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2025

Environmental Social Governance

Sustainability Report

Table of contents

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, 2025, to December 31, 2025. 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, 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 2026, following approval by the Board of Directors. The next edition is scheduled for August 2027.

Contact Information

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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 2025 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 2025, 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 2025, our financial indicators remained strong, with a current ratio of 4226%, days sales outstanding (DSO) of 31 days, and a debt ratio of 13%, reflecting a healthy operational structure. We expect to maintain profitability in 2026.

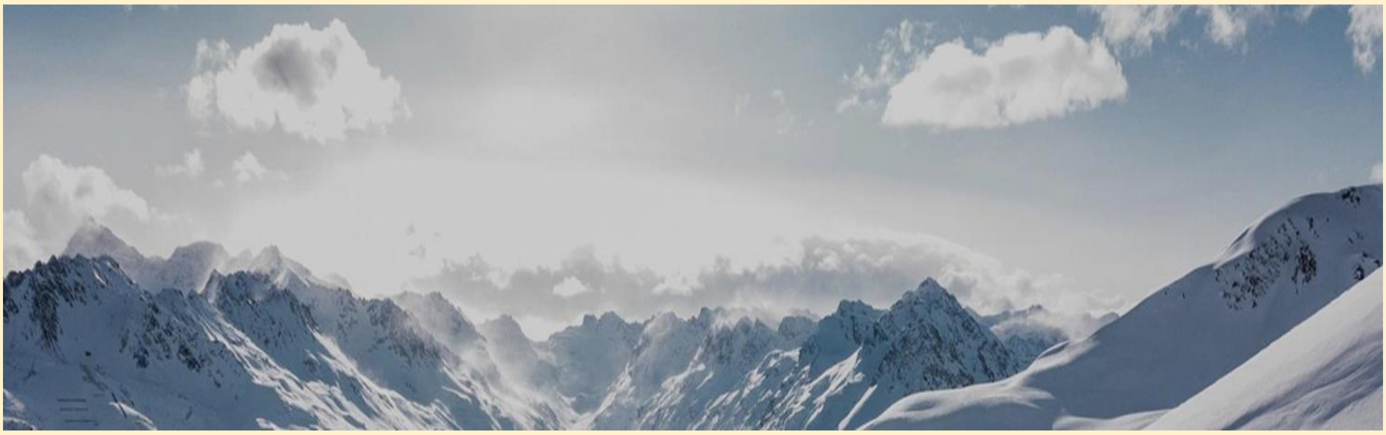
Sustainability and Environmental Protection

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 2.08 million kWh of electricity in 2025. We continue to promote energy-saving and carbon reduction efforts by purchasing and updating high-efficiency machinery and equipment. From 2022 to 2025, we achieved a 18% reduction in electricity consumption, saving 1.8 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

The Company determines employee compensation at a level above the market average of its industry. To safeguard employees’ rights and interests, the Company has established a comprehensive retirement system and makes sufficient appropriations to pension reserves. While pursuing profitability, the Company is also committed to enhancing the quality of life of employees and their families, and to rewarding employees for their contributions, thereby creating a win–win outcome for both labor and management. In recent years, the Company has continuously revised its salary adjustment plans based on operational performance, the overall economic environment, and individual employee performance, embedding the philosophy of sharing achievements with its employees.



Sustainable Development Performance

Dimensions	Category	SDGs	Performance indicators	Pages	2025 performance	2026 goals
Economy	Corporate Governance		Corporate Governance Assessment	-	In the results of the 12th Corporate Governance Evaluation, the Company ranked within 51%–65% tier.	Corporate governance continues to make steady progress
	Economic Benefits		EPS	37	EPS=NT 0.78	Maintain profit stability
	Supplier management		Chemical Supplier Letter of Commitment	32	1. Auxiliary suppliers to sign the "Chemical Supplier Letter of Commitment" were 100%. 2. Contractor suppliers to sign the "Contractor Commitment Letter" were 89%.	The signing of agreements with dye auxiliary suppliers and construction contractors should reach 100% compliance.
Environment	Climate change & energy management		Reduce energy consumption	45	Electricity consumption was reduced by 1.8 million kWh compared to the set standards. From the baseline year of 2022 to 2025, the total energy savings reached 18%.	Electricity usage has been maintained below 8.2 million kWh.
			Develop renewable energy	37	Solar power generation is 2.08 million kilowatt hours	Maintain equipment availability
	Greenhouse gas emissions		Total verified emissions	42	Emissions were 12,815 metric tons of CO_2e, a 48% decrease from the base year	Below 11,186 CO_2e in 2030, a 55% decrease from the base year
	Green Economic		Purchase volume of recycled yarn	-	Purchased 372 metric tons of recycled yarn, accounting for 30% of total purchases.	Continue to develop recycled polyester fiber fabrics
			Water Use and Pollution Reduction	46 49	Factory water consumption: 635,565 m³, Wastewater discharge complies with ZDHC standard	Wastewater discharge complies with ZDHC standards
Society	Occupational Health & Safety		Safety and health performance	84	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	85	No occupational disaster occurred	Promote the goal of "zero disaster"
	Social contribution		Donate	87	We donated 150 pieces of moisture-wicking shirts and thermal vests to the Taiwan Le Shan Association	Continuously plan activities to give back to society
			Construction and education cooperation	87	We provided 2 students with internship opportunities in the Company by collaborating with Chin-Yi 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

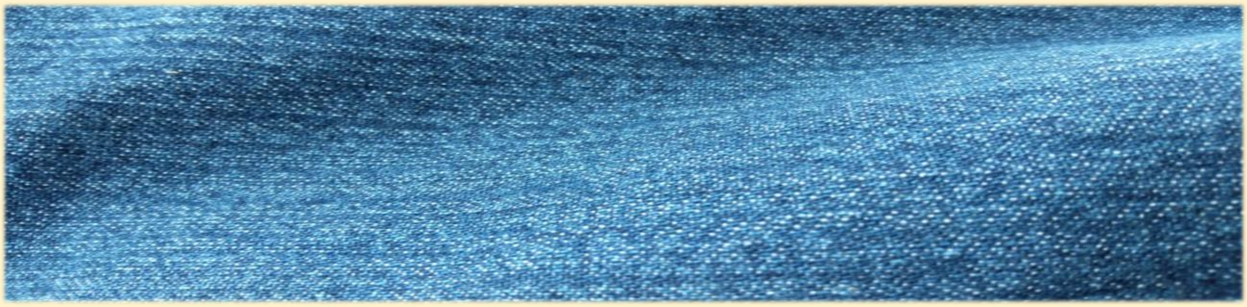
1.1 Company Introduction

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.

