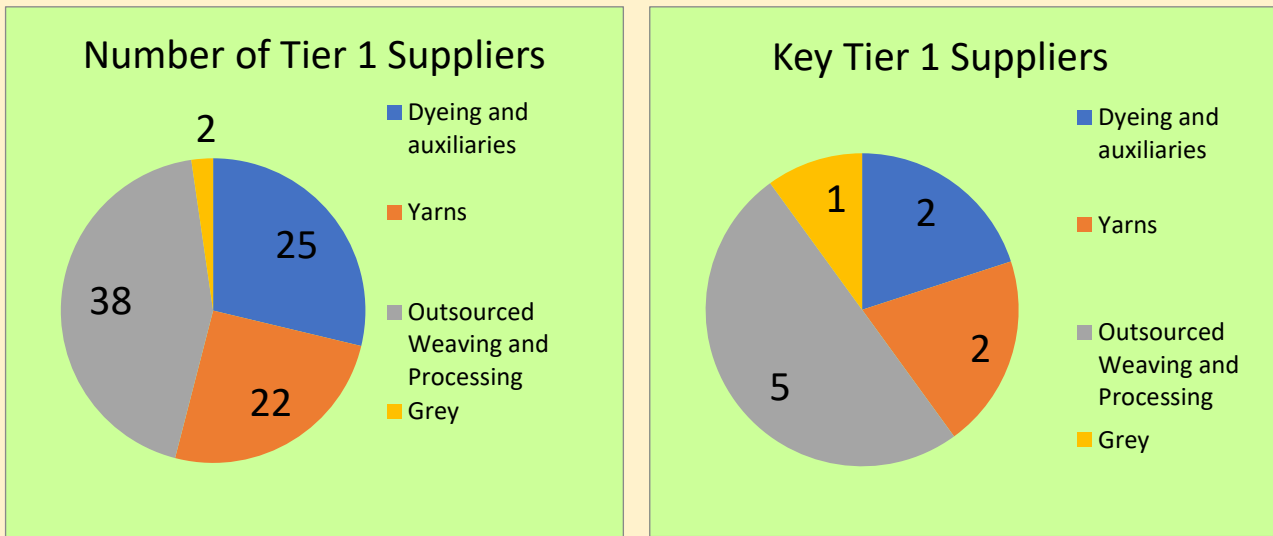
The Company requires dyeing chemical suppliers to sign two types of commitment letters:

● **Chemical Supplier Letter of Commitment** : Suppliers commit that all provided chemical products comply with the latest versions of restricted substances lists, including bluesign® Bluefinder (BSBL), Oeko-Tex® Standard 100 RSL, REACH Substances of Very High Concern (SVHC), ZDHC MRSL, AAFA RSL, California Proposition 65, the Stockholm Convention on Persistent Organic Pollutants, and the Biocidal Products Regulation (BPR, Regulation (EU) 528/2012). Additionally, suppliers must ensure that products are free from alkylphenol ethoxylates (APEOs), and this letter serves as a binding guarantee. The signing rate reached 100% (28/28).

● **Basic Chemical Supplier Letter of Commitment** : Suppliers commit that all provided basic chemical products, including any future deliveries, meet the target values for heavy metal impurities as outlined in the bluesign® guideline “Input Stream Management for Substances Used in Textile Processing (Basic Chemistry)”. The signing rate also reached 100%.(5/5).

In accordance with the materiality principle, the Company discloses information on key Tier 1 suppliers, defined as those whose cumulative transaction amounts account for the top 50% within their respective categories. Among these key Tier 1 suppliers:

100% possess valid wastewater discharge permits and are in compliance; 40% have completed the Sustainable Apparel Coalition (SAC)’s Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data evaluation.



3.6 Risk Management

The Company has established the “Risk Management Measures.” The Board of Directors serves as the highest decision-making and supervisory body for risk management, responsible for approving the risk management policies, procedures, frameworks, and related regulations, ensuring alignment between the Company’s operational strategies and risk management policies. The Audit Committee is responsible for supervising the implementation and effective operation of various risk management systems and mechanisms, and for providing timely recommendations for improvement to achieve the Company’s risk management objectives. The GM’s Office is in charge of promoting and overseeing the implementation of risk management tasks, compiling an annual summary of risk management execution for review by the Audit Committee, and subsequently reporting to the Board of Directors.

Risk management is the responsibility of all employees. Each employee is expected to maintain risk awareness and carry out risk identification, assessment, and control procedures within the scope of their work. Managers at all levels, as well as subsidiaries, must adopt a prudent and rigorous approach to examining the risks they face, implementing layered preventive measures as part of their daily management practices. They should also utilize various information sources to assess the likelihood of risk events and evaluate the potential impact on the company.

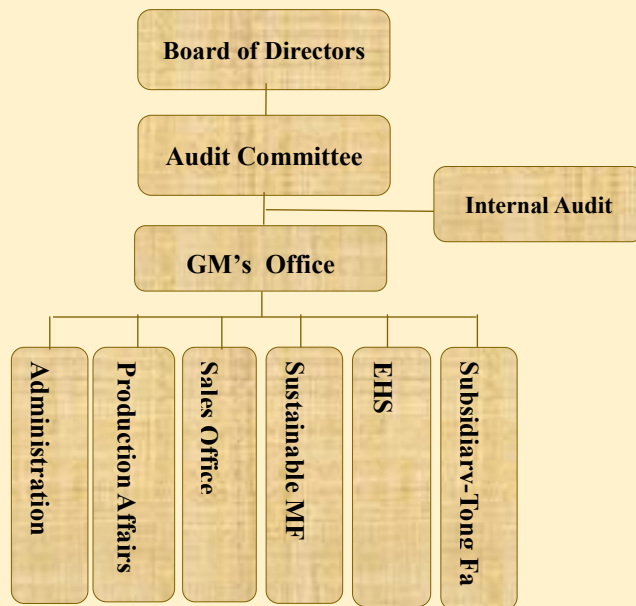
The Internal Audit Office shall assist the Audit Committee in overseeing each unit’s compliance with authorization limits, relevant management policies, and procedures, in order to ensure that all employees maintain a strong awareness of and effectively implement risk management practices.

Management procedure	Contents
Risk identification	Climate risks and opportunities are identified annually based on business characteristics and integrated by the GM’s Office.
Risk measurement	Assess the impact and scale of each risk, including impact time, value chain and financial impact, and set quantitative or feasible qualitative standards.
Risk monitoring	Each responsible unit should monitor the risks of its own business. When the risk exposure exceeds its risk limit, countermeasures should be developed and submitted to the GM’s Office.
Risk respond	After assessing and summarizing the risks, business units should take appropriate response measures to the risks they face.
Reporting & disclosure	Report risk management execution results to the board of directors on a regular basis every year, and disclose the implementation status in accordance with the regulations of the competent authority.

Major risk in 2024: Textile Exchange and its members have committed to reducing supply chain carbon emissions by 45% by 2030, using 2019 as the baseline year. In 2022, the European Union introduced the “2030 Sustainable and Circular Textiles Strategy,” which requires producers to adopt eco-design principles for textiles and take responsibility for the recycling and reuse of their products.

Response measures: In 2023–2024, the Company obtained operating permits for natural gas steam boilers and thermal oil natural gas boilers to replace coal-fired boilers. This transition has significantly reduced GHG emissions, with annual CO₂e emissions now controlled below 20,000t. To promote textile resource circulation, the company has procured recycled yarn and developed fabrics made from recycled polyester. In August 2024, these efforts were officially recognized with Global Recycled Standard (GRS) certification.

Risk Management Organizational Structure



4、 Economic Performance

4.1 Operational Guidelines

1. Continuously introduce highly automated and energy-efficient, low-carbon equipment to enhance environmental friendliness of production processes and achieve smarter management.
2. Ensure stable raw material supply and improve capacity utilization to meet economies of scale and maintain a balanced production-sales ratio.
3. We will continue to enhance the R&D capabilities and improve the overall operational performance by developing new processes and products.
4. Develop more business opportunities with international brand customers.
5. We continue to plan for the succession of officers in each unit to train outstanding employees and ensure that there is no shortage of talent in the Company.

Mission: To unite passion and unlock new possibilities in high-performance fabrics.

Core Values

Sustainable Processes — Evertex continuously enhances its internal operations and product development, while actively pursuing international certifications such as ISO and bluesign® system to ensure compliance with global sustainability standards.

Commitment to Responsibility — We collaborate with leading outdoor brands in Europe and the U.S. to implement pre-shipment quality alerts, enabling traceability and transparency in our production processes—creating win-win outcomes.

Ongoing Innovation — Evertex has consistently stood out in international fabric exhibitions. From 2015 to 2024, all fabrics participating in the ISPO exhibition in Germany will win awards. The winning products can be displayed in the ISPO area and become a product selection indicator for customers.

Service Excellence — We are committed not only to delivering top-quality products, but also to ensuring that every piece reflects our dedication to innovation—so that every user experiences the same passion in every thread.

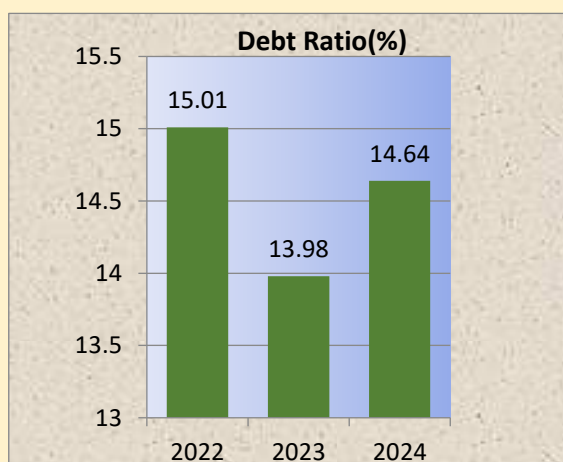
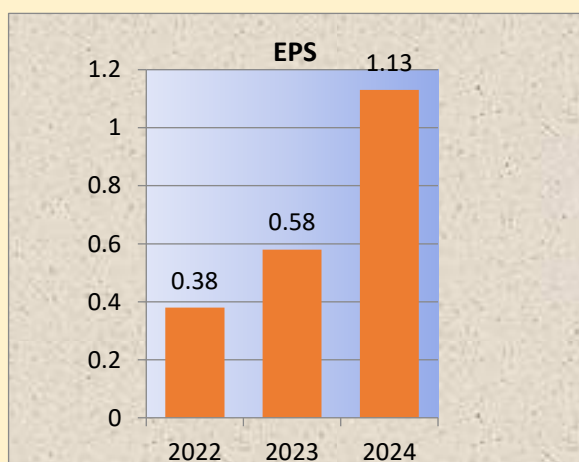


4.2 Operating Performance

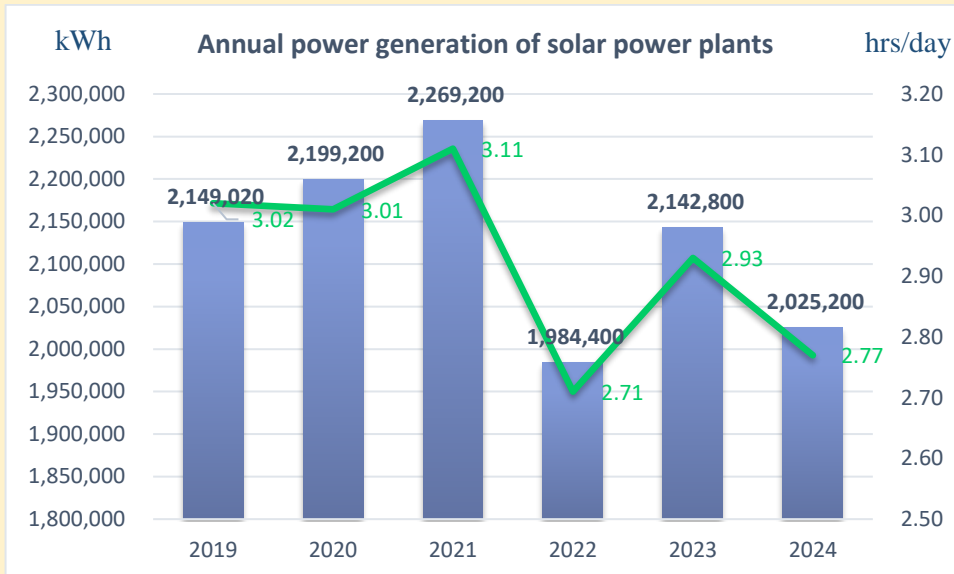
Over the past three years, our company has shown a steady growth trend in profitability. The following operational performance data includes financial information related to fabric sales, dyeing and finishing contract services, and the solar energy business. For further details, please refer to our consolidated financial statements.

NTD Thousand

Item \ Year	2022	2023	2024
Total assets	1,144,833	1,145,425	1,212,409
Total liabilities	171,849	160,105	177,463
Equity	972,984	985,320	1,034,946
Operate revenue	845,152	655,221	788,039
Net profit after tax	32,843	49,346	97,309
EPS	0.38	0.58	1.13
Debt Ratio (%)	15.01	13.98	14.64



To respond to environmental protection and green energy policies, as well as to improve the efficiency of internal capital utilization, the company established a subsidiary—Tong Fa Green Energy Corp. in July 2017. Solar panel power generation equipment was installed on the rooftop of Taoyuan plant, and related operations have since been carried out. The operating performance over the past three years is as follows:



The subsidiary, Tong Fa, currently has a solar power generation capacity of 1,998.3 kW, has applied for a legal license, and has signed a bulk purchase contract with Taipower for fixed electricity sales. Since its operation, the average annual power generation has reached 2 million kWh. In 2022, the sunshine time was less, and the average daily power generation hours were 2.71 hours.

The solar power generation process does not produce pollutants or greenhouse gases, helping to mitigate climate change. In the future, we will continue to plan for spaces suitable for solar panel installation to increase solar energy capacity. If electricity costs continue to rise, self-generation for self-consumption will be considered to reduce reliance on external power grids.

Value Distributed to Stakeholders

NTD Thousand

Item \ Year	2022	2023	2024	Types of Stakeholders
Operate cost	670,834	525,403	588,656	Employees 、 Suppliers 、 Government
Operate expenses	105,930	96,615	111,594	Employees 、 Supplier 、 Customers 、 Government
Dividends paid for the year	68,614	38,595	49,745	Stockholders
Interest paid for the year	552	880	988	Bank
Income tax and Fines paid for the Year	14,598	15,904	11,936	Government

4.3 Financial assistance from government

Governments may provide support to enterprises in the form of resource transfers in exchange for the fulfillment of certain conditions. In alignment with this, the Company actively integrates industry resources to implement action plans that contribute positively to society, the environment, and employee well-being. These initiatives include offering opportunities for youth to enhance their professional skills, investing in energy-saving and carbon reduction measures, and adopting smart machinery and equipment. The Company

applies for government subsidies in compliance with the relevant requirements, thereby fulfilling its corporate social responsibilities while alleviating operational burdens.

Breakdown of Government Financial Support and Concessions in 2024 NTD Thousand

Item	Government agency	Amount of Government Support
Subsidy for Workplace Environment Improvement and Promotion of Labor Physical and Mental Health	Ministry of Labor	725.8
Job Training Subsidy under the Youth Employment Flagship Program	Ministry of Labor	143.6
Subsidy under the Continued Employment Program for Senior Workers	Ministry of Labor	234.0
Low-Carbon Subsidy Program	Tapyuan city government	280.0
Tax Deduction for Investment in Smart Machinery under the Industrial Innovation Act	Ministry of Economic Affairs	600.0
Commodity Tax Refund/Reduction for Purchasing Energy-Efficient Appliances	Ministry of Finance	21.6
Subsidy for Participation in Domestic and International Textile Exhibitions	Ministry of Economic Affairs	90.0
Total		2,095.0

※The Company has no government ownership or shareholding from any country.

4.4 Tax governance

The Company fulfills its tax obligations in accordance with the law and adheres to the relevant regulations of the Republic of China by paying all applicable taxes with honesty and integrity. To mitigate tax risks arising from potential legislative changes, the Finance and Accounting Department closely monitors regulatory updates and works in collaboration with external CPAs to enhance professional knowledge and ensure compliance. In line with the principle of information transparency, the Company maintains a relationship of mutual trust with tax authorities. In the event of tax disputes, the Finance and Accounting Department proactively provides the required documents requested by the tax bureau and engages in effective communication to reach a mutual understanding and satisfactory resolution for both parties.

The total taxes for 2024 amount to NTD 18,865Thousand(covering income, housing, land value, licenses, fuel,etc) .

Item	NTD Thousand	
	2024	
Operate revenue	788,039	
Pre-tax net profit (A)	120,700	
Taxes(Housing, land value, licenses, fuel,etc)	3,026	
Income tax expense (B)	23,391	
Valid tax rate (B)/(A)	19.4%	
Income tax paid (C)	18,865	
Cash tax rate (C)/(A)	15.6%	

5 Environmental Protection

5.1 Raw Material Management

Evertex is committed to considering environmental standards and sustainability in raw material management to ensure that the materials used comply with relevant environmental requirements. We prioritize the procurement of certified eco-friendly products, especially raw materials that meet the following certifications or standards:

- **OEKO-TEX STANDARD 100:**Raw materials are required to have OEKO-TEX STANDARD 100 test reports or certificates to ensure they are free from harmful substances, thereby guaranteeing the safety and environmental friendliness of the final product.
- **bluesign® System Substances List (BSSL):**Preference is given to raw materials that come with test reports or certificates complying with the bluesign® System Substances List (BSSL), helping ensure environmental responsibility and sustainability throughout the production process.
- **Chemical MRSL and RSL Compliance:** We work with suppliers to ensure that all chemicals used comply with our in-house MRSL (Manufacturing Restricted Substances List) and RSL (Restricted Substances List) standards, helping to reduce potential environmental and health risks associated with the product.
- **GRS Certification:** When sourcing eco-friendly yarn materials, suppliers are required to provide RCS (Recycled Claim Standard) or GRS (Global Recycled Standard) certifications to ensure traceability and sustainability of the yarns.

When selecting dyes and auxiliaries, we prioritize products certified by bluesign®. These products have undergone rigorous testing to ensure minimal environmental impact during use, and their Safety Data Sheets (SDS) comply with the Globally Harmonized System (GHS) of classification and labeling of chemicals. In cases where certain chemicals required by customers are not bluesign® certified, we actively seek alternative chemical raw materials that serve the same function and meet the standards of bluesign® certification.

These raw material management practices ensure that our products maintain a balance of environmental protection, sustainability, and safety throughout the production process-reflecting Datong Innovation's commitment to environmental responsibility.

Environmental and social assessment of key raw materials:

Raw materials name	Environmental and Social Assessment	Discussion of Business Risks or Opportunities	Management Strategies
Polyester fibers	Excessive use of plastic contributes to climate change.	A long with price volatility driven by fluctuations in crude oil prices, affect the	Evertex maintains strong relationships with suppliers and implements bulk

		cost of this raw material.	purchasing strategies ahead of significant price increases.
Recycle polyester	The acquisition of recycled PET bottles (rPET) conflicts with the closed-loop recycling systems established by the beverage industry.	<ol style="list-style-type: none"> 1. Brand customers have specific and growing demands for recycled materials. 2. The procurement, production process, and storage of this raw material must be tightly controlled to ensure traceability and quality. 3. The raw material shows a rising price trend, increasing procurement costs. 	Whether the supplier has obtained GRS certifications.
Dyestuff assister	The production process generates a large volume of polluted wastewater	The raw material complies with environmental regulations	Whether the supplier has obtained environmental certifications such as ZDHC or bluesign®.

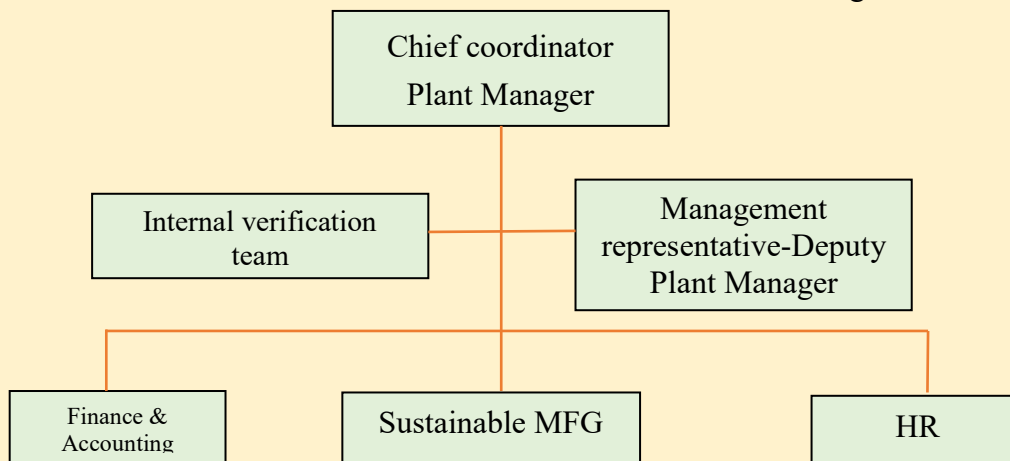
Raw material purchases over the past three years:

Raw materials name	Unit	Whether renewable	2022	2023	2024	Number of Certifications Obtained in the Most Recent Year
Polyester fibers	KG	Non-renewable	834,753	676,630	1,110,716	About 95% of products were certified under Oeko-Tex 100
Opelon	KG	Non-renewable	23,133	29,749	56,122	
Polyester spun fibers	KG	Non-renewable	12,320	0	0	
Other fibers	KG	Non-renewable	643	5,382	11,029	
Recycle polyester	KG	Renewable	178,233	168,916	326,044	100% were certified under GRS
Wool blend	KG	Non-renewable	30,473	18,109	22,903	About 20% of products were certified under RWS
Dyestuff assister (A total of 153 were recorded in 2024)	KG	Non-renewable	1,451,053	1,013,197	1,129,177	About 95% received bluesign® approval, and 100% complied with ZDHC.
Total Procurement Volume	KG	--	2,530,608	1,911,983	2,655,972	
Percentage of Recycled Materials in Total Procurement	%	--	7.04%	8.83%	12.28%	
Total Products Sold	t	--	4,951	3,038	3,152	
Packaging recycling	t	--	34.51	22.81	24.37	

5.2 GHG Emissions Management

To implement our environmental policy on GHG carbon management, the company has established a GHG management system. The inventory process is primarily based on the ISO/CNS 14064-1 standard and complies with relevant regulations set forth by the Ministry of Environmental. A GHG emissions inventory is conducted annually on a regular basis.

To ensure the effective operation of the GHG management system, we have established a GHG Inventory Implementation Committee. The chairperson is responsible for convening the committee members and forming a verification team. The committee structure is illustrated in the diagram below:



Since 2014, the company has been conducting GHG inventories and has commissioned an external organization—AFNOR International Co., Ltd.—to perform third-party verification and assurance of the GHG inventory. A GHG Emissions Verification The scope of the GHG inventory and assurance covers the company’s Taoyuan plant. Emissions from the subsidiary-Tong Fa, have been excluded from the inventory since their annual GHG emissions are below 20 tCO_{2e}. Recent GHG emissions data have been categorized by different scopes as follows:

GHG Emissions Information		Unit	2022	2023	2024	Assurance situation in 2024 The standard for the assurance: ISO 14604-1 : 2019 、GHG Verify Guidelines (2024.6), Measures for the Management of GHG Emissions Inventory and Registration (2023.9.14), GHG Emissions Inventory Registration Operation Guidelines (2024), Ministry of Environmental relevant regulations. The opinion for the assurance: In 2024, based on the inspection process and procedures performed by the verifier, there is sufficient evidence to show that the GHG claims of the Certification Body are not materially different, are prepared in accordance with the international standards for GHG quantification, monitoring and reporting specified in the agreed inspection
Taoyuan Plant	Scope 1	tCO _{2e}	19,645.19	9,785.03	9,257.16	
	Scope 2		5,151.29	3,008.71	3,961.12	
	Total		24,796.48	13,793.74	13,218.28	
Operate Revenue		thousand	845,152	655,221	788,039	
OEM dyeing and finishing quantit		t	5,441	3,410	3,702	
GHG Emissions Intensity (Operate Revenue)		tCO _{2e} /thousand	0.029	0.021	0.017	
GHG Emissions Intensity (OEM dyeing and finishing quantit)		tCO _{2e} /t	4.557	4.045	3.570	

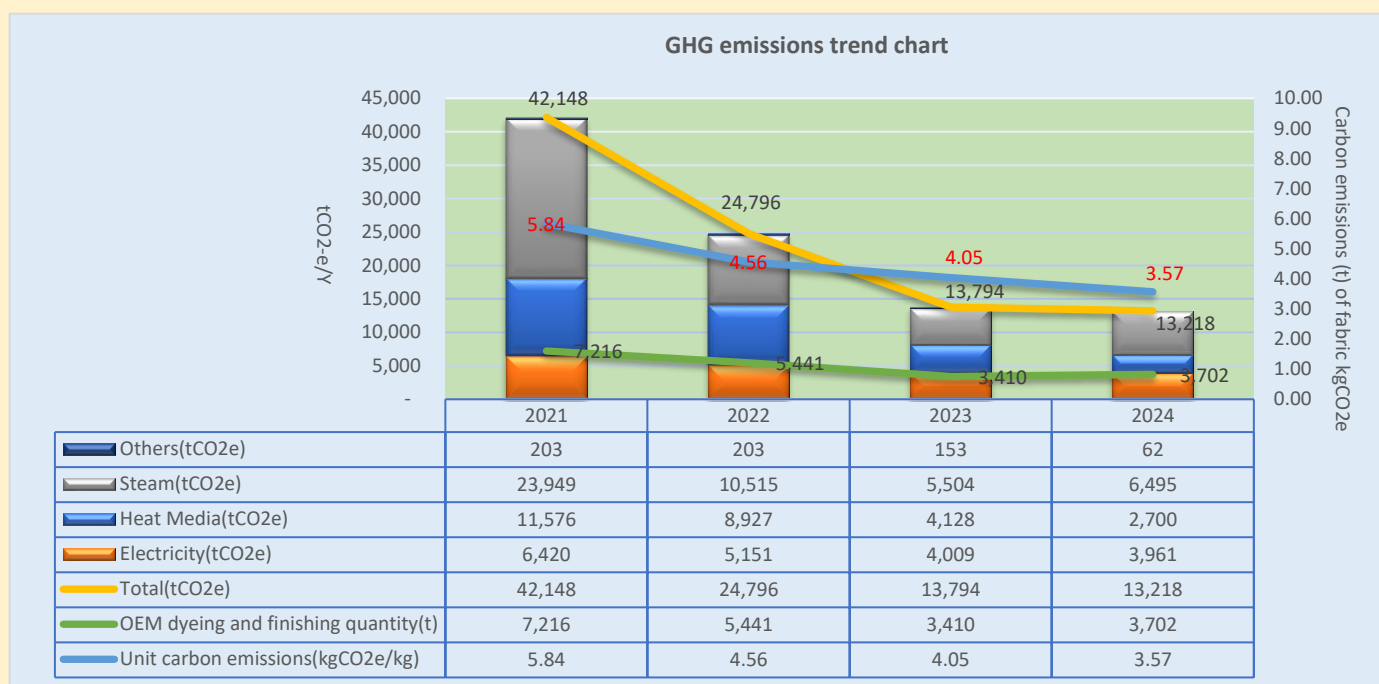
					criteria, and GHG data and related information are fair in manner.
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Note 1: Scope 3 GHG emissions have not yet been accounted for.

Note 2: As the Taoyuan plant is a regulated emission source under the Ministry of Environmental of the Executive Yuan, the company follows the regulations directly for conducting GHG inventory and assurance.

Note 3: The company's Taipei Sales Office is only an operating office. It is estimated that its emissions in the past two years will be less than 100 tons of CO₂e, which does not reach 1% of the total emissions and it is not included. In 2021, the company began planning improvements to its boiler equipment, transitioning its heat source from coal to natural gas. Based on this, the year 2021 was selected as the baseline year for the GHG inventory process.

The GHG inventoried in 2024 follow the ISO 14064-1 international standard and include the seven defined types: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃. The inventory also considers the specific activities, products, and services of each facility.

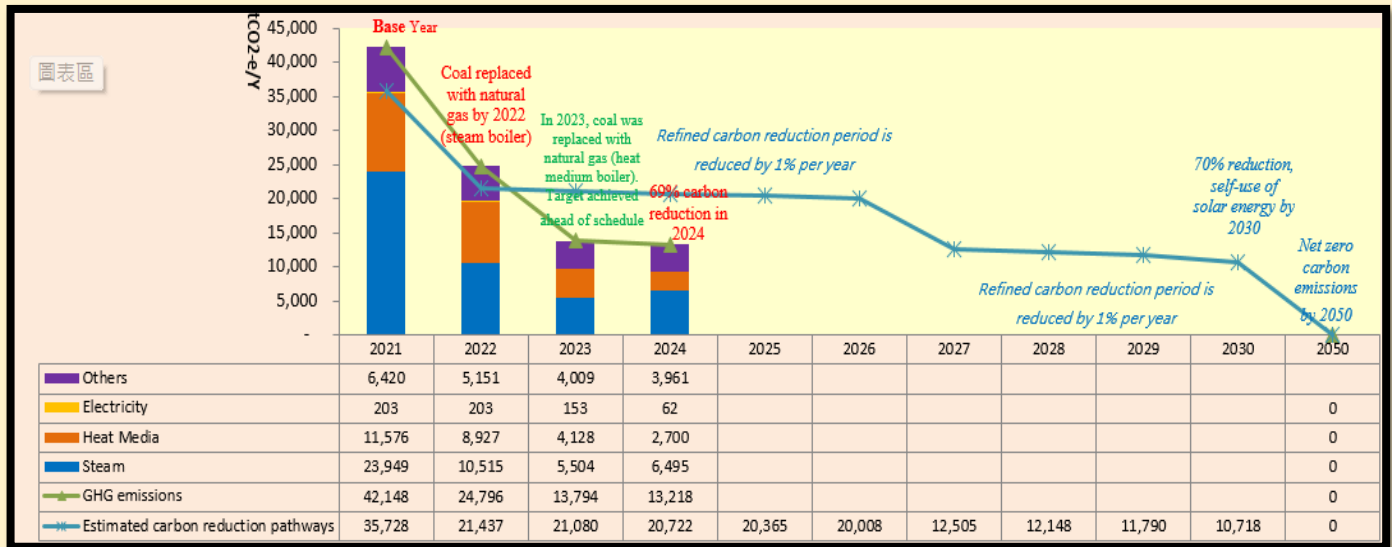


To reduce GHG emissions, the company has implemented a series of reduction measures aimed at lowering energy consumption, improving energy efficiency, and adopting more environmentally friendly energy sources:

1. Replacement with Natural Gas Boilers: In 2022, the company commissioned a natural gas once-through steam boiler to replace the existing coal-fired chain grate steam boiler, achieving an annual carbon reduction of approximately 9,970 tons of CO₂. Additionally, the thermal oil boiler was also replaced with a natural gas boiler, which was launched in 2023, contributing to a further annual reduction of approximately 6,000 tons of CO₂.
2. Continuous Upgrade of Environmental Equipment: The company participates in the Voluntary GHG Reduction Program led by the Industrial Development Bureau, Ministry of

Economic Affairs. In 2023, air pollution control equipment was installed on the thermal oil boiler. Furthermore, frequency inverters were added to reduce electricity consumption. This upgrade led to a 60% reduction in daily electricity usage from 3,000 kWh, effectively lowering Scope 2 GHG emissions.