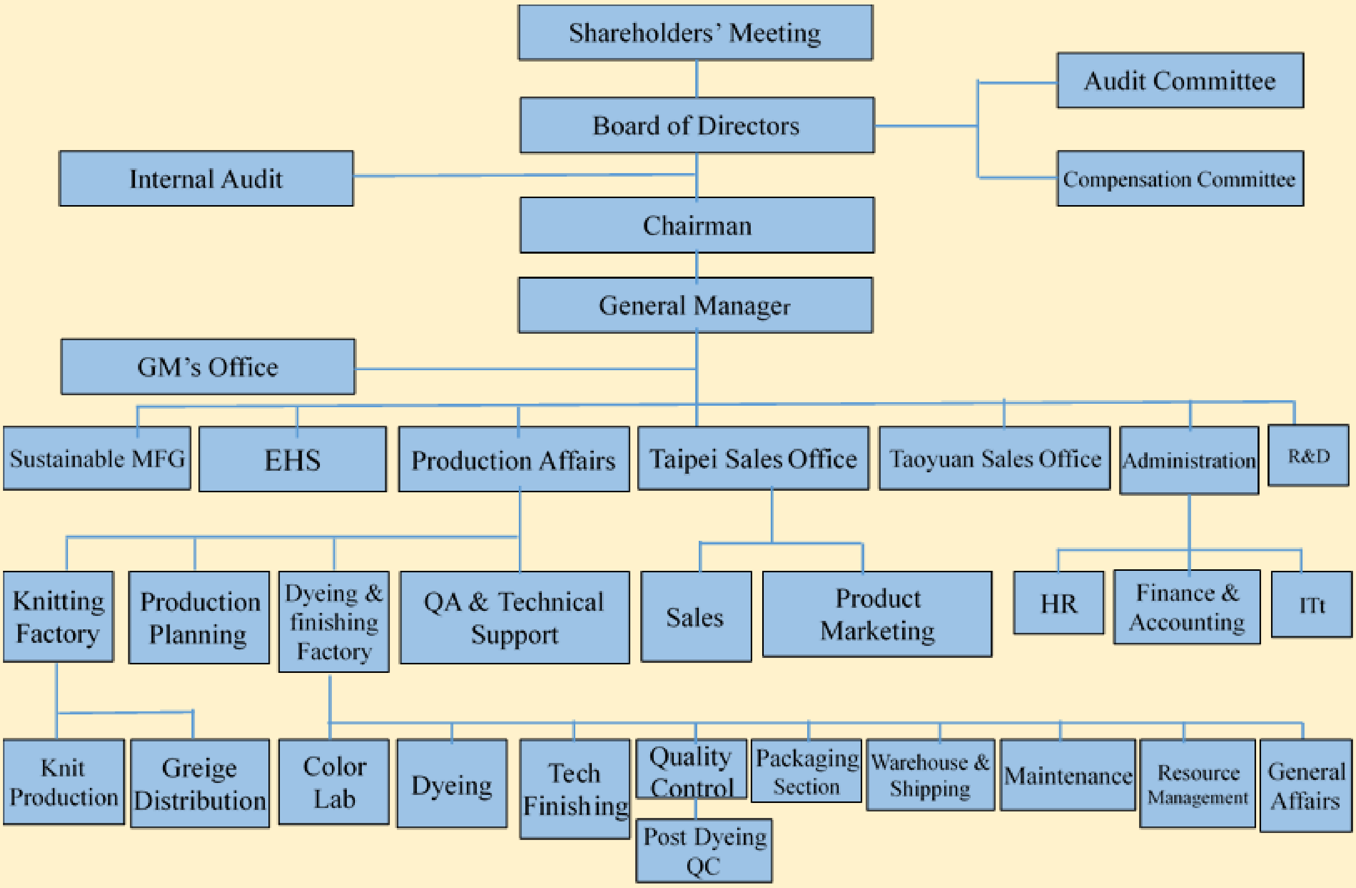
Evertex Fabrinology specializes in the manufacturing and sale of high-value functional and eco-friendly textiles, dyeing and finishing services, and solar power generation. The company operates dyeing and finishing facilities, a knitting plant, and its 100% wholly-owned subsidiary, Tong Fa Green Energy 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 2025 reached NTD 788 million, with the following business segments: Fabric Sales – 82%, Dyeing and Finishing Services – 17%, Electricity Sales – 1%
10	Employees	242
11	Company website	https://www.evertex.tw/

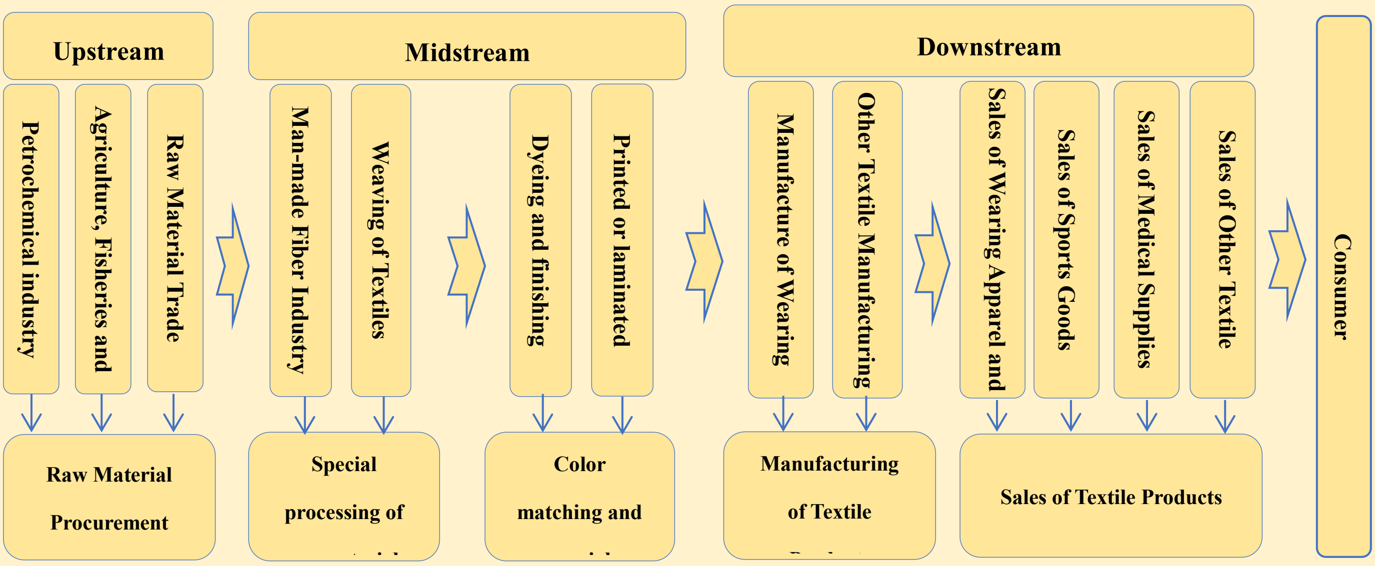


Company's Structure



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	13	Manufacture	Long-term, short-term, contractual, non-contractual	Taiwan
Trading of fabric	97	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

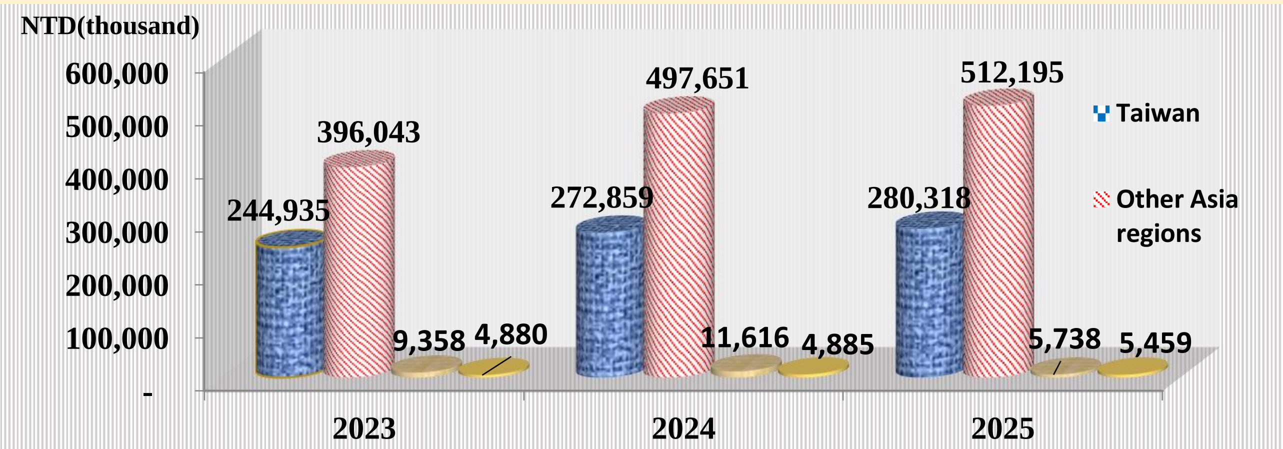
			maintains ecological balance from raw material sourcing to production and disposal.
	Tonissimo fabric	The precise structural design and refined finishing process allow the dense brushed fleece structure to retain body heat, achieving lightweight warmth, breathability, and quick drying.It features two-way 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. Solution-dyed polyester is also utilized, eliminating the most polluting and energy-intensive dyeing processes.
	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.	
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

Year / Sales area		2023		2024		2025	
		Amount	%	Amount	%	Amount	%
Asia	Taiwan	244,935	37.38	272,859	34.63	280,138	34.88
	Other Asia regions	396,043	60.44	497,651	63.15	512,195	63.73
Europe		9,358	1.43	11,616	1.43	5,738	0.71
America, Australia, others		4,885	0.75	5,913	0.75	5,459	0.68
Total		655,221	100	788,039	100	803,710	100



Production volume for the most recent two years Unit: Tons; NT$ thousand

Year / Production Value / Major Product	2023			2024			2025		
	Production Capacity	Production Volume	Output Value	Production Capacity	Production Volume	Output Value	Production Capacity	Production Volume	Output Value
Dyeing and finishing	6,925	3,410	282,441	6,380	3,702	321,440	5,300	3,690	335,929
Trading of fabric	1,475	1,106	303,630	1,851	1,412	377,429	1,730	1,302	385,354
Total	**8,400**	**4,516**	**586,071**	**8,231**	**5,114**	**698,869**	**7,030**	**4,992**	**721,283**