Evertex Carbon Reduction Roadmap



5.3 Energy Management

Types of Energy Used by the company:

- Electricity:** Electricity is the primary energy source used in the company's production and operational processes. It powers machinery and equipment, lighting, and various other applications.
- Nature gas:** The company uses natural gas as a thermal energy source, primarily for boiler heating and steam production to meet the thermal energy demands of equipment used during production.
- Coal :** In the past, the company used coal as a thermal energy source. However, in recent years, it has gradually shifted to more environmentally friendly natural gas to reduce environmental impact.

These energy sources play a vital role in production and operations. The company is committed to adopting more sustainable and eco-friendly energy solutions to minimize its environmental footprint.

Item	Unit	2022	2023	2024
Coal	t	6,632.407	1,220.110	1.5
	GJ	168,796.56	31052.13	38.18
Nature gas	m ³	2,520,091	3,427,276	4,416,663

	GJ	84,390.79	114,769.88	147,901.68
Electricity	kWh	10,120,400	8,114,800	8,356,800
	GJ	36,433.44	29,213.28	30,084.48
Total Energy Consumption	GJ	289,620.79	175,035.29	178,024.33
Organization-Specific Metrics (Operate Revenue)	thousand	845,152	655,221	788,039
Organization-Specific Metrics (OEM dyeing and finishing quantit)	t	5,441	3,410	3,702
Energy Intensity	GJ/ thousand	0.3427	0.2671	0.2259
Energy Intensity	GJ/t	53.2293	51.3300	48.0887

(The conversion coefficient are sourced the Environment Protection Administration's Gas Emissions Coefficient Management Table 6.0.4 Fuel heating values are calculated as follows: natural gas at 9,000 kcal/m³, electricity with a conversion heat value of 1 kWh = 0.0036 GJ)

The Bureau of Energy set an energy-saving target for the years 2015–2024, requiring an average annual electricity saving rate of over 1%. Over this ten-year period, the company has achieved a cumulative electricity saving rate of 46.22%.

In alignment with the Bureau's energy-saving goals, our company has consistently proposed and tracked energy-saving initiatives since 2015. We are committed to improving energy efficiency and reducing the energy demand of our products. The energy-saving measures we have implemented include:

1. **Procurement of Energy-Efficient Equipment:** The company continuously replaces outdated equipment with high-efficiency, energy-saving alternatives such as low liquor ratio dyeing machines, installation of inverters and smart meters, and adoption of energy storage systems. These upgrades not only reduce failure rates but also significantly lower energy consumption.
2. **Energy Management System:** An “Energy Management Procedure” has been established, and an Energy Management System (EMS) has been implemented to monitor energy usage. This allows the company to detect energy-intensive equipment early and prevent unnecessary energy waste.
3. **Deployment of Renewable Energy:** A 1,998.3 kW rooftop solar power plant has been installed at the Taoyuan plant. It converts solar energy into electricity, generating approximately 2 million kWh annually. This results in an annual carbon reduction equivalent to the CO₂ absorption of about two Daan Forest Parks.
4. **Application of New Technologies:** The company adopts new environmentally friendly technologies, such as using electrostatic cooling treatment on stenter machines and recovering waste oil. This helps reduce water consumption and minimize waste oil emissions.
5. **Boiler Waste Heat Recovery and Reuse:** A heat recovery system has been installed on

thermal oil boilers to capture waste heat, which reduces the energy required for heating cold water, thereby improving overall energy efficiency.

6. **Regular Equipment Maintenance:** If bearings are insufficiently lubricated, belts are loose, or the cooling system is clogged, the equipment will consume more energy to maintain the same level of output, indirectly leading to excessive power consumption. Therefore, regular maintenance is necessary to ensure optimal operating efficiency of the equipment.
7. **Enhancing Electricity Consumption Analysis:** Currently, electricity meters have been installed on all major production equipment, covering approximately 65% of the factory's total electricity usage. Moving forward, the factory plans to increase coverage to over 80% by installing meters on non-major equipment. For equipment with higher electricity consumption ratios, further analysis will be conducted to identify the causes of high energy usage, and improvement measures will be implemented to achieve energy efficiency optimization.
8. **Employee Training:** Regular training sessions are provided to employees on energy conservation and management. These sessions raise awareness about the importance of energy saving and encourage staff participation in energy-saving initiatives.

The integration and implementation of these measures contribute to enhanced energy efficiency, reduced dependence on traditional energy sources, and a lower environmental impact.

5.4 Water Resource Management

Our company's dyeing and finishing plant is located in Taoyuan City, and the production process primarily relies on groundwater as the main source of process water, which is considered a shared water resource. As other industries in the same area also extract groundwater, improper management may lead to a decline in water levels or reduced efficiency of nearby wells. To address this, our company complies with government-approved water rights allocations and conducts regular monitoring of water extraction volumes as well as internal evaluations of water resource efficiency. In addition, through process optimization and the implementation of water recycling systems, the company achieved a 29% water reuse rate in 2024, effectively reducing reliance on groundwater and striving to minimize potential water-use conflicts with other users, thereby promoting sustainable water resource management.

The table below shows the water consumption data of Evertex over the past few years, including the usage of both groundwater and tap water:

Item	Unit	2022	2023	2024
Water withdrawal	m ³	937,715	537,382	664,534
Recycled water used within the plant	m ³	206,404	251,720	273,532

Ratio of Water Recycled and Reused	%	18.04%	31.90%	29.16%
Organization-Specific Metrics (Operate Revenue)	thousand	845,152	655,221	788,039
Organization-Specific Metrics (OEM dyeing and finishing quantit)	t	5,441	3,410	3,702
Using water density	m ³ /thousand	1.11	0.82	0.84
Using water density	m ³ /t	172.34	157.59	179.51

Water withdrawal = The total volume of water extracted or obtained from water sources, including the amount drawn from tap water and groundwater.

Recycled water used within the plant = The amount of water recycled and reused in the production process after treatment, including water recovered for dyeing machines and water returned to the reservoirs.

Ratio of Water Recycled and Reused = Recycled water used within the plant / (Water withdrawal + Recycled water used within the plant) *100%

These data indicate that the usage of groundwater and tap water has varied over the past few years. Evertex is actively working to implement environmentally friendly measures to reduce water consumption and enhance the efficient use of water resources, including:

1. **Decreasing Trend in Water Consumption:** Data shows that Evertex has experienced a reduction in water consumption over the past two years, particularly in the use of groundwater. The main reason is that the low-price dyeing and finishing outsourcing output has been greatly reduced.
2. **Stable Tap Water Usage:** Although tap water usage is relatively low, it still requires effective management. Tap water consumption has remained relatively stable in recent years. Since tap water prices in Taiwan have not changed for over 30 years and the government is considering a price increase, it is essential to cherish water resources and prioritize the use of renewable sources such as groundwater.
3. **Introduction of Low Liquor Ratio Dyeing Machines:** Traditional dyeing processes typically have a liquor ratio of 1:10 to 1:20. Low liquor ratio dyeing machines can reduce this to 1:4 or even lower, significantly decreasing water consumption and wastewater discharge while maintaining dyeing quality. This improves water efficiency by reducing the amount of water needed for each dyeing batch.
4. **Recycling and Reuse of Process Water:** In addition to recovering waste heat from boilers, Evertex uses constant pressure pumps to recycle cooling water and steam condensate from dyeing machines. This water is redirected to hot water recovery tanks for reuse in the dyeing process, reducing water supply and heating time, and effectively shortening the dyeing cycle.
5. **Supplier Certification Requirements:** In raw material management, Evertex requires environmental certifications for purchased materials, such as OEKO-TEX STANDARD 100 and the bluesign® System Substances List (BSSL). These certifications ensure the

environmental friendliness of raw materials, helping to reduce the use of chemicals during processing and, in turn, lower water consumption.

6. **Optimization of Textile Dyeing and Finishing Techniques:** The dyeing and finishing process is the most energy-intensive stage in textile processing. Therefore, improving existing procedures to conserve water has become a critical priority. Currently, the company has adopted technologies such as one-bath scouring and dyeing, as well as foam bleaching systems. In terms of auxiliaries, bio-based chemicals have been used to replace conventional petrochemical-based ones, aiming to minimize water consumption. Additionally, the company is piloting innovative technologies such as nano-dispersed liquid dyes, which offer high efficiency and low environmental impact. These dyes can reduce or even eliminate the need for reduction washing during the dyeing process, contributing significantly to water resource management and pollution control.

The company has implemented a range of concrete measures to improve water use efficiency, and the data clearly reflects the positive impact of these efforts. The company's water-saving initiatives and water resource management practices contribute to the sustainable use of water while reducing the burden on the aquatic environment.

5.5 Pollution Prevention

Since 2013, Evertex has implemented the ISO 14001 Environmental Management System and established an "Environmental Management System Manual" along with related management policies and procedures covering areas such as air pollution, wastewater, waste, and chemicals. Regular internal and external environmental audits are conducted to ensure the ongoing effectiveness of the system and to support continuous improvement and implementation of environmental management efforts.

5.5.1 Air Pollution Prevention

Since 2022, the company's Taoyuan plant has been operating natural gas boilers to reduce air pollution.

Item	Unit	2022	2023	2024
Volatile Organic Compounds (VOCs)	Kg	3,333.61	2,087.76	2,291.92
Total Suspended Particulates (TSP)	Kg	3,947.80	711.83	211.20
Sulfur Oxides (SOx)	Kg	13,034.71	2,647.14	2.68
Nitrogen Oxides (NOx)	Kg	11,369.53	5,950.14	6,613.20

The company dyeing and finishing plant in Taoyuan has implemented a series of air pollution control measures to minimize the environmental impact of its production activities on the surrounding community. The measures are as follows:

1. **Air Quality Monitoring:** Regular monitoring of air quality is conducted, particularly

focusing on pollutants that may be released during the production process, such as nitrogen oxides and sulfur compounds. This ensures that pollutant concentrations remain within environmental regulatory standards.

2. **Installation of Pollution Control and Monitoring Equipment:** Additional pollution control and monitoring equipment has been installed to reduce emissions and enable more timely and effective monitoring.
3. **Exhaust Gas Treatment Facilities:** Advanced exhaust treatment systems, such as electrostatic precipitators, are used during production to capture and treat harmful gases and particles. These facilities effectively reduce the concentration of emissions and mitigate their impact on air quality.
4. **Regulatory Compliance:** The company strictly adheres to both local and national environmental laws and standards to ensure that its operations do not result in illegal emissions or environmental violations.

Evertex remains committed to continuous monitoring and improvement to ensure that its environmental protection efforts achieve the best possible outcomes.

5.5.2 Water Pollution Prevention

The main sources of wastewater at our Taoyuan plant are process wastewater and domestic sewage. The following is an analysis of wastewater quality test results from Evertex over the past few years:

Item	Unit	Standard of ZDHC	2022	2023	2024
Dissolved Solids (SS)	mg/L	≤ 50	10.1	10.7	17.6
Chemical oxygen demand (COD)	mg/L	≤ 150	82.9	69.8	69.9
Biochemical oxygen demand (BOD)	mg/L	≤ 30	16.5	18.5	19.1

Based on the table above, the wastewater discharged from the Taoyuan plant complies with ZDHC standards, as verified through testing. This is primarily due to the adoption of various environmentally friendly technologies aimed at reducing the impact on the water environment.

Below is an explanation of the company's wastewater treatment methods:

1. **Wastewater Treatment:** Advanced treatment is outsourced to professional contractors. Proper design and operation of wastewater treatment facilities effectively remove harmful substances from the water, ensuring the discharged water meets environmental standards. The concentration of pollutants in the wastewater is regularly monitored to ensure treatment effectiveness. In 2023, the plant's wastewater pipelines were renovated.
2. **Sludge Treatment:** A high-efficiency plate and frame sludge dewatering machine is used to dry sludge to a moisture content of 40–50%, reducing transportation costs and preventing wastewater leakage during transit. This drying process reduces sludge weight by approximately 60%. The sludge dryer is planned to be upgraded in the future to further

reduce sludge volume.

3. **Use of Eco-Friendly Dyeing Auxiliaries:** The company prioritizes dyeing auxiliaries certified by environmental standards such as bluesign and ZDHC. These materials have minimal impact on the water environment during use, are biodegradable, and reduce harmful substances in wastewater, thus lowering the load on the wastewater treatment system.
4. **Continuous Monitoring System:** Real-time monitoring of wastewater discharge within the plant ensures that emissions comply with environmental standards and allows for timely adjustments to the treatment process.

The implementation of these eco-friendly technologies and measures has enabled Evertex to effectively reduce its impact on the water environment while enhancing the company's environmental performance and sustainability.

5.5.3 Waste Management

The table below presents the total waste data for 2024, amounting to 983.7 metric tons, including general waste, fabric scraps, sludge, and more.

Item	Hazardous /Non-Hazardous	On-Site		Off-Site	
		Waste Generation(t)	Treatment Method	Waste Generation(t)	Treatment Method
R0802 Waste fabric	Non-Hazardous	5	Stored in temporary storage area.	113.97	Recycled products
H0002 General waste (employee household waste)	Non-Hazardous	0.2	Stored in temporary storage area.	41.72	Incineration(without energy recovery)
R-0201 Plastic waste (PE)	Non-Hazardous	1	Stored in temporary storage area.	24.37	Sold after Vendor Recycling
R-0203 Plastic waste (container)	Non-Hazardous	0.3	Stored in temporary storage area.	9.59	Sold after Vendor Recycling
R0906 Sludge	Non-Hazardous	23.65	Stored in temporary storage area.	684.34	Recycled products
R1106 Coal combustion fly ash	Non-Hazardous	0	Stored in temporary storage area.	0	Recycled products
R1107 Coal combustion bottom ash	Non-Hazardous	0	Stored in temporary storage area.	11.64	Recycled products
R-0601 Waste paper	Non-Hazardous	0.5	Stored in temporary storage area.	43.83	Sold after Vendor Recycling

R-1301 Scrap metal	Non-Hazardous	1.2	Stored in temporary storage area.	22.39	Sold after Vendor Recycling
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Evertex is committed to promoting waste recycling through various initiatives such as waste segregation and reuse, aiming to minimize environmental impact and foster sustainable development. The main aspects of the company's waste recycling efforts are as follows:

1. **Waste Segregation:** Designated areas for the segregation and collection of different types of waste—such as fabric scraps, paper, metal, plastic, and sludge—have been established within the facility to ensure effective recycling and reuse of materials.
2. **Reuse:** The company actively adopts reuse practices by transforming certain types of waste into useful new products. For example, some fabric scraps are processed and repurposed for alternative applications, helping to reduce waste.
3. **Partnerships:** Evertex collaborates with waste treatment and recycling companies to explore further reuse opportunities. These partners are equipped to handle various waste types and convert them into recycled materials for the production of new goods.
4. **Waste Reduction Measures:** Employees and suppliers are encouraged to minimize material waste, adopt eco-friendly packaging, and reduce unnecessary packaging materials—thereby cutting down on waste generation at the source.
5. **Tracking and Reporting:** The company regularly tracks the quantities of different waste types and holds monthly waste management meetings to review reports, ensuring transparency in its efforts and achievements in waste management.

Evertex's waste recycling program is ongoing and continuously evolving, with the goal of increasing both the recycling rate and the reuse rate of waste materials, ultimately contributing to greater environmental protection.

5.6 Climate-Related Financial Disclosure

5.6.1 Governance

Board Oversight: In response to the government's "2050 Net-Zero Emissions" initiative, our company established the "Climate Change Risk Management Operational Procedures" in June 2022. We report annually to the Board of Directors on the measures taken in response to climate-related issues and have adopted the TCFD (Task Force on Climate-related Financial Disclosures) framework.

Management Responsibility: The Administration office leads and coordinates with relevant departments to assess climate change risks, opportunities, and financial impacts. Each year, a review is conducted to evaluate the progress of climate-related initiatives.

On March 20, 2024, our company was invited to participate in the “2nd 2050 Net Zero City Expo” and took part in the Net Zero Transition Forum held on the second day of the event. We shared insights on how to build a green supply chain, with a focus on achieving net zero through reduction. To this end, we have established four key strategies: raw material substitution, waste recycling, thermal energy optimization, and electrical energy optimization.



The company was once again rated as an excellent greenhouse gas reduction manufacturer by the Industrial Development Administration of the Ministry of Economic Affairs in November of the same year, and was commended together with 17 companies including TSMC, China Steel, and Taiwan Cement, and continues to contribute to Taiwan's net-zero. Contribute to the future.



5.6.2 Strategy

Climate Risks and Opportunities: Based on a developed list of relevant issues, the company identifies significant climate-related risks and opportunities and assesses their potential operational and financial impacts. In alignment with the company’s existing goal management timelines, climate risks and opportunities are categorized into short-term (within 2 years), medium-term (2 to 5 years), and long-term (beyond 5 years) horizons.

Risk / Opportunity	Risk and Opportunity Assessment							Level of Risk / Opportunity	Management Strategy	(Quantitative) Target	
	Issues	Attention/ Incidence rate	Financial impact				Impact level				Impact period
			Sales	Costs	Capital Expenditure	Impairment of Assets					
Physical risk	Rise in average temperatures	Middle to High	↓	↑			Moderate	Long	Middle	Introduce energy storage systems to allocate electric energy, install smart meters	Factory power consumption is controlled within 8.8 million kWh
	Extreme weather	Middle to Low	↓			↑	Concerned	Long	Low	Manufacturing process, dyeing machine and auxiliary optimization. Establish an emergency notification mechanism	Factory water consumption is controlled below 870,000 m³
Transformation risk	Carbon fee and Laws	Middle to Low		↑			Moderate	Middle	Low	Comply with the emission standards of the new air pollution regulations.	Annual CO2e emissions are controlled below 12,644 tons
	Low-Carbon transformation	High	↓				Concerned	Long	High		
	CBAM	Middle to High		↑			Very concerned	Long	Middle	Pay close attention to the latest progress of EU CBAM	Analyze product carbon footprint/carbon emissions
	Sustainable certification	Middle	↓				Moderate	Short	Low	2024/8 had obtained GRS certification	Continuous certification every year
	Rising costs of raw materials and natural gas	High		↑			Concerned	Middle	Middle	1. Pay attention to the fluctuation of yarn prices . 2. Reduce remodeling and avoid energy waste 3. Recovery of boiler waste heat gas for reuse	Finished product yield set at 96%
	Research and develop new production technologies	Middle to Low		↑	↑			Moderate	Short	Middle	Development of smart dyeing and finishing technology and introduction of automatic cloth inspection machines
Opportunity	Development of moisture-wicking fabric	Middle to High	↑				Concerned	Short	Middle	Continuous research and development and communication with brands	Increase orders for moisture-wicking fabrics
	Develop low-carbon fabrics	Middle	↑				Concerned	Middle	Middle	Analysis of energy consumption hot spots in the process based on recycled yarn and biomass dyeing auxiliaries	Recycled polyester fabric products apply for carbon footprint certification
	Improve energy efficiency	Low		↓			Moderate	Short	Low	Factory-wide energy-saving planning	Establish digital energy management
	Participate in renewable energy resources	Middle	↑		↑			Moderate	Long	Low	Tong Fa Green Energy Co., Ltd. , (Subsidiary) develop solar energy business

Attention/ Incidence rate	High : Attention monthly / High probability of occurrence
	Middle : Attention quarterly /Medium probability of occurrence
	Low : Attention annual / Low probability of occurrence

Financial impact level	Very concerned : Cause the loss of customers' random orders, or have a high risk of financial loss
	Concerned : Reduce customer order declines or have no significant financial impact
	Moderate : It doesn't affect customer orders, or has limited impact on financial losses

Impact period	Long term : three to five years
	Middle term : one to three years
	Short term : less than one year

The impact of extreme climate events

Extreme weather events such as typhoons and floods may cause increased costs and damage to assets. The company has established disaster prevention mechanism and notification mechanism, and establish a crisis management team, and increased capital expenditures related to environmental protection.

Scenario analysis

At the 29th Conference of the Parties (COP29) of the United Nations Framework Convention on Climate Change (UNFCCC) held in November 2024, the global carbon budget report released at the meeting pointed out that global carbon emissions will hit a new high in 2024, and it may be difficult to keep global warming from rising to 1.5 by 2030. °C line of defense. The sixth Assessment Report (AR6) of the IPCC pointed out the link between air pollution and global warming, and that as global warming becomes more severe, air pollution indicators will deteriorate. The company uses the report SSP3-7.0 and SSP5-8.5 for analysis to 2050:

Scenario	SSP3-7.0	SSP5-8.5
Hypothetical state	Air pollution remains severe, with global warming projected to stay within the range of 1.5°C to 2°C.	The high levels of air pollution contribute to global warming, potentially causing temperatures to rise beyond 2°C.
Response Measures	Reduce the impact on the atmosphere during the operation process, set up relevant prevention equipment for each pollution source, and introduce new boiler equipment. (It will increased in capital expenditure on fincial).	

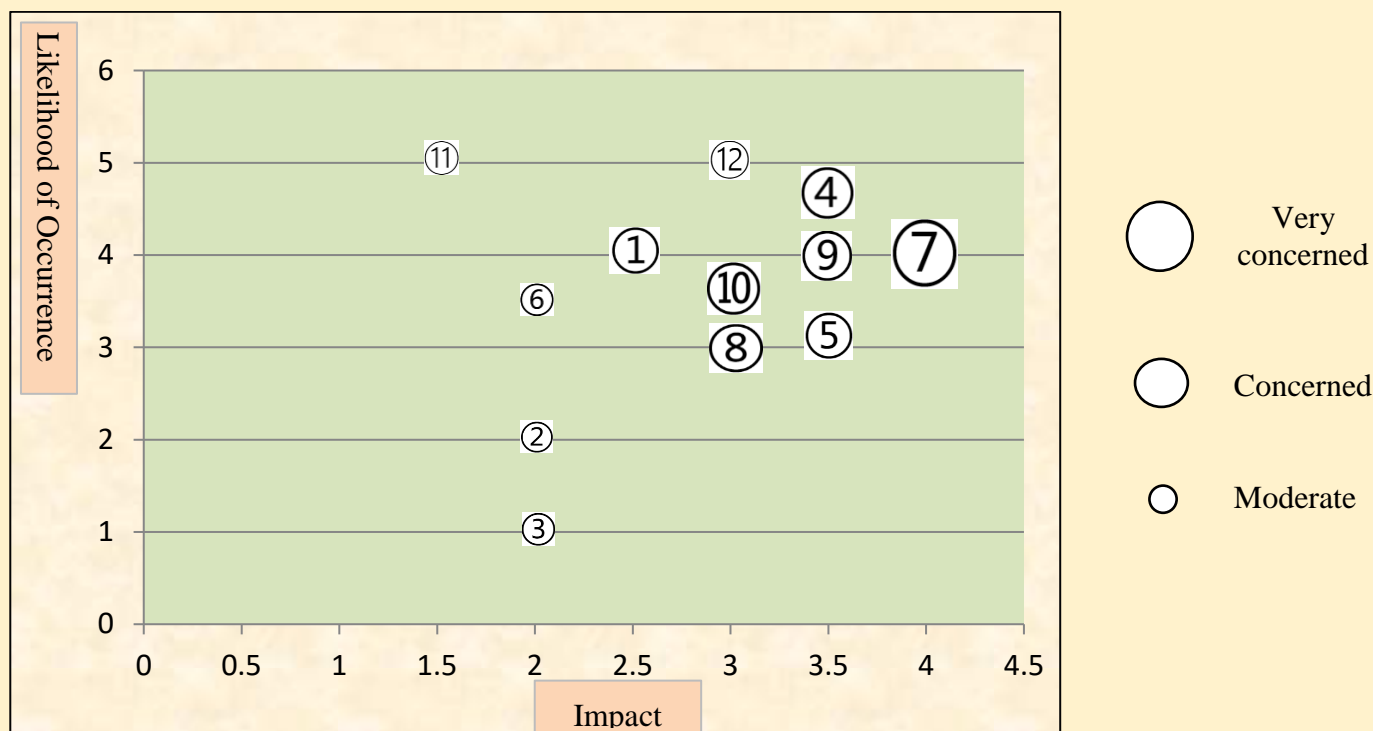
5.6.3 Climate Risk Management

The company stipulated "Risk Management Measures" in 2021, the risk management of climate change was incorporated in the scope of corporate risk management.

According to international research reports, climate change-related risks can be broadly categorized into two main types: physical risks and transformation risks. These risks are assessed based on their likelihood of occurrence, potential impact, and degree of financial influence. Mitigation and adaptation strategies are then applied to manage these risks. Our company has established the "Climate Change Risk Management Operational Procedures", which outline the processes for identifying and assessing these risks systematically.

Climate Risk and Opportunity Matrix Analysis

For the 12 identified topics, we conducted an analysis to assess both the impact severity and the likelihood of occurrence for each item. These topics were then comprehensively evaluated and ranked. A materiality threshold was established to screen and identify key issues of high concern. As a result, "Low-carbon transition requirements" and "Rising costs of raw materials and natural gas" were identified as the most critical topics requiring close attention.



Strategies and Response Measures for High-Priority Issues

High-Priority Issues	Low-carbon Transition Requirements	Rising costs of raw materials and natural gas
Description	Textile Exchange, together with its members—including our company’s brand clients—has made a joint commitment to reduce global textile supply chain emissions by 45% by 2030, using 2019 as the baseline year.	<ol style="list-style-type: none"> 1. Climate change is disrupting the balance of supply and demand, leading to rising prices for raw materials and other resources. 2. Natural gas, considered a transitional low-carbon energy source, has seen a sharp increase in global demand, resulting in significant price surges.
Likelihood of Impact	Highly Likely to Occur	Highly Likely to Occur
Severity of Impact	Middle to High	Middle
Financial Impact	Increased Capital Expenditure, Higher Depreciation Costs	Rising Manufacturing Costs
Strategies and Response Measures (Mitigation or Adaptation)	<ol style="list-style-type: none"> 1. Starting from 2023, the use of natural gas boilers has significantly reduced greenhouse gas emissions. 2. Additionally, variable frequency drives were installed on the heat medium boilers to save electricity, reducing the original electricity consumption from 3000 kWh/day to 1200 kWh/day, resulting in substantial savings on electricity costs and a reduction in Scope 2 greenhouse gas emissions. 	<ol style="list-style-type: none"> 1. Pay attention to the fluctuation of yarn prices. 2. Reduce remodeling and avoid energy waste. 3. Recovery of boiler waste heat gas for reuse.

5.6.4 Internal Carbon Pricing

The company analyzes the financial and business impacts of adopting carbon-reducing production methods.

Financial impact:

Unit:NTD Thousand dollars

Annual cost items	Coal-Based Production(2021)	Carbon reduction production(2024)
Oal-Fired Boiler -depreciation	-	-
Natural gas boiler-depreciation	-	1,741
Fuel cost - coal	32,076	-
Fuel cost - natural gas	-	48,851
Carbon Fee & Air Pollution Fee	5,644	-
Total Cost	37,720	50,592

Implicit Carbon Price, (ICP) = Reduced CO₂e Emissions / Cost Increase Due to Carbon Reduction

Using the base year (2021) greenhouse gas (GHG) emissions of 42,148 tCO₂e, the verified GHG emissions in 2024 were 13,218 tCO₂e. With the transition from coal-based production to low-carbon production, as shown in the table above, the cost increased by approximately NTD 12,872 thousand, resulting in an additional cost of NTD 445 per ton of CO₂ reduction. However, in 2024, the production capacity utilization was below 60%, and natural gas prices remained at a moderate to low level. Our company has set a target for 80% production capacity utilization, with natural gas price increases kept within 30%. Under these conditions, the implied carbon cost is estimated to be around NTD 1,634 per ton. As our company has set an implied carbon cost range of NTD 2,500~3,000 per ton, the investment in natural gas boiler equipment for low-carbon production is deemed cost-effective.

Business impact:

Climate change is a major challenge facing the world. The culprit is the warming effect brought about by the continuous increase in GHG emissions. In addition, brand customers are also strongly demanding to reduce carbon emissions, as well as the challenges of the European Union's CBAM in the future. Taking into account the above factors and the permanent changes of enterprises, In order to increase the added value of continued operations, the company switched to natural gas boiler production to reduce environmental pollution and delay the harm caused by climate change



5.6.5 Metrics and Targets

To reduce total GHG, electricity consumption, and water usage at our facilities, strategies and targets have been established in response to each identified significant climate-related risk and opportunity. The implementation status of these measures is detailed in the table below:

Index	Base year (2021)	2030 target/reduction	2024	Performance
CO ₂ e (Note 1)	42,148t CO ₂ e	Controlled within 12,644t CO ₂ e / approximately 70% reduction	13,218t CO ₂ e	96% achieved
Electricity consumption	12.61million kWh	Controlled within 8.8 kWh / approximately 30% reduction	8.36 million kWh	105% achieved
Water consumption	1.24 million m ³	Controlled within 0.87 m ³ / approximately 30% reduction	0.66 million m ³	131% achieved

Note 1: The GHG data coverage includes Scope 1 and Scope 2 emissions. please refer [5.2 GHG Emissions Management](#) page 42

The company has achieved a 69% reduction in greenhouse gas emissions, and both water and electricity consumption have already met reduction targets ahead of schedule. The primary reason for this achievement is a significant decrease in low-cost dyeing and finishing subcontracting within our production mix. As a result, the actual total production volume is only 55% of the baseline year, leading to a corresponding reduction in energy and resource consumption.



6、Employee Care

Evertex regards employees as the company's most valuable assets. Upholding the belief of "people-oriented management and leading with empathy," supervisors and employees engage in multifaceted communication and collaboration through business meetings, production and marketing conferences, and training programs. The company actively promotes a diverse, inclusive, and harmonious corporate culture while implementing comprehensive human rights management. We aim to create a highly collaborative organizational environment and foster a diverse and inclusive workplace. We value the employment of individuals with disabilities, different genders, disadvantaged groups, and various ethnicities, ensuring all are treated with fairness and respect.

We also participate in the Ministry of Education's industry-academia internship programs to cultivate future industry talents. By training migrant workers into mid-level technical personnel, we enhance workforce stability and increase employee loyalty. Outstanding employees are promoted to management roles, where they guide new migrant workers in understanding their job duties and integrating smoothly into the company and Taiwanese society.