Sales Volume Value of the Last Two Years Unit: Tons; NT$ thousand

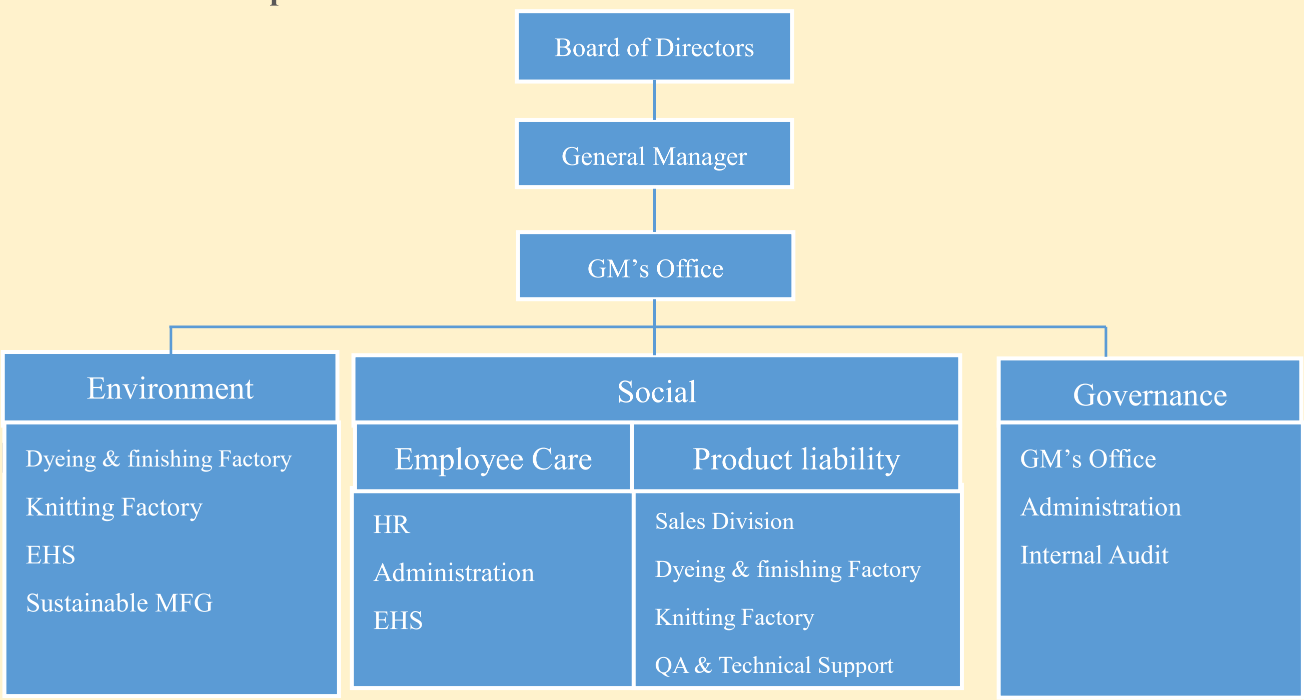
Year / Value of Sales Volume / Major Product	2023		2024		2025	
	Volume	Value	Volume	Value	Volume	Value
Dyeing and finishing	1,954	143,425	1,777	136,577	1,770	131,383
Trading of fabric	1,084	500,407	1,375	640,710	1,302	661,266
Others	-	11,389	-	10,752	-	11,060
Total	**3,038**	**655,221**	**3,152**	**788,039**	**3,072**	**803,710**

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 2025		Reporting to the Board of Directors in 2026	
3/12	The power generation of the subsidiary Tong Fa Green Energy amounted to 2.025 million kWh in 2024	3/9	The power generation of the subsidiary Tong Fa Green Energy amounted to 2.08 million kWh in 2025
5/9	Report on the selected material sustainability topics and management status for 2024.	5/11	Report on the selected material sustainability topics and management status for 2025.
8/12	The company's energy conservation and carbon reduction performance for 2024, along with its GHG emissions	8/12	The company's energy conservation and carbon reduction performance for 2025, along with its GHG emissions

Board Supervision Status (2025/12/24)
IFRS issued the sustainability disclosure guidelines two years ago: S1 "General Requirements for Disclosure of Sustainability-Related Financial Information" and S2 "Climate-Related Disclosures". Based on our company's size, we should disclose these requirements in our financial statements for the previous year, to be published by March 2029. Please comply with the required schedule.

Internal and External Implementation of ESG

Sustainable development	Corporate governance • 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 • Occupational health and safety • Complying with regulatory requirements • Contractor management • Promotion of Health	Preventing hazards
Fulfilling responsibilities	Society • 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.	Environmental protection • Pollution control • Effective reuse of resources • Complying with regulatory requirements • Continuous development of environmentallyfriendly products • Developing renewable energy	Reducing pollution

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 99%. Regular visits to key clients, participation in textile exhibitions, and passing certifications such as GRS, RWS, and bluesign 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 accordance with domestic laws regulations, were made for items related to environment, safety, labor, finance, taxation, and shareholding. No penalty cases occurred.
			Company Website	Irregularly	
			Reporting on Workplace Safety, Environmental Protection, ESG, Financial etc	Year	

2.3 Identification Process for Material Topics

It's 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:

Collection of sustainability issues	In light of the current situation aecting both domestic and overseas industries, as well as the business experiences of each department, we considered Evertex's management issues and then analyzed and summarized 15 sustainability issues as the areas of identification of material issues in this report.
Survey on issues of concern	Using a paper-based questionnaire to understand stakeholders' level of concern regarding various sustainability issues and to assess the actual/potential positive and negative impacts of sustainability issues by the sustainability team.
Identification of material issues	By collecting valid questionnaires, analyze the level of concern and impact of sustainability issues for the company, and create a matrix to identify
Confirmation of material issues	Reviewing and confirming the results of identified material issues to define Evertex's 5 material issues.

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. trengthening 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, four 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	①Economic Performance	3.56	2.78	3.17	1.78	**3.56**	2.67
	②Corporate governance	3.44	2.78	3.11	1.11	3.22	2.17
	③Integrity Management	3.56	2.89	3.22	1.33	3.00	2.17
	④Customer Relations	3.44	3.11	3.28	1.67	3.22	2.44
	⑤Supply Chain Management	2.78	2.56	2.67	2.00	3.00	2.50
Environment	⑥Climate change	4.22	3.56	**3.89**	2.00	2.89	2.44
	⑦GHG emissions	4.33	3.22	**3.78**	1.56	2.78	2.17
	⑧Energy Management	3.44	2.56	3.00	1.78	2.67	2.22
	⑨Water Resource Management	3.56	2.44	3.00	1.56	2.78	2.17
	⑩Waste Management	3.67	3.00	3.33	1.78	3.33	2.56
Social／Human rights	⑪Talent attraction and retention	3.44	3.00	3.22	1.78	2.78	2.28
	⑫Talent development and training	3.56	2.78	3.17	2.33	2.56	2.44
	⑬Occupational safety and health	4.44	3.00	**3.72**	1.44	2.89	2.17
	⑭Diverse society, and human rights	4.11	2.44	3.28	1.67	1.89	1.78

	⑮Social Welfare	2.33	1.56	1.94	1.56	1.56	1.56

A total of 52 valid paper questionnaires were collected from stakeholders in 2025 (response rate of 87%). 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 (4.04)

Climate Change (3.94)

GHG Emissions (3.81)