6.1 Diverse and Inclusive Talent Structure

6.1.1 Diverse employees

As of the end of 2024, the company had a total of 244 employees, consisting of 154 male (63%) and approximately 90 female (37%), the same as in 2023. The employee composition includes full-time staff, part-time staff, and interns. Interns participate through industry-academia cooperation programs under fixed-term internship contracts. If an intern performs well and is willing to continue, they may be offered a full-time position after the internship. In the current year, there were 7 interns, 2 of whom were female. Additionally, there were 2 part-time employees, both of whom were female. The company does not employ temporary workers or zero-hour contract employees.

There are a total of 16 on-site non-employee workers, including 3 security personnel, 3 chefs and kitchen staff, 2 cleaning personnel, 6 delivery personnel, and 2 wastewater treatment personnel. Compared to 2023, the number has remained relatively stable without significant fluctuations. All work locations are situated in northern Taiwan, specifically in Taipei City and Taoyuan City.

Year/ Gender	2022		2023		2024	
Employee Age	Male	Female	Male	Female	Male	Female
< 30 years old	41	25	26	15	29	15
30-49 years old	82	45	91	50	83	54
≥ 50 years old	42	22	40	22	42	21
Subtotal	165	92	157	87	154	90
%	64%	36%	64%	36%	64%	36%

Note 1: Employee - An individual who, in accordance with national laws or relevant applicable requirements, has an employment relationship with the organization (in Taiwan, this refers to those enrolled in labor insurance).

Note 2: Full-time - Individuals who have signed an open-ended (indefinite-term) employment contract.

Note 3: Temporary - Individuals who have signed a fixed-term employment contract.

Note 4: Zero-hour contract - Employees who are not guaranteed a minimum or fixed number of working hours per day, week, or

month, but may be required to be available for work as needed.

Overview of On-Site Non-Employee Personnel		
Worker Type	Contractual Relationship	Total Number of Workers
Security Personnel	Contracted for security services	3
Chefs and Kitchen Staff	Contracted for catering services	3
Cleaning Personnel	Contracted for cleaning services	2
Delivery Personnel	Contracted for transportation services	6
Wastewater Treatment Personnel	Contracted for environmental services	2

The distribution of employees by job category over the past three years is as follows:

Item/ Gender		Age	Year 2022	Year 2023	Year 2024
			Number of People	Number of People	Number of People
Managerial Personnel	Male	< 30 years old	0	0	0
		30-49 years old	20	24	22
		≥ 50 years old	18	17	18
	Female	< 30 years old	1	0	0
		30-49 years old	8	10	10
		≥ 50 years old	6	10	10
Total number of managerial personnel			53	61	60
Non-manual personnel	Male	< 30 years old	41	26	24
		30-49 years old	62	67	69
		≥ 50 years old	24	23	21
	Female	< 30 years old	24	15	16
		30-49 years old	37	40	44
		≥ 50 years old	16	12	10
Total number of non- managerial personnel			204	183	184
Total employees			257	244	244

Female employees account for approximately 37% of the total workforce, while female managers make up about 33% of all managerial positions.

Evertex adheres to all labor laws and international human rights conventions, using them as a foundation for establishing and adjusting internal management systems. The company ensures that its employment policies are free from discrimination based on gender, race, age, marital status, or family background, and upholds equality in compensation, employment terms, training, and promotion opportunities.

The distribution of employees from diverse ethnic backgrounds over the past three years is as follows:

Year		2022					2023					2024				
Item		Number of People					Number of People					Number of People				
Nationality	Gender /Age	Taiwan	Indigenous Peoples of Taiwan	Thailand	Philippin	Indonesia	Taiwan	Indigenous Peoples of Taiwan	Thailand	Philippin	Indonesia	Taiwan	Indigenous Peoples of Taiwan	Thailand	Philippin	Indonesia
		< 30 years old	14	0	11	16	0	8	0	8	10	0	6	0	12	11
30-49 years old	37	1	13	29	2	42	2	10	35	2	38	2	8	36	2	
≥ 50	38	1	3	0	0	37	1	2	0	0	36	1	2	0	0	

Female	years old															
	< 30 years old	20	0	2	3	0	12	0	1	2	0	8	0	5	2	0
	30-49 years old	33	1	4	7	0	35	1	4	10	0	35	1	6	12	0
	≥ 50 years old	21	0	1	0	0	22	0	0	0	0	21	0	0	0	0
Subtotal		164	3	34	55	2	156	4	25	57	2	144	4	33	61	2
Total		257					244					244				

In accordance with Article 38, Paragraph 2 of the People with Disabilities Rights Protection Act, the company also employs persons with disabilities, actively safeguarding equal employment rights for disadvantaged groups through concrete actions. As shown in the following table:

Year		2022	2023	2024
Gender	Age	Number of People	Number of People	Number of People
Male	< 30 years old	0	0	0
	30-49 years old	0	0	0
	≥ 50 years old	1	1	1
Female	< 30 years old	0	0	0
	30-49 years old	1	1	1
	≥ 50 years old	1	1	0
Subtotal		3	3	2

6.1.2 Talent Recruitment and Retention

Upon reaching three months of employment, the HR department conducts follow-up check-ins with new employees to assess their adaptation and well-being. For departing employees, exit interviews are carried out to understand the true reasons behind their resignation and to collect valuable feedback. These efforts also aim to assist in retaining employees who may be considering leaving, thereby reducing turnover costs and providing a basis for future improvements.

In 2024, a total of 50 new employees were hired (26 males and 24 females), resulting in a new hire rate of 20%, which is a 4.1% increase compared to the previous year. The number of employee departures also totaled 50 (29 males and 21 females), with a resignation rate of 20%, reflecting a 1.23% decrease from the previous year.

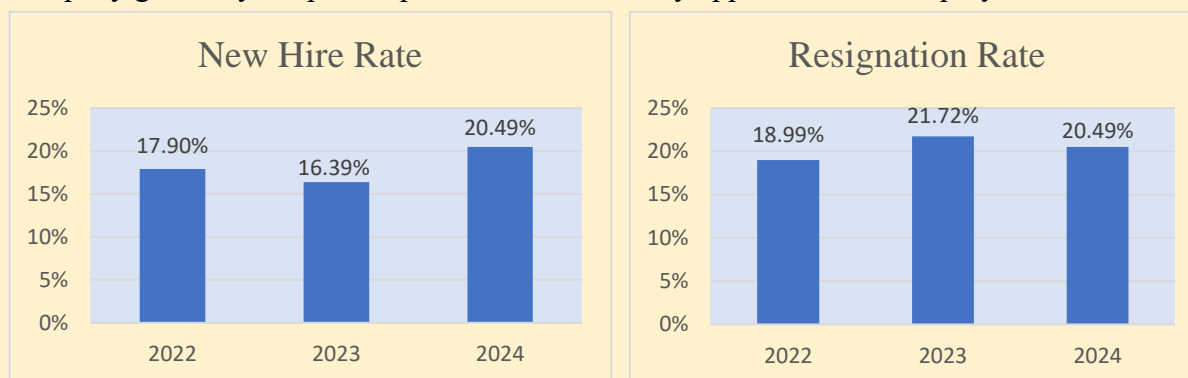
Employee New Hire Rate

Category	2022				2023				2024			
	Male		Female		Male		Female		Male		Female	
Age	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%
< 30 years old	9	43	15	60	14	61	5	29	14	54	10	42
30-49 years old	11	52	9	36	9	39	12	71	11	42	14	56
≥ 50 years old	1	5	1	4	0	0	0	0	1	4	0	0
Total number of new hires	46				40				50			
Total number of employees	257				244				244			
New Hire Rate	17.90%				16.39%				20.49%			

Employee Resignation Rate

Category	2022				2023				2024			
	Male		Female		Male		Female		Male		Female	
Age	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%
< 30 years old	10	35	12	60	16	52	7	32	9	31	9	43
30-49 years old	14	48	5	25	13	42	12	54	15	52	10	48
≥ 50 years old	5	17	3	15	2	6	3	14	5	17	2	9
Total number of employee departures	49				53				50			
Total number of employees	257				244				244			
Resignation Rate	19.07%				21.72%				20.49%			

Employee resignation at the company primarily occurs among entry-level staff. The resignation rate remains within a reasonable range, and production operations have remained stable in recent years. Therefore, the company generally adopts a replacement-on-vacancy approach when employees leave.



Note 1: New Hire Rate = Total number of new hires / Total number of employees

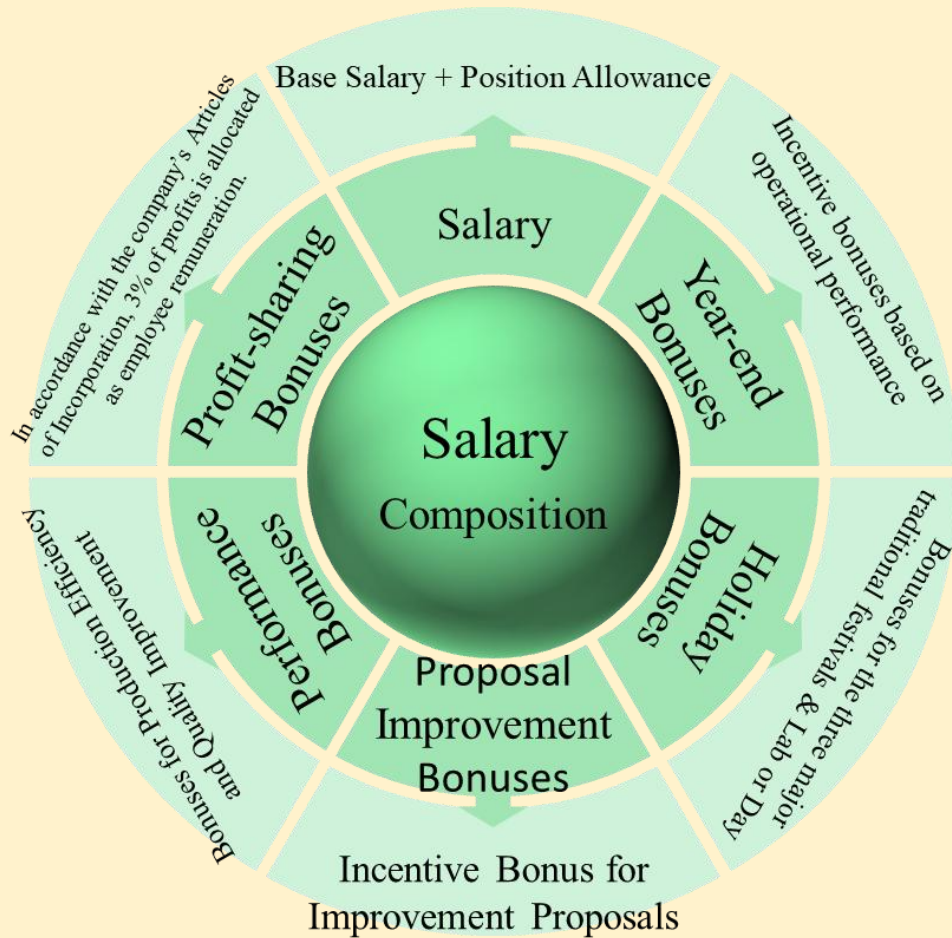
Note 2: Resignation Rate = Total number of employee departures / Total number of employees

6.2 Compensation and Performance Evaluation

6.2.1 Remuneration Policy

Evertex upholds the philosophy of sharing business achievements and caring for its employees. Salaries are determined based on market compensation benchmarks, the company's operational status, and organizational structure. Employee compensation and benefits comply with all legal requirements and are based on job category, education and work experience, professional skills, and individual performance. There is no discrimination based on gender, age, race, religion, political affiliation, or marital status. Each year, the company adjusts salaries based on business performance, overall economic conditions, and individual employee evaluations. In addition, group performance bonuses are distributed quarterly based on company profits, and annual bonuses are granted based on both company and individual performance—fully embodying the concept of shared success.

In 2024, the company raised salaries by an average of 7.6%, reinforcing its commitment to fair pay, employee motivation, and sustainable growth.



Evertex complies with the Ministry of Labor's regulations regarding the minimum wage, ensuring that the salaries of entry-level employees fully meet legal requirements. For interns participating in industry-academia cooperation programs with colleges and universities, the company also follows the "Act of the Implementation of Cooperative Education for Senior High Schools and the Protection of Cooperative Education Students' Rights", providing appropriate wages and labor protections.

Ratio of Entry-Level Employee Salary to Local Minimum Wage Unit:NTD

Category	Minimum Wage	Standard Salary	Ratio
Male	27,470	27,470	100
Female	27,470	27,470	100

- The calculation is based on the standard starting salary of domestic employees, excluding overtime pay. For foreign employees, the salary is provided in accordance with the statutory minimum wage, and likewise, the standard starting salary excludes overtime pay.
- The minimum wage in 2024 is NTD 27,470. All entry-level employees at the company, regardless of gender, receive a salary higher than NTD 27,470.

Salary Information of Employees Not in Managerial Positions

Category	2022	2023	2024
Average Annual Salary (NTD thousands)	553	560	634
Median Salary (NTD thousands)	471	473	547
Average number of full-time employees	248	236	224

The company's highest individual annual compensation is confidential and therefore not disclosed.

6.2.2 Performance Evaluation

Evertex has established a performance evaluation system, conducting regular employee assessments. These evaluations are based on performance, responsibilities, level of commitment, and potential for future development. The results are used to review and measure employees' capability development, and they serve as the basis for decisions on promotions, training and development, salary, and bonus distribution. This ensures salary fairness and provides appropriate development for different employees, thereby enhancing overall organizational efficiency and the company's competitiveness.

The percentage of employees who will undergo performance evaluations in 2024 is as follows:

Category	Managerial Staff	Non-Managerial Staff	Direct Labor	Indirect Labor
Male Employee Ratio	100%	100%	100%	100%
Female Employee Ratio	100%	100%	100%	100%

6.3 Cultivation and development

To enhance the professional knowledge and technical level of employees, Evertex holds education and training courses from time to time, including pre-employment education and training for new employees, on-the-job and external education and training, to keep pace with the times and improve the self-worth of employees. Through job rotation, we cultivate the depth and breadth of employees' multi-functionality and handling of affairs, and plan to develop them into management or professional positions according to their work ability, so that every colleague can perform better and create higher benefits.

● Onboarding and Employee Training

1. Newcomer Orientation Session: Introduces the company to new employees, helping them understand the organization's core values, management regulations, and company environment.
2. Ministry of Labor's Youth Employment Flagship Program: Participates in the Ministry of Labor's Youth Employment Flagship Program, where new employees receive hands-on guidance from workplace mentors at the job site. The program assesses learning and training effectiveness, provides workplace orientation, and offers timely career counseling and guidance to promote a positive work attitude.
3. Little Angel System: Assigns senior employees to mentor and guide new employees, ensuring that they feel cared for, understand the company culture, and learn collaborative team operations to quickly adapt and integrate into the workplace.

● Six-Month Performance Review and Care Interview

Based on aspects such as teamwork, work efficiency, task reporting, and completion rate, the direct supervisor conducts an assessment. New employees are also asked to complete a feedback questionnaire, and the HR department conducts a care interview.

● Internal and External Employee Training

1. Unit Education and Training: An annual training plan is developed, and each department executes relevant professional knowledge, work methods, and skills transfer based on the plan.
2. Cross-Department Meetings: Depending on the project, employees in various roles participate in cross-departmental and cross-disciplinary knowledge and technical exchanges through different meetings.
3. Succession Plan: Professional skills, core competencies, and management abilities are cultivated through job rotations and participation in cross-departmental projects.
4. Management Training: Through the succession plan, employees learn professional knowledge, leadership, communication skills, systems thinking, problem-solving, innovation, and other management decision-making abilities in daily tasks.
5. Participation in External Training Programs: Employees may participate in training programs, certification courses, seminars, field visits, or overseas study tours organized by external institutions.

2024 Employee Training Statistics

Category	Managerial Staff		Non-Managerial Staff		Total	
	Male	Female	Male	Female	Male	Female
Headcount / Hours						
Number of Employees	42	20	112	68	154	88
Total Training Hours	691	322	1554	830	2245	1152
Average Training Hours per Employee	16.5	16.1	13.9	12.2	14.6	13.1
	16.3		13.2		14.0	

●Self-Learning

Employees are encouraged to engage in self-improvement and growth, and they can apply to the company for training plans.

●Brainstorming

Monthly brainstorming sessions are held to broaden employees' perspectives, teach problem-solving and analytical skills across various fields, and generate new ideas, concepts, and strategies to stimulate different ways of thinking.

●Workplace Safety Education and Training

An annual training plan is established to cover relevant emergency response procedures, work safety regulations, and prevention of human factor hazards as part of workplace safety education and training.

6.4 Employee Benefits and Care

6.4.1 Retirement System and Implementation

Evertex conducts interviews with employees who reach retirement age to understand their retirement intentions and plans:

1. Plans for retirement preparation are developed for employees about to retire.
2. Consultation services are provided regarding labor insurance coverage, old-age benefits, health

insurance, and eligibility and rights related to the new labor pension system.

3. For employees who wish to continue working after retirement, the company offers the same or a salary adjustment based on performance evaluation, along with the same position and job content, allowing them to continue utilizing their professional skills.
4. Considering personal physical condition and willingness, employees who meet retirement qualifications may opt for a transitional plan, selecting a phased part-time or full-time retirement plan to assist both the employee and the company in transitioning smoothly at the time of official retirement.

Retirement System	
Old System	According to the Labor Standards Act, a monthly retirement reserve is contributed to the labor retirement reserve account.
New System	In accordance with the Labor Pension Act, a 6% contribution is made monthly based on individual insured salary, deposited into the employee's personal labor pension account at the Labor Insurance Bureau.

6.4.2 Parental Leave and Implementation Status

Evertex supports employees in achieving a balance between work and family life by implementing a parental leave without pay system in accordance with the "Labor Standards Act" and the "Act of Gender Equality in Employment." After the end of the parental leave period, the company assists employees in returning to their positions and reintegrating into the workplace.

Item	2024		
	Male	Female	Total
Number of eligible employees for parental leave in the year (A)	3	3	6
Actual number of applicants for parental leave in the year (B)	0	1	1
Application rate (B/A)	0%	33%	17%
Number of employees taking parental leave due for reinstatement in the year (C)	0	1	1
Actual number of employees who applied for reinstatement during the year (D)	0	1	1
Reinstatement rate (D/C)	0%	100%	100%
Number of persons reinstated in the previous year (E)	0	0	0
Number of employees who have worked for one year since reinstatement in the previous year (F)	0	0	0
Retention rate (F/E)	NA	NA	NA

6.4.3 Employee Benefits

Benefits Items		
By Law	Benefits	Other
Labor Insurance Health Insurance Labor Pension Employee Leave and Rest Days in accordance with the Labor	Holiday Bonus for the Three Major Holidays/Birthday Bonus /Labor Day Bonus Wedding Bonus/Maternity Bonus New Home Completion Bonus	Employee Dormitory Employee Cafeteria (Free Meals Provided) Employee Lounge (Coffee Machine, Microwave, Food

Standards Act Parental Leave Retirement System	Various Types of Condolence Money Employee Travel Group Meal Expenses Annual Health Check-up Years of Service Reward Year-End Raffle	Steamer) Employee Uniform Quarterly Team Performance Bonus Year-End Bonus Employee Profit Sharing
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Employee benefit measures:

1. The Company provides employees with labor insurance in accordance with the law, and assists employees in applying for insurance benefits when the incident related to labor insurance occurs.
2. The Company provides employees and their dependents with national health insurance in accordance with the law.
3. Employees' leave (special leave, maternity leave, sick leave and other leave) and regular holidays are handled in accordance with the Labor Standards Act.
4. We provide four meals per day (breakfast, lunch, dinner and snack) to our employees. We also provide Southeast Asian cuisine to respect the dietary habits for foreign employees, and pay attention to their suggestions for improvement and changes in the cuisine, and review the food every year.
5. We provide summer and winter uniforms that are made of our own functional fabrics, which have a moisture-wicking and anti-odor function, so that our employees can work comfortably and without sweating.
6. We provide staff lounge, occasional recreational activities and free clubs (yoga, dance, physical fitness) to take care the physical and mental health of the employees and relieve their work stress.
7. We have a "HR Improvement Team" to reform the corporate culture and promote sports within the company, enhance the "enthusiasm, responsibility, and cohesion" concept to employees from a series of corporate culture education and training courses, and encourage employees to participate in various outdoor activities to help them develop towards a younger, more energetic, and higher quality workforce.
8. To enhance employee welfare, the Employee Welfare Committee was established in accordance with the law to handle various employee welfares and subsidies.
 - (1) Subsidies for marriage, childbirth, injury and illness, new home completion, and death of employees and dependents.
 - (2) Three festivals gift, birthday gift, service seniority incentive, dinner supplements, staff travel, year-end lottery, staff restaurant and staff dormitory.
9. The Company cares about the safety and physical and mental health of its employees. In addition to providing them with a safe and comfortable working environment, the Company also promotes the welfare system and provides them with good education and training to establish a good relationship with employees. For example, medical subsidies, free health checkups, residential care for employees, breastfeeding rooms, free parking spaces, and electric bicycle charging stations in the factory. When employees encounter difficulties in their work or life, the Company will also arrange direct supervisors and human resources units to serve as consultation contacts and provide relevant assistance as appropriate.

6.5 Labor-Management Communication

Evertex values employee feedback and has established open communication channels to promote mutual understanding between labor and management, fostering unity toward shared goals. Due to harmonious labor-management relations, no union has been formed under the Labor Union Act.

Category	Explanation
Minimum notice period for operational changes	To ensure the protection of employees' work rights and comply with the relevant regulations of the Labor Standards Act, in the event of significant operational changes or termination of the labor relationship, the company will follow the legal requirements. The minimum notice period for operational changes is as follows according to the Labor Standards Act: 1.For employees with 3 months to less than 1 year of service, a 10-day notice is required. 2.For employees with 1 year to less than 3 years of service, a 20-day notice is required. 3.For employees with more than 3 years of service, a 30-day notice is required.
Communication and Dialogue	Information regarding management policies, organizational and personnel changes, event announcements, insurance, and employee benefits is provided. Employees can also communicate, offer suggestions, and provide feedback via email for real-time communication with the company.
Labor-Management Meetings:	Labor-management meetings are held quarterly to facilitate communication and negotiation. Negotiation representatives, selected by both labor and management in accordance with legal gender and number requirements, engage in coordination and decision-making to strengthen labor relations and promote labor-management harmony.
Various Levels/Cross-Level Communication Meetings	Department heads communicate directly with employees face-to-face and hold cross-departmental meetings to connect various business functions. This allows for integrated discussions, exchanges, and collaborative problem-solving to address work issues and business development. Employees can provide feedback, offer suggestions, or file complaints to department heads at any time. Department heads respond promptly and often show care for employees' daily business challenges and needs, assisting them in effectively resolving problems.
Employee Welfare Committee:	Regular meetings of the Employee Welfare Committee are held to promote and implement various employee welfare initiatives.
Workplace Sexual Harassment Prevention and Complaint Procedures:	Providing employees with a secure channel for filing complaints: Complaint Hotline: (03)322-2241 extension number 231 or 233 Complaint Fax: (03)312-8532 Complaint Email or Dedicated Email Address: beach.lee@evertex.tw The company adopts an open and fair communication mechanism to ensure workplace equality and to prohibit gender discrimination.
Physical and Electronic Bulletin Boards	Information regarding management regulations, company activities, and employee benefits is provided irregularly and at any time.
Employee Suggestion Box	Employees can submit their opinions and feedback on various topics to the company through the suggestion box.

Employee Satisfaction Survey	Our company actively listens to the voices of our employees. Starting in 2024, the HR department conducts an annual online employee satisfaction survey for local employees working on-site. The survey covers topics such as work environment and responsibilities, career development, organizational culture, leadership and peer interactions, as well as compensation and benefits. The overall average satisfaction score is 3.87 out of 5, with a response rate of approximately 60%.
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6.6 Human Rights Protection

Evertex supports and adheres to the principles and spirit of the Universal Declaration of Human Rights and the International Labour Organization (ILO) Conventions. The company has established a Sustainable Development Policy to promote the protection of human rights. This commitment extends beyond customers, suppliers, and contractors, aiming to eliminate any behavior that infringes upon or violates human rights. Evertex firmly believes that respecting and safeguarding human rights is a fundamental pillar of sustainable business operations. Accordingly, the company strives to raise awareness of human rights among employees and stakeholders, protect all employees' labor rights, and ensure their entitled human rights and well-being. This includes the assurance of lawful remuneration, freedom of assembly and association, equal treatment without discrimination, the prohibition of forced labor, and a safe and secure working environment that fosters growth and development.

- Human rights and labor rights training is conducted to ensure employees fully understand their rights.
- A whistleblower policy and an anonymous, safe, and effective grievance mechanism are established to encourage feedback and ensure appropriate handling and improvement.
- In 2024, there were no incidents of discrimination, no employment of child labor, no forced labor, no obstruction of freedom of association and assembly, and no retaliation against employees who filed complaints.

Key Labor Policies	Implementation Highlights
Lawful Compensation:	Employees are provided with salaries, benefits, allowances, and insurance in compliance with, and not lower than, the standards stipulated by local labor laws and regulations.
Prohibition of Child Labor	Comply with local minimum age laws and regulations and do not employ child labor.
Prohibition of Forced Labor	It is strictly prohibited to force overtime work or to employ labor from restricted regions as defined by international regulations.
Freedom of Association and Assembly	Respect employees' right to privacy and their freedom of association.
Anti-Discrimination	Establish an equitable system and environment to ensure that applicants and employees are free from any form of discrimination.
Prohibition of Corporal Punishment or Harassment	Strictly prohibit all forms of inappropriate discipline, corporal punishment, and verbal or physical harassment.

The company's commitment to human rights applies to all employees of the company and its subsidiaries. Within reasonable and practical scope, this commitment also extends to customers, suppliers, contractors, and the local communities in which the company operates.

7 Occupational Health and Safety

7.1 Occupational Health and Safety Management System

Evertex aims to achieve "zero accidents" in its occupational safety and health policy and strictly complies with domestic occupational safety and health regulations. In 2020, the company transitioned from the OHSAS 18001 Occupational Safety and Health Management System to CNS 45001. The scope of the workplace covers Evertex and the workers include all personnel performing work activities under the company's control, including employees and contractors. The company continues to follow the Occupational Safety and Health Risk Assessment Procedure, conducting hazard identification and risk assessments every two years, and proposing corresponding preventive management measures to eliminate hazards and reduce risks.

Evertex has established an Occupational Safety and Health Committee, composed of occupational safety and health personnel, plant supervisors, and labor representatives elected through labor-management meetings (accounting for at least one-third of the committee members). Labor representatives participate in related decision-making processes, ensuring that the implementation of occupational safety and health policies better aligns with the needs of frontline workers, ultimately achieving the goal of safety and health for all employees. The Occupational Safety and Health Committee meets once every three months to review and adjust occupational safety and health plans as well as health promotion programs. The occupational safety and health plans include:

1. Identification, assessment, and control of workplace environmental or operational hazards.
2. Management of machinery, equipment, and tools.
3. Classification, labeling, communication, and management of hazardous chemicals.
4. Planning of sampling strategies and monitoring of harmful work environments.
5. Safety assessments of processes or construction in hazardous workplaces.
6. Procurement management, contractor management, and change management
7. Occupational safety and health operating standards.
8. Regular inspections, key inspections, operational checkpoints, and on-site walkthroughs.
9. Occupational safety and health education and training.
10. Management of personal protective equipment.
11. Health examinations, management, and promotion.
12. Collection, sharing, and utilization of safety and health information.
13. Emergency response measures.
14. Investigation, handling, and statistical analysis of occupational accidents, near-miss incidents, and events affecting physical or mental health.
15. Safety and health management records and performance evaluation measures.
16. Other occupational safety and health management measures.

To ensure the safety and health of all workers during operations, Datong Innovation has established occupational safety and health regulations that have been approved through consultation with labor representatives, ensuring the protection of both employees and contractors. These regulations define the responsibilities and standards for safe work practices, education and training, health guidance, emergency response, and incident reporting for both employees and contractors.

Health guidance and related management measures include compliance with the Personal Data Protection Act in the collection and handling of employee health examination data, which is securely managed by the Administration Department. In cases of abnormal findings in health examination reports, company nurses will provide health guidance and arrange consultations between the employee and a specialist. If an employee is assessed as unfit to continue in their original role, Datong Innovation will adjust the employee's work location, reassign job duties, or shorten working hours, and implement appropriate health management measures.

To prevent work-related illnesses triggered by repetitive tasks, shift work, or night shifts, the company adopts preventive and protective measures, and promotes awareness, urging employees to immediately report any physical discomfort or abnormalities to their supervisors.

With a multi-layered approach to protection—covering personnel, equipment, environment, and compliance with regulations—Evertex maintains an occupational disease rate of zero. In designated high-risk operation areas (e.g., noise or dust exposure zones), clear signage is posted to inform personnel of potential hazards and necessary precautions. Entry into these areas requires the use of appropriate personal protective equipment (PPE) to ensure the safety and health of all individuals.

7.2 Hazard Identification and Risk Assessment

●Occupational Safety and Health Hazard Identification and Risk Assessment

Evertex continuously conducts hazard identification and risk assessment in accordance with the Occupational Safety and Health Risk Assessment Procedure, performing such evaluations regularly every two years. Corresponding preventive and control measures are proposed to enhance safety and reduce risk. Workers in each department analyze their respective tasks and work environments to identify potential hazards related to activities, equipment, materials, or environmental factors. The identified hazards are scored based on frequency of occurrence and severity, and then a risk matrix is used to determine the level of risk. The assessment results are submitted to the EHS, which determines the appropriate control measures—such as equipment replacement, process modification, or the installation of new protective devices. EHS is also responsible for assisting in and monitoring the progress of these improvements.

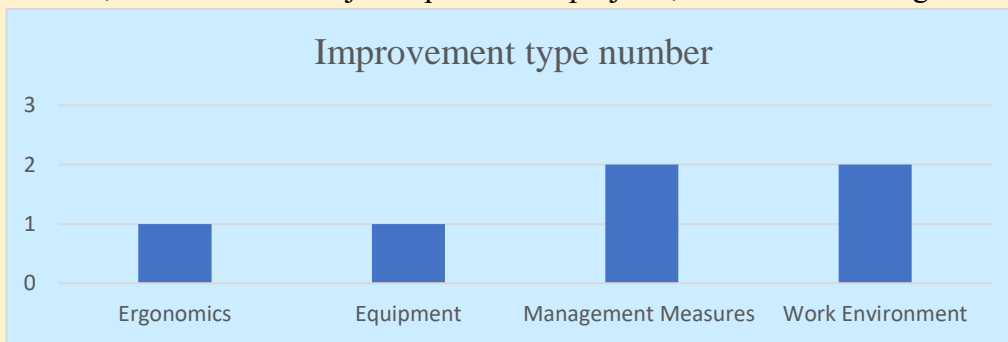
●6S Management – Self-Inspection

Evertex continues to implement its “6S Management Committee” as a means to maintain a clean and organized factory environment, encourage employee engagement in workplace affairs, and strengthen safety awareness among staff. This initiative gradually enhances both personal and collective safety within

the workplace. The inspection checklist includes 37 items across four major categories: 12 fire safety items, 4 emergency evacuation items, 4 electrical safety items, and 17 work safety items.