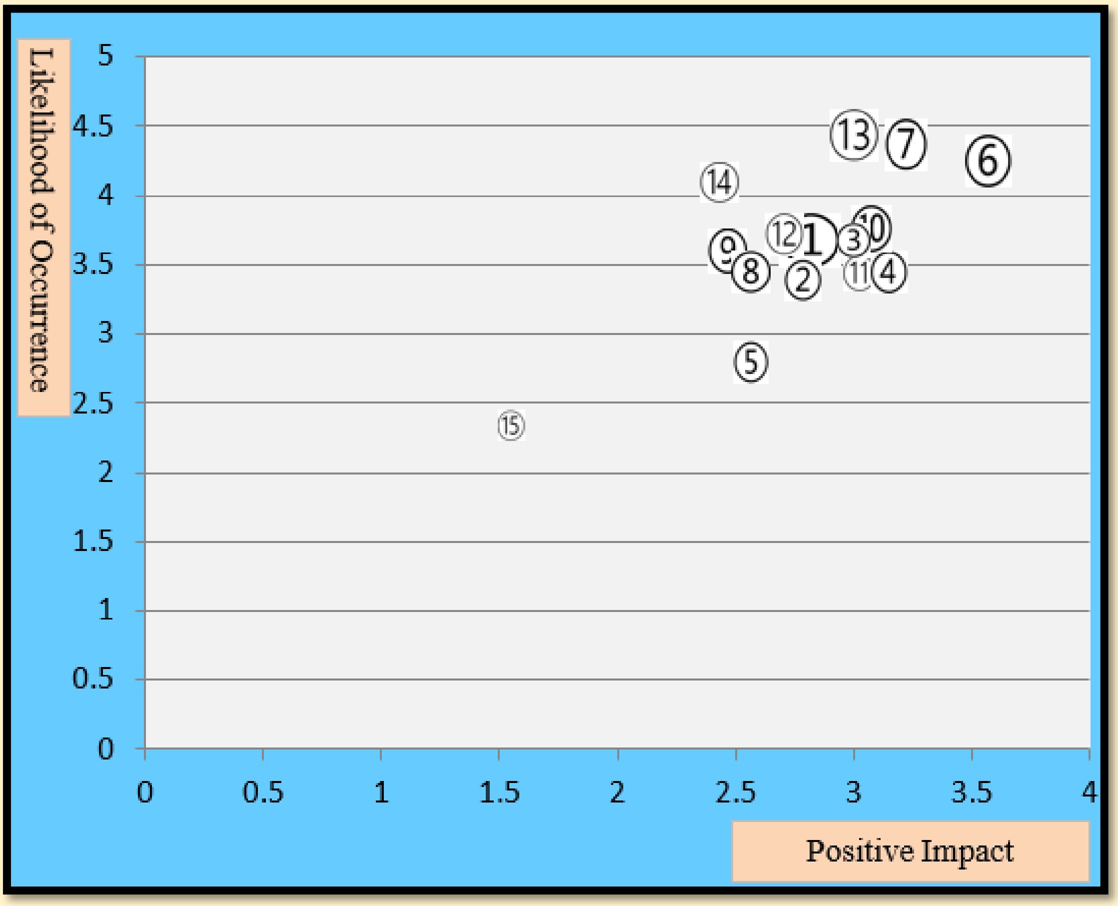
Occupational Safety and Health (3.65)

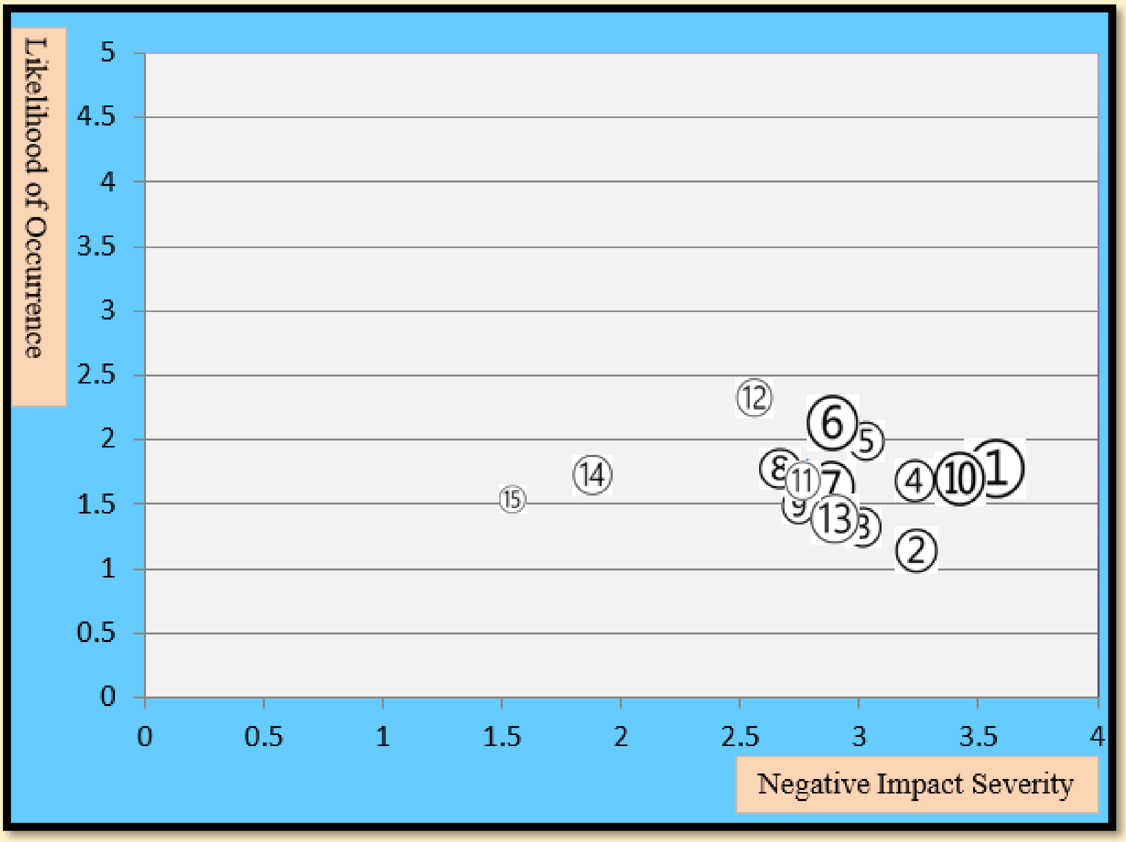
Waste Management (3.52)

Aspect	Topic	Level of concern
Economy／Governance	①Economic Performance	**4.04**
	②Corporate governance	3.29
	③Integrity Management	3.44
	④Customer Relations	3.46
	⑤Supply Chain Management	3.13
Environment	⑥Climate change	**3.94**
	⑦GHG emissions	**3.81**
	⑧Energy Management	3.48
	⑨Water Resource Management	3.31
	⑩Waste Management	**3.52**
Social／Human rights	⑪Talent attraction and retention	3.37
	⑫Talent development and training	3.19
	⑬Occupational safety and health	**3.65**
	⑭Diverse society, and human rights	3.25
	⑮Social Welfare	2.52

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.

Topic	Ranking	Ranking in 2024	Change
Economic Performance	1	1	↔
Climate change	2	2	↔
GHG emissions	3	4	↑
Occupational safety and health	4	5	↑
Waste Management	5	3	↓


Likelihood of Occurrence
Positive Impact
0
0.5
1
1.5
2
2.5
3
3.5
4
4.5
5


Likelihood of Occurrence
Negative Impact Severity
0
0.5
1
1.5
2
2.5
3
3.5
4
4.5
5

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 p36)
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	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	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.52)
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	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／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	Reduce carbon emissions by 55% from 2022 to 2030.
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.76)
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

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.

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 10 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 2025, a total of five board meetings were held, with an average attendance rate of 92%. 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 2025, 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, 15~18, and 30~31 of the company’s 2025 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 2025, the committee held two meetings, with an average attendance rate of 87.5%.

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 2025, a total of five meetings were held, with an average attendance rate of 95%.