In addition to routine inspections conducted by the 6S Management Committee, employees are also encouraged to raise observed improvement issues during meetings—for example, tools not returned to their place, trash in the area, or malfunctioning warning lights. These observations are discussed with other committee members and occupational safety personnel to determine improvement actions, thereby helping to maintain a safe and tidy factory environment. Through the committee system, employees are encouraged to deepen their understanding of factory operations, enhance their ability to identify and resolve issues, and ultimately contribute to improving overall factory safety.

In 2024, there were six major improvement projects, as shown in the figure below:



Major Improvement Projects in 2024:

Before Improvement	After Improvement
The use of coal-fired thermal boilers in the setting process not only generates air pollution, but also produces waste, noise, and other environmental concerns.	The thermal oil boiler was replaced with a natural gas boiler in April 2024, significantly reducing air pollution, noise, dust, and eliminating coal ash.
The corrugated metal panels on the rear wall of the Taoyuan factory are severely aged, and the waterproof edge treatment was applied incorrectly. The supporting steel structures have all corroded.	The old corrugated panels were removed and replaced with new hot-dip galvanized steel, which extends the lifespan of the structure and helps prevent collapse during typhoons.
At the Quality Control Section, the fabric inspection machine has led to ergonomic hazards due to prolonged use and poor working posture by operators.	A visual-aid fabric inspection system was introduced to assist in defect detection, helping to reduce occupational injuries from long-term repetitive tasks.
The fire detectors at the Taoyuan factory often trigger false alarms during rain or when steam is present, causing unnecessary disruptions.	Seven sets of upgraded photoelectric fire detectors were purchased and installed, which have greatly reduced false alarms caused by steam or rain.
A banyan tree near the wastewater discharge area collapsed after its roots were eroded by strong flood currents caused by a typhoon.	The fallen banyan tree was removed by cutting the crown and using a crane to lift it out, followed by concrete repair work to restore the area.
In the Tech Finishing, the polar fleece has a heat exchanger issue: when steam is used for direct heating, the increased pressure causes a backflow to the intake filter, blowing cotton lint out from the top of the machine, resulting in poor air quality and working conditions.	The intake filter of the polar fleece is now cleaned weekly to reduce the dispersal of cotton lint and improve air quality.

7.3 Occupational Safety Training

●Hazard Awareness Training

Evertex conducts annual training courses on occupational safety, health, and wellness, targeting both employees and supervisors. These programs aim to strengthen safety awareness and understanding among management and operational staff. The content includes general and specialized on-the-job safety training, hazard communication education, and guidance on personal protective measures and equipment.

●Emergency Response Training

To prevent injuries and equipment loss during emergencies, Evertex conducts biannual in-plant fire response drills through a self-defense fire brigade system. These drills help employees become familiar with fire hazards, emergency response procedures, and survival techniques, ensuring that all personnel understand how to respond effectively in the event of a fire.

●Professional First-Aid Training

To ensure that qualified first aid personnel are available to provide immediate assistance in the event of an accident—and to comply with relevant regulations—the company regularly arranges for employees to attend external first aid training programs and obtain certification.

In addition to training local employees, foreign workers are also a key focus of occupational safety and health courses. To ensure effective communication and accurate information delivery, interpreters are invited to assist in all relevant training sessions.

When a workplace occupational accident occurs, occupational safety personnel and workplace supervisors, together with employee representatives, will conduct an investigation, analysis, and documentation of the cause, and develop appropriate follow-up response measures.

The 2024 internal occupational safety training courses and number of participants are as follows:

Training Course	Number of Participants	Training Hours
General and Specialized On-the-Job Safety Training	141	423
Forklift Operation Safety Training	33	33
Personal Protective Measures and Equipment Guidelines	148	148
Fire Safety Training	154	616
Total	476	1,220

Personal Protective Measures and Equipment Guidelines:



Fire Safety Training:



The establishment and operation of our company and factory require obtaining relevant certifications in accordance with occupational safety and health regulations. In 2024, a number of employees were sent to participate in external occupational safety training programs and obtained valid certifications:

Training Course	Number of Qualified Persons	Retraining Frequency
Class A Occupational Health Manager	2	6 hours of retraining every two years
Class B Occupational Safety and Health Administrator	1	12 hours of retraining every two years
Class B Boiler Operator	2	3 hours of retraining every three years
First-Class Pressure Vessel Operators	4	
High-Pressure Gas Equipment Operators	1	
Operators of fixed-type cranes under three tons	3	
Forklift Truck Operator	16	
Acetylene Welding and Cutting Operators	1	
First-aider	10	6 hours of retraining every two years
Class B Air Pollution Control Specialist	1	
Class B Waste Management Technician	1	
Class A Wastewater Treatment Operator	1	6 hours of retraining every three years
Oxygen Deficiency Operation managers	1	
Fire Protection Manager	1	

To enhance our response capabilities for mass casualty incidents, our Taoyuan plant collaborated with the Luzhu Division of the Third Brigade of the Taoyuan City Fire Department to conduct a fire and mass casualty drill on September 20. The drill simulated a machine fire caused by equipment malfunction. Upon

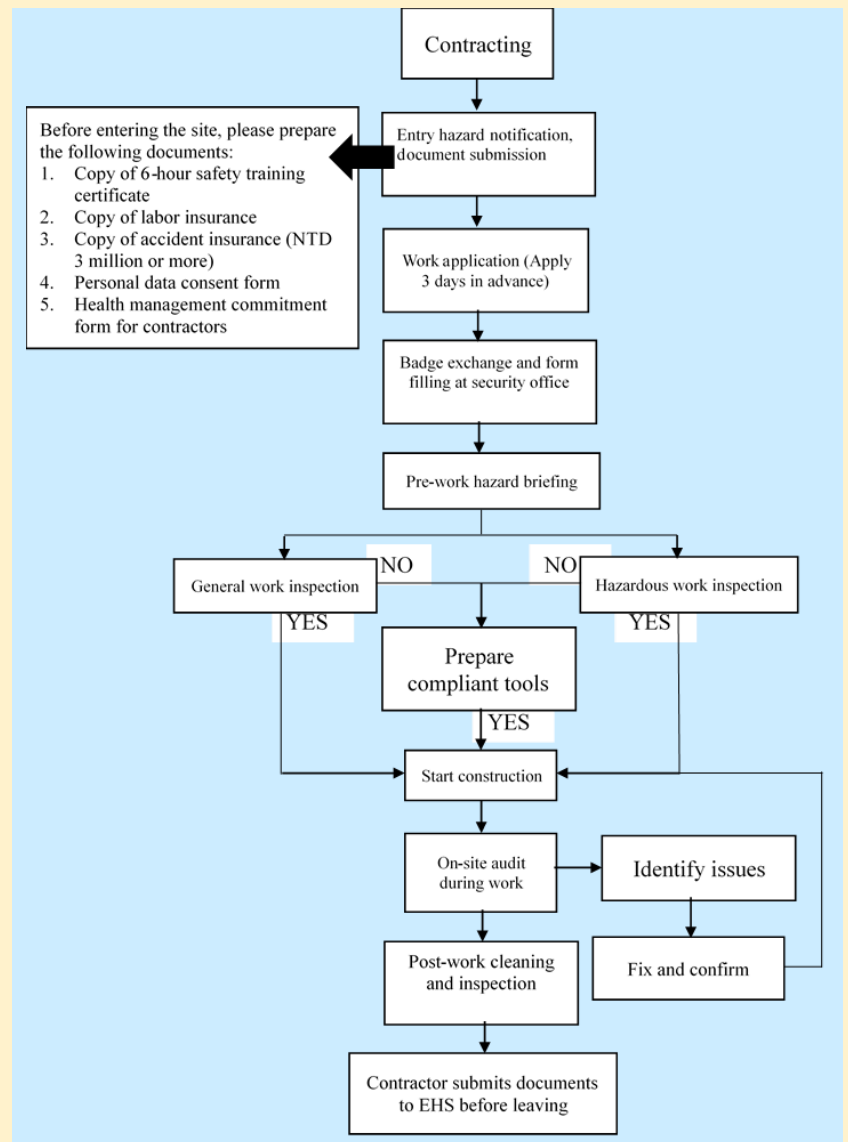
discovery, nearby employees immediately reported the incident and activated the in-house emergency response team. A total of 170 employees actively participated in the drill. Firefighters used this exercise to strengthen coordination between divisions and improve skills in handling mass casualty incidents.



7.4 Contractor Management

To prevent workplace accidents, all contractors entering the site of Datong Xinchuang must follow the “Contractor Management Regulations” when carrying out contracted work. This ensures the safety of on-site personnel and prevents environmental damage. All contractors conducting business with the company are required to sign the “Contractor Work Management Agreement” as part of our corporate social responsibility efforts. As of 2024, 97% (33 out of 34) of contractors have completed the signing. All contractor personnel, including site supervisors, vehicles, machinery, equipment, and tools entering Datong Xinchuang’s premises (including employee dormitories), fall under the scope of management and must comply with the “Contractor Site Work Management Regulations.”

Contractor qualifications are reviewed through several requirements, including general labor safety training certificates, labor insurance details, construction accident insurance, signed management agreements, health commitment forms, and personal data consent forms to ensure necessary information is disclosed.



The review status of non-onsite contractors in 2024.

Review Items	Education and training, construction license	Labor insurance details	Contractor accident insurance	Management Measures Confirmation	Health commitment and personal data consent form
Qualified	4	8	7	9	10
Failure	7	3	4	2	1

Number of non-employees as of December 31, 2024	16
Average number of non-employees in 2024	20

7.5 Health Management & Promotion

●Health Management

Employee health is vital to the company’s sustainable growth. All employees receive annual health check-ups, and in 2024, 14 staff involved in high-risk tasks (e.g., dust, noise) received specialized exams. Based on results, follow-ups, doctor consultations, and job adjustments are arranged as needed. Health training sessions are also provided.

●Health Promotion

Medical staff are available on-site for consultations and follow-ups. In 2024, the company continued its Health Promotion Program, encouraging better nutrition, exercise, and disease prevention to support healthier lifestyles.

7.6 Health and Safety Performance Management

To effectively prevent occupational injuries and diseases, Evertex has implemented regular workplace inspections conducted by the 6S Management Committee across various departments. In addition, occupational safety and health personnel promote relevant labor safety regulations and elements of the occupational safety and health management system. These efforts aim to deepen employees' understanding of occupational safety and health concepts and integrate them into their daily work environment.

2024 Implementation Performance			
Item	Target Value	Actual Value	Unit
Disabling Injury Frequency Rate (FR)	0	0	Times/million work hours
Disabling Injury Severity Rate (SR)	0	0	Days/million work hours
High risk accidents	≤2	0	Cases
Minor injuries	≤6	0	Cases
False alarm	≤6	0	Cases

(1) Disabling Injury Frequency Rate (FR): $(\text{Annual number of people who suffer disabling injuries} \times 1,000,000) \div \text{Total work hours}$

(2) Disabling Injury Severity Rate (SR): $(\text{Annual number of people who suffer disabling injuries} \times 1,000,000) \div \text{Total work hours}$

Place	Gender	2022		2023		2024	
		FR	SR	FR	SR	FR	SR
Taoyuan Plant	Male	0	0	0	0	0	0
	Female	0	0	0	0	0	0
Taipei Office	Male	0	0	0	0	0	0
	Female	0	0	0	0	0	0

Evertex conducts monthly statistics on occupational accidents, followed by case reviews and safety awareness campaigns. In 2024, zero occupational accidents were reported. Potential injury types include falls, burns, crush injuries, and cuts—none resulting in permanent disability or fatalities.

Beyond immediate hazards, the company prioritizes long-term employee health by establishing protective measures for high-risk tasks. Hazard signs are posted at entrances to noise and dust exposure areas, and annual monitoring of noise levels and dust concentration is performed. Employees working in these areas undergo annual specialized health checks, consultations, and hazard prevention training. In 2024, zero occupational disease cases were reported.

Occupational Injury Statistics 2024:

	Employees	Contractors	
Number of Occupational Injuries	0	0	(1) Rate of Occupational Injuries = (Number of occupational injuries/total work hours)* 1,000,000 (2) Rate of Severe Occupational Injuries = (Number of severe occupational injuries not death/total work hours) * 1,000,000 (3) Rate of Job-related Deaths = (Number of job-related deaths/total work hours)* 1,000,000
Rate of Occupational Injuries	0	0	
Number of Severe Occupational Injuries	0	0	
Rate of Severe Occupational Injuries	0	0	
Job-related Deaths	0	0	
Rate of Job-related Deaths	0	0	
Working hours (hours)	477,624	2,860	

7.7 Future Planning for Health and Safety

2025 Targets		
Item	Targets Value	Unit
Disabling Injury Frequency Rate (FR)	0	Times/million work hours
Disabling Injury Severity Rate (SR)	0	Days/million work hours
High risk accidents	≤2	Cases
Minor injuries	≤6	Cases
False alarm	≤6	Cases

Planned Measures:

1. Digital and smart safety management (e.g., automated sensors, AI-based image analysis).
2. Promotion of proactive hazard reporting systems.
3. Inclusion of safety training, performance monitoring, and incident tracking for contractors

Workplace safety now plays a vital role in ESG and competitiveness. By integrating technology, culture, and systems, companies can better reduce risks, protect employees, and strengthen operational resilience.

8、Social Feedback

8.1 Social Contribution

Evertex upholds the spirit of fulfilling corporate social responsibility by making physical donations, participating in community development, charity organizations, and related activities. In addition to establishing good community relations and promoting local harmony, the company also gives back to society and contributes to talent cultivation and social development.

1. Industry-Academia Collaboration: Collaborated with Chin-Yi University of Technology and Oriental Institute of Technology to provide internships for 7 young students at the company. Through participation in various seminars and courses led by the management team, students can share practical experiences. Additionally, in collaboration with Takming University of Technology, and Fu Jen Catholic University, provided 4 students with internship opportunities lasting approximately one year, allowing them to gain further exposure to design and marketing-related work. This initiative offers students a better learning environment and a platform to showcase their achievements.

2. Charity Activities:

(1) On February 17, 2024, visit the New Taipei City Banqiao District Public Animal Shelter and experience volunteer work. Through close interaction with furry friends and caring for them, promote life education and continue the passion for life.



(2) We donated 250 sweat-wicking wool-sweatshirts to the New Taipei City Fire Department and the Taiwan Leshan Association in March 2024.





(3) Provide special leave rewards for employees who engage in voluntary volunteer activities outside of work.