For details on the operations of the functional committee, please refer to pages 18~21, 32~34 of the company's 2025 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 2025, 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 2025 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, risk management, 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 2025 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)*

evertex

大統新創 evertex fabrinology

遵循誠信經營聲明書

依大統新創股份有限公司(以下稱「大統新創」)《誠信經營守則》第八條第一項規定辦理。

本人確實遵循臺灣證券交易所股份有限公司發布之《上市上櫃公司誠信經營守則》、大統新創制定之《誠信經營守則》、《誠信經營作業程序及行為指南》、《董事及經理人道德行為準則》及相關誠信經營政策，以本於廉潔、透明及負責之經營理念，建立良好之公司治理與風險控管機制，以創造永續發展之經營環境。

In 2025, we continued to conduct integrity management awareness training, with a total of 15 participants and 22 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 copmpany 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

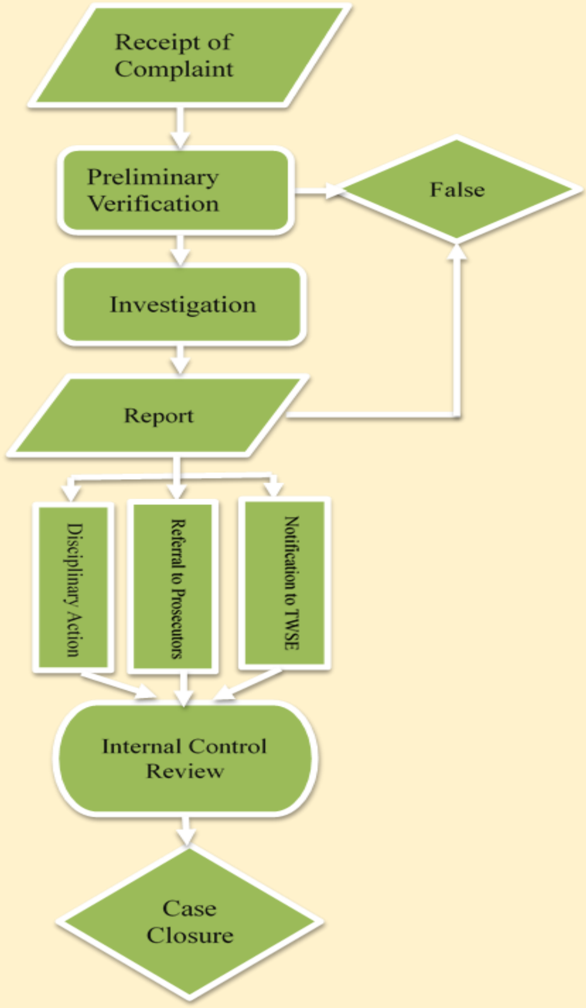
Report box: 0

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:

Year / Violation		2023	2024	2025
Number of Cases	Economy	0	0	0
	Environment	0	3	0
	Society	0	0	0
Impose a fine (NTD)		0	201,000	0

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 2025, the company had no violations of product health and safety regulations.

Certifications obtained in 2025:

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	2025/11/05~2026/10/04
Recycled fabrics	Global Recycled Standard	2025/08/03~2026/08/02
Wool cloth	Responsible Wool Standard	2025/09/15~2026/09/14


bluesign®

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 almost 100%. Additionally, logistics, outsourced services, waste management, and other general procurement have also achieved almost 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.

2025 Statistics on Major Domestic and Foreign Supplier (Type/Number)

Table of Vendor Statistics

Item	Domestic	Foreign	Total
Dyeling & auxliaries	29	0	29
Yarns	23	2	25
Outsourcing, etc.	36	0	36
Energy	2	0	2
Others	192	1	193
Total	282	3	285
Percentage	99%	1%	100%

Table of the Percentage of Procurement Amount

Item	Domestic	Foreign	Total
Dyeling & auxliaries	16%	0%	16%
Yarns	30%	1%	31%
Outsourcing, etc.	17%	0%	17%
Energy	23%	0%	23%
Others	13%	0%	13%
Total	99%	1%	100%

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%.(36/36) 。

◎ 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.

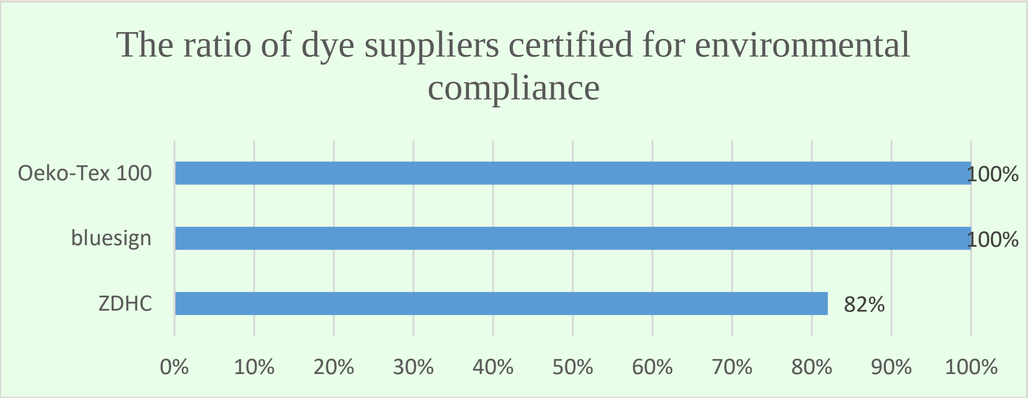
3.5.4 Supplier Environmental Assessment

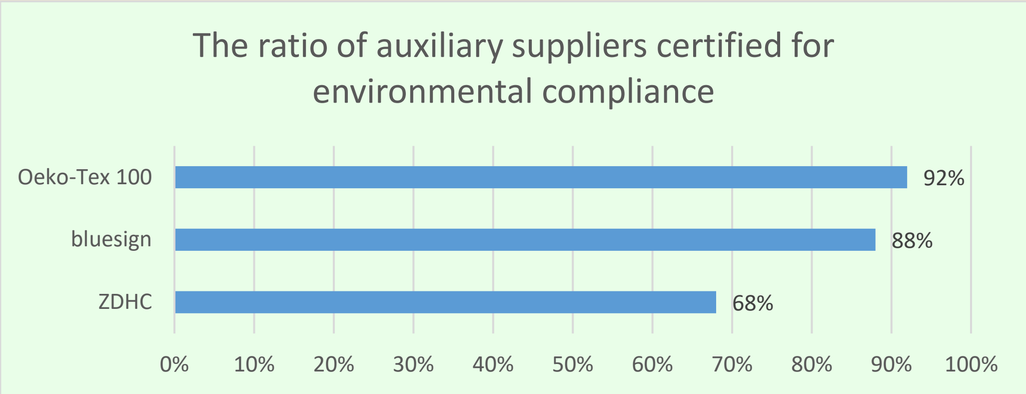
The Company places particular emphasis on the environmental impact of chemicals used by dye and auxiliary suppliers. Suppliers are required to provide environmental data related to their products, including the use and discharge of hazardous substances. The Company utilizes this data to assess the environmental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





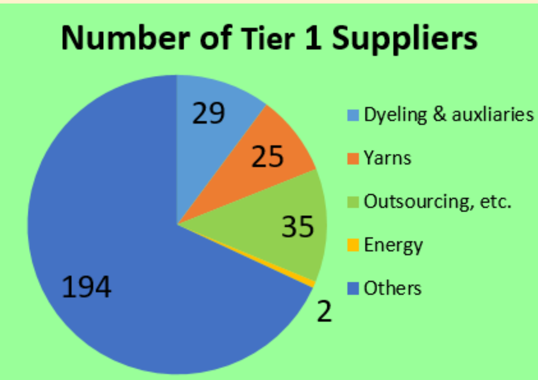
The Company requires dyeing chemical suppliers to sign two types of commitment letters:

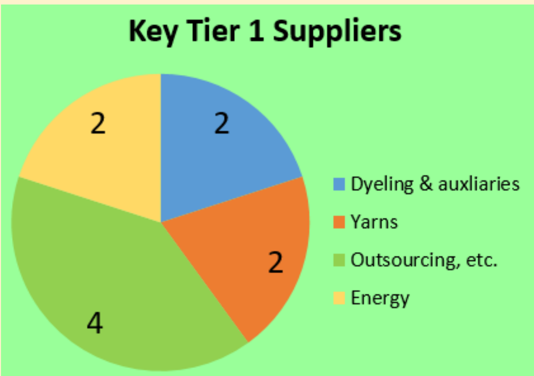
●Chemical Supplier Letter of Commitment：Suppliers commit that all provided chemical products comply with the latest versions of restricted substances lists, including bluesign® Bluefinder (BSBL), Oeko-Tex® Standard 100 RSL, REACH Substances of Very High Concern (SVHC), ZDHC MRSL, AAFA RSL, California 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% (27/27).

●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%.(4/4).

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. However, energy-related companies are state-owned enterprises (Taipower, CPC Corporation), and due to their significant amounts, all of them were included.

Among these key Tier 1 suppliers: 100% possess valid wastewater discharge permits and are in compliance; 60% have completed the Sustainable Apparel Coalition (SAC)'s Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data evaluation.





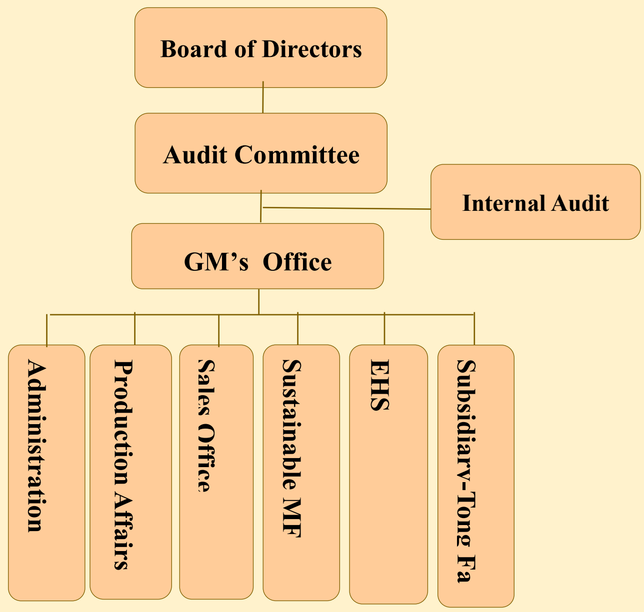
3.6 Risk Management

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 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.

Risk Management Organizational Structure



Management procedure	Contents
Risk identification	Identify sources of risk and affected/impacted areas, and apply appropriate methods to identify potential risk events that may prevent the achievement of corporate objectives or cause losses or negative impacts.
Risk analysis	Understand the nature and characteristics of identified risk events, analyze their likelihood of occurrence and impact severity, and calculate risk levels accordingly.
Risk assessment	Compare risk analysis results with the Company's risk appetite to determine priority risk events and risk ratings, serving as a basis for selecting subsequent response measures.
Risk respond	Establish appropriate risk response measures, ensure relevant personnel fully understand and implement them, and continuously monitor their execution.
Risk monitoring and review	Review whether risk management is integrated with key processes and remains effective, in order to strengthen oversight and enhance the effectiveness of risk management implementation.

The company consolidated various risks identified by different departments in 2025, totaling more than 20 items. After assessment, the following were identified as high-risk items, for which corresponding countermeasures were formulated along with the implementation status for the year.

Risk Category	Risk Event and Scenario	High-Risk Response Measures	Risk Control Unit	Performance Target / Implementation Results
Strategic Risk	U.S. Tariff Policy. The United States imposed tariffs on the grounds of "unfair trade".	Endeavor to develop customers in non-U.S. markets.	GM's Office、Sales Office	Countermeasures are currently under development.
Operational / Climate Risk	Rising Natural Gas Costs. Natural gas is considered a lower-carbon alternative energy source; surging global demand has led to price increases.	Plan to purchase direct-fired stenters that do not require boiler heating to enhance production flexibility and scheduling.	Production Affairs	Processing yield target set at 96%. Actual processing yield was 93%, achieving approximately 97% of the target.
Climate Risk	Rising Natural Gas Costs. Significant increase in electricity consumption during summer may trigger power shortages and lead to higher electricity costs.	1.Consider purchasing green power from subsidiary. 2.Avoid non-essential activities during peak electricity pricing.	EHS、Sustainable MFG	Control factory electricity consumption within 8.2 million kWh. The actual value is 8.32 million kWh.
Operational Risk	Absorbing migrant worker recruitment fees in line with ILO principles that employers—not workers—bear such costs; increasingly required by international brands.	1.Reflect such costs in price negotiations with customers. 2.Consider the possibility of direct hiring (without going through intermediaries).	Sales Office、Administration	Starting this year, the company will cover monthly agency fees and pre-arrival costs for new migrant workers.
Financial Risk	TWD to USD Exchange Rate. Since export payments are denominated in USD, attention is needed on the appreciation or depreciation of TWD against USD.	Expecting possible JPY appreciation, part of USD holdings will be converted to JPY.	Administration	No foreign exchange losses incurred. Annual foreign exchange loss occurred, mainly due to significant TWD appreciation.

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 2025, 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.

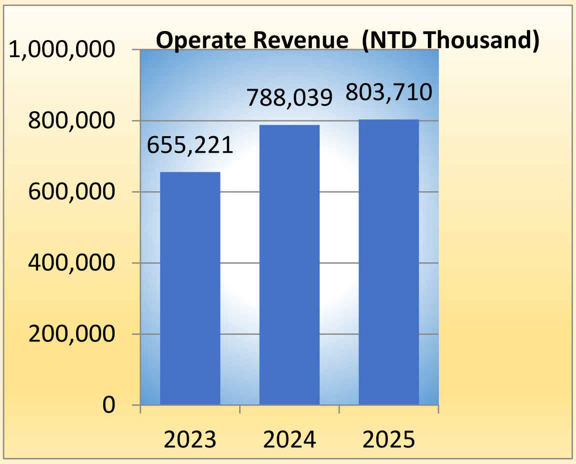
4.2 Operating Performance

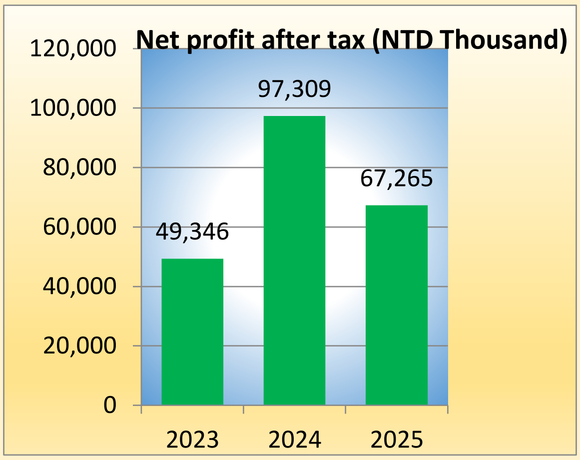
Over the past three years, our company has shown a steady growth trend in profitability. The following operational performance data includes financial information related to fabric sales, dyeing and finishing contract services, and the solar energy business. For further details, please refer to our consolidated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

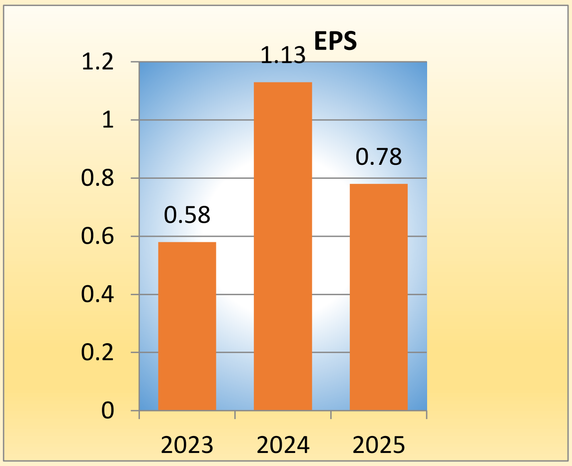
NTD Thousand

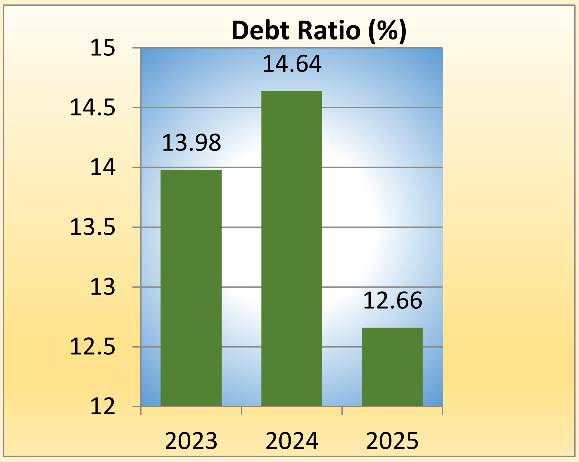
Year / Item	2023	2024	2025
Total assets	1,145,425	1,212,409	1,160,341
Total liabilities	160,105	177,463	146,852

Equity	985,320	1,034,946	1,013,489
Operate revenue	655,221	788,039	803,710
Net profit after tax	49,346	97,309	67,265
EPS	0.58	1.13	0.78
Debt Ratio (%)	13.98	14.64	12.66