8.2 Community Recognition

During the era when textile companies were increasingly establishing overseas factories in pursuit of profit, our company has consistently upheld a commitment to remaining rooted in Taiwan. Since officially commencing operations in 1988, we have continued to create local employment opportunities in Datong District, Taipei City, and Luzhu District, Taoyuan City. The employment of personnel from nearby areas is categorized as follows according to different definitions:

Different Definitions of "Local Community"	Taoyuan Plant	Taipei Office	Total	Proportion of Local Employees
Located within the same administrative district	27	3	30	20.3%
Within a 10-kilometer radius	57	15	72	48.6%



9、Appendix

9.1 GRI Comparison Table

Statement of Use	This report is prepared in accordance with the GRI Standards, with the information disclosure period covering the year 2024 (from January 1, 2024, to December 31, 2024).
GRI 1 Uesd	GRI 1:Foundation 2021

9.1.1 General Disclosures 2021

GRI	Disclosure Item	Corresponding Chapter/Description	Page
1.The organization and its reporting practices			
2-1	Organizational details	About This Report 1.1 Company Introduction	P4 P8
2-2	Entities included in the organization's sustainability reporting	Reporting Period and Scope 1.1 Company Introduction	P4 P8
2-3	Reporting period, frequency and contact person	Reporting Period and Scope、Publication Timeline、Contact Information	P4
2-4	Restatements of information	Reporting Period and Scope	P4
2-5	External assurance	Reporting Period and Scope	P4
2. Activities and workers			
2-6	Activities, value chain and other business relationships	1.2 Main products and services 3.5 Supplier Management 7.4 Contractor Management	P9 P31 P74
2-7	Employees	6.1 Diverse and Inclusive Talent Structure	P58
2-8	Workers who are not employees	6.1 Diverse and Inclusive Talent Structure 7.4 Contractor Management	P58 P74
3.Governance			
2-9	Governance structure and composition	3.1.1 Operations of the Board of Directors	P24
2-10	Nomination and selection of the highest governance body	3.1.1 Operations of the Board of Directors	P24
2-11	Chair of the highest governance body	3.1.1 Operations of the Board of Directors	P24
2-12	Role of the highest governance body in overseeing the management of impacts	2.1 ESG Operation and Implementation	P13
2-13	Delegation of responsibility for managing impacts	2.2 Stakeholder Identification and Communication	P14
2-14	Role of the highest governance body in sustainability reporting	2.1 ESG Operation and Implementation 2.2 Stakeholder Identification and Communication	P13 P14
2-15	Conflicts of interest	3.1.1 Operations of the Board of Directors	P24
2-16	Communication of critical concerns	The Board of Directors convenes regularly on a quarterly basis. The nature and total number of material events are disclosed in the Company's public announcements on the Market Observation Post System (MOPS). There were no incidents in the past year that had a negative impact on stakeholders.	-

2-17	Collective knowledge of the highest governance body	Please refer to our website https://www.evertex.tw/en/about/ESG/Governance	-
2-18	Evaluation of the performance of the highest governance body	3.1.3 Board's performance evaluation	P25
2-19	Remuneration policies	3.1.4 The remuneration of the Company's directors and managers	P25
2-20	Process to determine remuneration	3.1.2 Functional committees	P25
2-21	Annual total compensation ratio	The information has not been disclosed due to its confidential nature.	-
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Message from the Management 2.7 Management Policies for Material Topics	P5 P22
2-23	Policy commitments	2.1 ESG Operation and Implementation	P13
2-24	Embedding policy commitments	2.7 Management Policies for Material Topics 3.2.1 Code of Ethical Conduct 3.2.2 Ethics and Integrity 6.6 Human Rights Protection	P22 P26 P26 P68
2-25	Processes to remediate negative impacts	2.7 Management Policies for Material Topics 3.2.3 Grievance and Reporting System	P22 P28
2-26	Mechanisms for seeking advice and raising concerns	2.6 Consultation on Issues of Concern 3.2.2 Ethics and Integrity 3.5.3 Supplier Social Assessment	P22 P26 P31
2-27	Legal Compliance	3.3 Compliance with Regulations	P29
2-28	Membership associations	3.2.4 Public Associations We Joined	P28
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	2.2 Stakeholder Identification and Communication 2.5 Boundaries of Significant Sustainability Topics	P14 P21
2-30	Collective bargaining agreements	Due to harmonious labor-management relations, no union has been formed under the Labor Union Act.	-
GRI 3 : Material Topics 2021			
3-1	Process to determine material topics	2.3 Identification Process for Material Topics	P16
3-2	List of material topics	2.4 Substantive Analysis for Key Sustainability Topics 2.5 Boundaries of Significant Sustainability Topics	P16 P23
3-3	Management of material topics	2.7 Management Policies for Material Topics	P22

9.1.2 Topic Standards Disclosures

Specific Topics	GRI	Disclosure Item	Corresponding Chapter/Description	Page
Economic aspect				
Bussiness performance	201-1	Direct economic value generated and distributed	4.2Operating Performance	P37

	201-2	Financial implications and other risks and opportunities due to climate change	5.6 Climate-Related Financial Disclosure	P51
	201-3	Defined benefit plan obligations and other retirement plans	6.4.1 Employee Benefits and Care	P64
	201-4	Financial assistance received from government	4.3 Financial assistance from government	P38
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	6.2.1 Compensation and Performance Evaluation	P61
	202-2	Proportion of senior management hired from the local community	No senior management have been hired from the local community	-
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	8.1 Social Contribution	P77
	203-2	Significant indirect economic impacts	No significant indirect economic impacts identified; therefore, this disclosure is omitted	-
Supply Chain Management	204-1	Ratio of procurement expenses from local suppliers for key operating locations	3.5.2 Local Procurement Policy	P31
Anti-corruption	205-1	Operations assessed for risks related to corruption	3.2.2 Ethics and Integrity	P26
	205-2	Communication and training about anticorruption policies and procedures	3.2.2 Ethics and Integrity	P26
	205-3	Incidents of corruption and actions taken	No incidents of corruption occurred within the Company; therefore, related disclosures have been omitted.	-
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	The market share of the Company's products and services does not constitute a dominant position; thus, related disclosures have been omitted.	-
Tax	207-1	Approach to tax	4.4 Tax governance	P39
	207-2	Tax governance, control, and risk management	4.4 Tax governance	P39
	207-3	Stakeholder engagement and management of concerns related to tax	4.4 Tax governance	P39
	207-4	Country-by-country reporting	The Company's business operations are limited to Taiwan; therefore, related disclosures have been omitted.	-
Environmental aspect				
Materials	301-1	The weight or volume of the materials used	5.1 Raw Material Management	P40
	301-2	Recycled input materials used	5.1 Raw Material Management	P40
	301-3	Reclaimed products and their packaging materials	5.1 Raw Material Management	P40

Energy	302-1	Energy consumption within the organization	5.3 Energy Management	P44
	302-2	Energy consumption outside of the organization	The Company has not compiled energy consumption data related to its supply chain or customer use.	-
	302-3	Energy intensity	5.3 Energy Management	P44
	302-4	Reduction of energy consumption	5.3 Energy Management	P44
	302-5	Reductions in energy requirements of products and services	5.3 Energy Management	P44
Water and Effluents	303-1	Interactions with water as a shared resource	5.4 Water Resource Management	P46
	303-2	Management of water discharge-related impacts	5.4 Water Resource Management 5.5.2 Water Pollution Prevention	P46 P49
	303-3	Water withdrawal	5.4 Water Resource Management	P46
	303-4	Water discharge	The data has not been accurately compiled, not disclosed for now.	-
	303-5	Water discharge		-
Biodiversity	304-1	Operational sites in or near protected areas	The Company's operating sites and their surrounding areas are not located within environmentally protected areas or biodiversity habitats; therefore, related disclosures have been omitted.	-
	304-2	Significant impacts of activities, products and services on biodiversity		-
	304-3	Habitats protected or restored		-
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		-
Emissions	305-1	Direct (Scope 1) GHG emissions	5.2 GHG Emissions Management	P42
	305-2	Indirect (Scope 2) GHG emissions	5.2 GHG Emissions Management	P42
	305-3	Other indirect (Scope 2) GHG emissions	The Company has not yet compiled this information; it is currently under planning.	-
	305-4	Intensity of greenhouse gas emissions	5.2 GHG Emissions Management	P42
	305-5	Reduction of GHG emissions	5.2 GHG Emissions Management	P42
	305-6	Emissions of ozone-depleting substances (ODS)	The Company does not emit substances that deplete the ozone layer	-
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	5.5.1 Air Pollution Prevention	P48
Waste	306-1	Waste generation and significant waste-related impacts	5.5.3 Waste Management	P50
	306-2	Management of significant waste-related impacts	5.5.3 Waste Management	P50

	306-3	Waste generated	5.5.3 Waste Management	P50
	306-4	Waste diverted from disposal	5.5.3 Waste Management	P50
	306-5	Direct disposal of waste	5.5.3 Waste Management	P50
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	3.5.4 Supplier Environmental Assessment	P32
	308-2	Negative environmental impacts in the supply chain and actions taken	3.5.4 Supplier Environmental Assessment	P32
Social aspect				
Labor / Management Relations	401-1	New employee hires and employee turnover	6.1 Diverse and Inclusive Talent Structure	P58
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.4 Employee Benefits and Care	P64
	401-3	Parental leave	6.4.2 Parental Leave and Implementation Status	P65
	402-1	Minimum notice periods regarding operational changes	6.5 Labor-Management Communication	P67
Occupational Safety and Health	403-1	Occupational health and safety management system	7.1 Occupational Health and Safety Management System	P69
	403-2	Hazard identification, risk assessment, and incident investigation	7.2 Hazard Identification and Risk Assessment	P70
	403-3	Occupational health services	7.1 Occupational Health and Safety Management System	P69
	403-4	Worker participation, consultation, and communication on occupational health and safety	7.1 Occupational Health and Safety Management System	P69
	403-5	Worker training on occupational health and safety	7.3 Occupational Safety Training	P72
	403-6	Promotion of worker health	7.5 Health Management & Promotion	P75
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	7.3 Occupational Safety Training	P72
	403-8	Workers covered by an occupational health and safety management system	7.1 Occupational Health and Safety Management System	P69
	403-9	Work-related injuries	7.6 Health and Safety Performance Management	P75
	403-10	Work-related ill health	7.6 Health and Safety Performance Management	P75
Training and Education	404-1	Average hours of training per year per employee	6.3 Cultivation and development	P63
	404-2	Programs for upgrading	6.3 Cultivation and development	P63

		employee skills and transition assistance programs	6.4 Employee Benefits and Care	P64
	404-3	Percentage of employees receiving regular performance and career development reviews	6.2.2 Performance Evaluation	P63
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	6.1 Diverse and Inclusive Talent Structure	P58
	405-2	Ratio of basic salary and remuneration of women to men	6.2.1 Remuneration Policy	P61
Non-discrimination	406-1	Incident of discrimination and corrective actions taken	6.6 Human Rights Protection	P68
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	6.6 Human Rights Protection	P68
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	6.6 Human Rights Protection 3.5.3 Supplier Social Assessment	P68 P31
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.6 Human Rights Protection 3.5.3 Supplier Social Assessment	P68 P31
Security practices	410-1	Security personnel trained in human rights policies or procedures	6.1 Diverse and Inclusive Talent Structure	P58
Rights of indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	6.1 Diverse and Inclusive Talent Structure	P58
			6.6 Human Rights Protection	P68
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	8.1 Social Contribution 8.2 Community Recognition	P77 P78
	413-2	Operations with significant actual or potential negative impacts on local communities	5.5.1 Air Pollution Prevention	P48
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	3.5.3 Supplier Social Assessment	P31
	414-2	Negative social impacts in the supply chain and actions taken	3.5.3 Supplier Social Assessment	P31
Public policy	415-1	Political contributions	The Company does not make political contributions	-
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	3.4 Customer Service Management	P30
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.4 Customer Service Management	P30
Marketing	417-1	Requirements for product and	3.4 Customer Service Management	P30

and Labeling		service information and labeling	5.1 Raw Material Management 5.5.3 Waste Management	P40 P50
	417-2	There were no incidents of non-compliance with regulations concerning product and service information and labeling.	No relevant violations occurred during the year; therefore, related disclosures have been omitted.	-
	417-3	There were no incidents of non-compliance with regulations related to marketing communications.		-
Customer Privacy	418-1	Substantiated complaints	There were no incidents involving customer privacy infringement during the year; thus, related disclosures have been omitted.	-

9.2 Climate related information

Item	Content	Corresponding Chapter	Page
1	Describe the oversight and governance of climate-related and opportunities by the board of directors and management.	5.6.1 Governance	P51
2	Describe how the identified climate-related risks and opportunities affect the enterprise's business, strategies and finance (short-, mid-, and long-term).	5.6.2 Strategy	P53
3	Describe the impact of extreme climate events and transformation on finance.	5.6.2 Strategy	P53
4	Describe how the processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	5.6.3 Climate Risk Management	P54
5	If scenario analysis is used to assess organization's resilience in the face of climate change risks, describe the scenarios, parameters, assumptions, and analytical factors used, as well as the main financial impact.	5.6.2 Strategy	P53
6	If there is transition plan to address climate-related risk, describe the contents of the plan, and metrics and targets used to identify and manage physical risk and transition risk.	5.2 GHG Emissions Management 5.6.5 Metrics and Targets	P42 P57
7	If internal carbon is used as a planning tool, describe the pricing basis.	5.6.4 Internal Carbon Pricing	P56
8	If climate targets are set, describe the activities and scope of GHG emissions covered, planned schedule and annual progress achieved; If carbon offsets or renewable energy (RCEs) are used to achieve related targets, describe the sources and quantity of carbon reduction limit, or quantity of RECs.	5.2 GHG Emissions Management (The Company does not use carbon offsets or renewable energy certificates)	P42
9	GHG accounting and assurance status, reduction goals, strategies and specific action plans	5.6.5 Metrics and Targets	P57

9.3 SASB Metrics Cross Reference Table

In accordance with the SASB (Sustainability Accounting Standards Board) Standards, the Company has adopted the “Apparel, Accessories & Footwear” industry classification as the basis for its sustainability disclosures, based on the nature of its business operations.

Topic	Code	Corresponding Metrics	Corresponding Chapter	Page
Activity Metric	CG-AA-000.A	Number of Tier 1 suppliers and suppliers beyond Tier 1.	3.5.4 Supplier Environmental Assessment	P32
Management of chemicals in products	CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	5.1 Raw Material Management	P40
	CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	5.1 Raw Material Management 7.1 Occupational Health and Safety Management System	P40 P69
Environmental Impacts on the Supply Chain	CG-AA-430a.1	Percentage of Tier 1 supplier facilities and supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreements	3.5.4 Supplier Environmental Assessment	P32
	CG-AA-430a.2	Percentage of Tier 1 suppliers and suppliers beyond Tier 1 that have completed the Higg Facility Environment Module (FEM) assessment or equivalent environmental data assessments	3.5.4 Supplier Environmental Assessment	P32
Labor Conditions in the Supply Chain	CG-AA-430b.1	(1) Percentage of Tier 1 supplier facilities and supplier facilities (2) those beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor.	The company has not yet planned any third-party audits of its suppliers.	-
	CG-AA-430b.2	Priority non-conformance rate and associated corrective action rate for suppliers’ labor code of conduct audits		-
	CG-AA-430b.3	Description of the greatest labor and environmental, health and safety risks in the supply chain		-
Raw Materials Sourcing	CG-AA-440a.3	(1) List of priority raw materials; for each priority raw material: (2) environmental or social factor(s) most likely to threaten sourcing, (3) discussion on business risks or opportunities associated with environmental or social factors and (4) management strategy for addressing business risks and opportunities	5.1 Raw Material Management	P40
	CG-AA-440a.4	(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental or social standard, by standard	5.1 Raw Material Management	P40