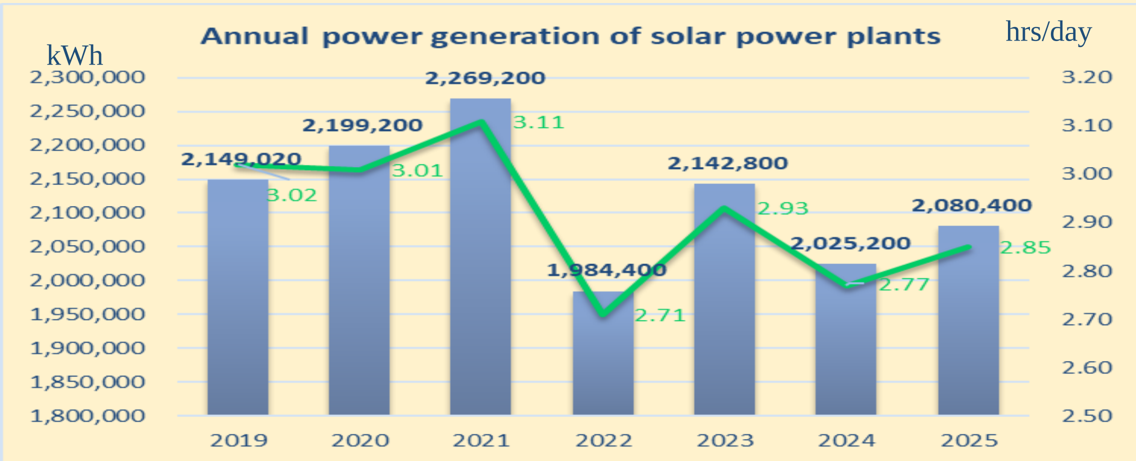








To respond to environmental protection and green energy policies, as well as to improve the efficiency of internal capital utilization, the company established a subsidiary—Tong Fa Green Energy Corp. in July 2017. Solar panel power generation equipment was installed on the rooftop of Taoyuan plant, and 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. Based on the grid emission factor (0.474 $kgCO_2e/kWh$), it is estimated that approximately 948 metric tons of CO_2e emissions can be reduced annually.

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	2023	2024	2025	Types of Stakeholders
Operate cost (Note)	480,272	540,619	566,310	Employees、Suppliers、Government
Operate expenses (Note)	93,421	108,808	107,191	Employees、Supplier、Customers、Government
Equipment and construction costs (including prepayments)	34,875	18,676	33,920	Supplier
Investment properties (including prepayments)	7,053	23,727	11	Supplier
Dividends paid for the year	38,595	49,745	86,625	Stockholders
Loan principal and interest repaid in the current year	900	5,948	5,828	Bank
Income tax and Fines paid for the Year	15,472	11,047	26,383	Government

Note: Excluding depreciation, inventory write-downs, etc.

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 2025 NTD Thousand

Item	Government agency	Amount of Government Support
Subsidies for Demonstration Projects of Energy Storage Systems and Power Trading	Tapyuan City Government	1,427.1
Subsidy under the Continued Employment Program	Ministry of Labor	864.0

for Senior Workers		
Job Training Subsidy under the Youth Employment Flagship Program	Ministry of Labor	10.0
Paternity Leave Subsidy	Ministry of Labor	8.1
Tax Deduction for Investment in Smart Machinery under the Industrial Innovation Act	Ministry of Economic Affairs	579.9
Subsidy for Participation in Domestic and International Textile Exhibitions	Ministry of Economic Affairs	198.0
Government Vehicle Replacement Subsidy for Scrapped Vehicles	Ministry of Finance	50.0
Commodity Tax Refund/Reduction for Purchasing Energy-Efficient Appliances	Ministry of Finance	2.0
	Total	3,139.1

※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 2025 amount to NTD 21,680Thousand(covering income, housing, land value, licenses, fuel,etc)。

NTD Thousand

Item	2025
Operate revenue	803,710
Pre-tax net profit (A)	82,661
Taxes(Housing, land value, licenses, fuel,etc)	3,281
Income tax expense (B)	15,396
Valid tax rate (B)/(A)	18.6%
Income tax paid (C)	21,680
Cash tax rate (C)/(A)	26.2%

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 GRS (Global Recycled Standard) certifications to ensure traceability or RCS (Recycled Claim Standard) 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 cost of this raw material.	Evertex maintains strong relationships with suppliers and implements bulk

			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.	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.
Recycled Nylon Yarn	Made by melting and regenerating discarded fishing nets, carpets, or industrial waste, with the primary aims of reducing marine debris, lowering carbon emissions, and promoting resource circularity.		
Dyestuff assister	The production process generates a large volume of polluted wastewate	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:

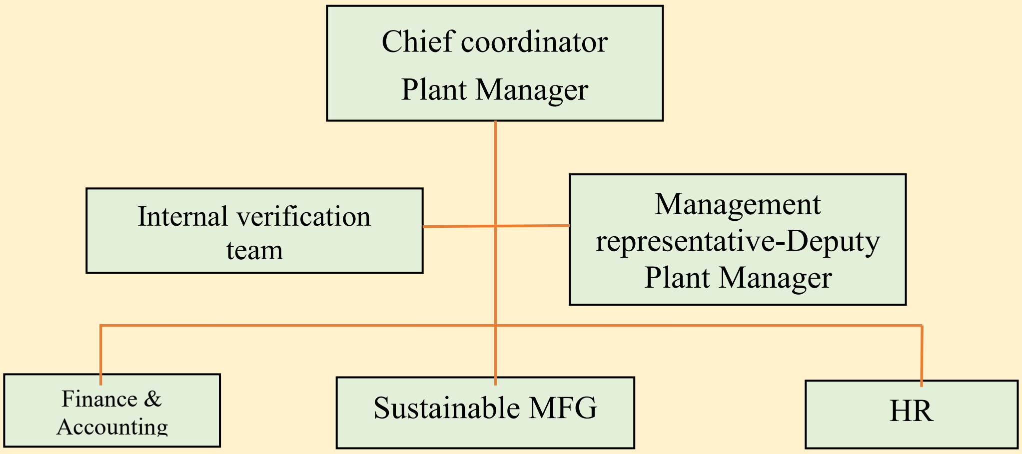
Raw materials name	Unit	Whether renewable	2023	2024	2025	Number of Certifications Obtained in the Most Recent Year
Polyester fibers	KG	Non-renewable	676,630	1,110,716	797,791	About 95% of products were certified under Oeko-Tex 100
Opelon	KG	Non-renewable	29,749	56,122	43,854	
Other fibers	KG	Non-renewable	5,382	11,029	6,261	
Recycle polyester	**KG**	**Renewable**	**168,916**	**326,044**	**366,779**	100% were certified under GRS
Recycled Nylon Yarn	**KG**	**Renewable**	**0**	**0**	**1,916**	
Wool blend	KG	Non-renewable	18,109	22,903	20,242	About 20% of products were certified under RWS
Dyestuff assister (A total of 325 were recorded in 2025)	KG	Non-renewable	1,013,197	1,129,177	1,109,485	About 95% received bluesign® approval, and 100% complied with ZDHC.
Total Procurement Volume	KG	--	1,911,983	2,655,972	2,346,328	
Percentage of Recycled Materials in Total Procurement	%	--	8.83%	12.28%	15.71%	
Total Products Sold	t	--	3,038	3,152	3,072	
Packaging recycling	t	--	22.81	24.37	24.69	

5.2 GHG Emissions Management

5.2.1 GHG Management System

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. The scope of greenhouse gas inventory covered the Company's Taoyuan plant prior to 2024, and was expanded in 2025 to include the parent and subsidiary companies within the consolidated financial statements. The assurance scope, however, remains limited to the Company's Taoyuan plant.

Recent GHG emissions data have been categorized by different scopes as follows:

GHG Emissions Information		Unit	2023	2024	2025	Assurance situation in 2024
Taoyuan Plant	Scope 1	tCO_2e	9,785.03	9,257.16	8,871.07	The standard for the assurance: ISO 14604-3：2019、GHG Verify Guidelines (2024.6), Measures for the Management of GHG Emissions Inventory and Registration (2025.12.19), 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
	Scope 2		3,008.71	3,961.12	3,943.87	
	Total		13,793.74	13,218.28	12,814.95	
Operate Revenue		thousand	655,221	788,039	803,710	
OEM dyeing and finishing quantit		t	3,410	3,702	3,690	
GHG Emissions Intensity（Operate Revenue）		tCO_2e/thousand	0.021	0.017	0.016	
GHG Emissions Intensity		tCO_2e/t	4.045	3.570	3.473	

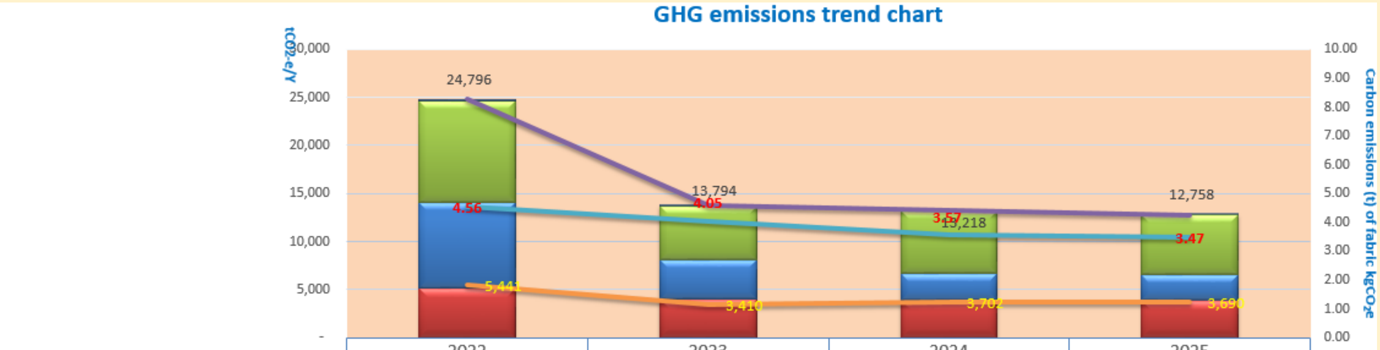
(OEM dyeing and finishing quantit)					reporting specified in the agreed inspection criteria, and GHG data and related information are fair in manner.

Note 1: Scope 3 GHG emissions have not yet been accounted for.

Note 2: In 2025, the greenhouse gas emissions that were only checked but not verified were 37.96 tCO2e, including the company's Taipei branch office, investment properties, and subsidiary TungFa Green Energy, which did not reach 1% of the total emissions.

The Company has been progressively upgrading its boiler equipment since 2021, transitioning its heat energy source from coal to natural gas. As this represents a substantial change in the energy structure, 2022 has been selected as the base year for GHG inventory to ensure consistency and comparability in emissions accounting and subsequent reduction performance.

The GHG inventoried in 2025 follow the ISO 14064-1 international standard and include the seven defined types: CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3. The inventory also considers the specific activities, products, and services of each facility.



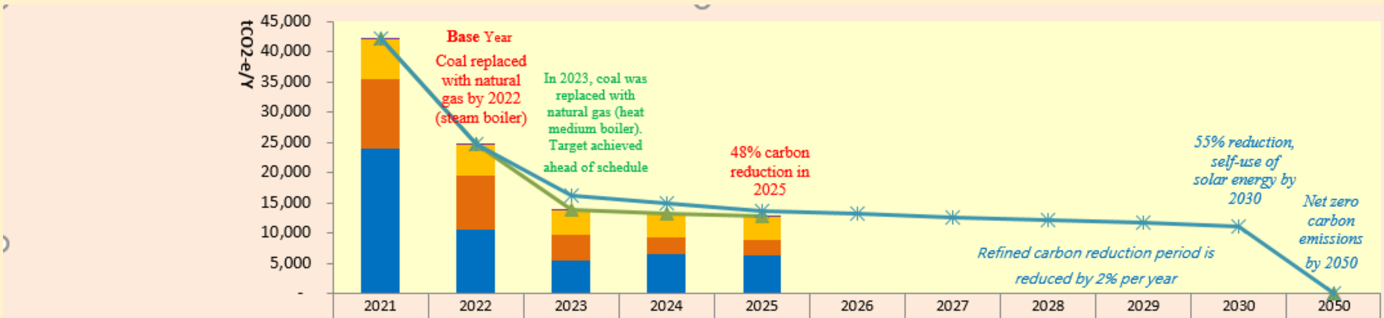
	2022	2023	2024	2025
Others(tCO2e)	203	153	62	57
Steam(tCO2e)	10,515	5,504	6,495	6,197
Heat Media(tCO2e)	8,927	4,128	2,700	2,617
Electricity(tCO2e)	5,151	4,009	3,961	3,944
Total(tCO2e)	24,796	13,794	13,218	12,758
OEM dyeing and finishing quantity(t)	5,441	3,410	3,702	3,690
Unit carbon emissions(kgCO2e/kg)	4.56	4.05	3.57	3.47

5.2.2 Carbon Reduction Roadmap

To reduce GHG emissions, the company has implemented a series of reduction measures aimed at lowering energy consumption, improving energy efficiency:

1. Adoption of low-carbon fuel (natural gas): The Company is actively advancing its energy transition by gradually replacing high-carbon coal with natural gas. In 2022, a once-through natural gas-fired steam boiler was commissioned to replace the original coal-fired chain-grate boiler, reducing approximately 9,970 metric tons of CO_2 emissions annually. In addition, the thermal oil boiler was converted to natural gas in 2023, further reducing emissions by approximately 6,295 metric tons of CO_2 per year, significantly lowering overall carbon intensity.
2. Ongoing replacement and upgrading of energy-efficient equipment: With equipment upgrades as a core strategy, the Company systematically enhances energy efficiency. Since

2015, T5 lighting has been progressively replaced and variable frequency drives (VFDs) have been installed on machinery. In 2017, high liquor ratio dyeing machines were upgraded to optimize processes. In 2019, energy-efficient chillers were introduced along with improved space configuration. From 2020 to 2022, conventional blowers were fully replaced with air suspension systems, effectively reducing electricity consumption. In parallel with the low-carbon transformation of the boiler system, overall energy-saving performance continues to be strengthened.



	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2050
Others	203	203	153	62	57						
Electricity	6,420	5,151	4,009	3,961	3,944						0
Heat Media	11,576	8,927	4,128	2,700	2,617						0
Steam	23,949	10,515	5,504	6,495	6,197						0
GHG emissions	42,148	24,796	13,794	13,218	12,815						0
Estimated carbon reduction pathways	42,148	24,796	16,117	14,878	13,638	13,142	12,646	12,150	11,654	11,183	0

5.3 Energy Management

5.3.1 Types of Energy Used

Types of Energy Used by the Taoyuan plant of company:

1. **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.
2. **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.
3. **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	2023	2024	2025
Coal	t	1,220.110	1.5	0
	GJ	31052.13	38.18	0

Nature gas	m^3	3,427,276	4,416,663	4,2266,461
	GJ	114,769.88	147,901.68	142,717.68
Electricity	kWh	8,114,800	8,356,800	8,320,400
	GJ	29,213.28	30,084.48	29,953.44
Total Energy Consumption	GJ	175,035.29	178,024.33	172,671.12
Organization-Specific Metrics （Operate Revenue）	thousand	655,221	788,039	803,710
Organization-Specific Metrics （OEM dyeing and finishing quantit）	t	3,410	3,702	3,690
Energy Intensity	GJ/ thousand	0.2671	0.2259	0.2148
Energy Intensity	GJ/t	51.3300	48.0887	46.7943

(The conversion factors are based on the latest greenhouse gas emission factors announced by the Ministry of Environment (February 5, 2024), and are used to calculate the calorific values of fuels. Natural gas at 8,067 kcal/m³, electricity with a conversion heat value of 1 kWh = 0.0036 GJ)

5.3.2 Energy Conservation Policy

In compliance with government energy management and energy conservation policies, the Company has continuously implemented energy-saving improvement programs and performance tracking since 2015. Through systematic management and technological optimization, the Company has progressively enhanced energy efficiency and reduced energy consumption per unit of output.

In recent years, the Company's energy consumption structure has undergone a significant transformation, with coal usage reduced to zero in 2025, demonstrating tangible progress in energy transition. Meanwhile, overall energy intensity (GJ/NT$1,000) decreased from 0.2671 in 2023 to 0.2148 in 2025, reflecting continuous improvement.

Key energy-saving measures are as follows:

1. Adoption of high-efficiency energy-saving equipment: The Company continues to phase out aging equipment and introduce high-efficiency, energy-saving alternatives, such as low liquor ratio dyeing machines, warp knitting machines, and warping machines. Variable frequency drives (VFDs) and smart meters have been widely installed. In addition, an energy storage system has been introduced to optimize electricity dispatching, reduce peak demand costs, improve power supply stability, lower equipment failure risks, and enhance overall energy efficiency.
2. Establishment of an Energy Management System (EMS): An "Energy Management Procedure" has been implemented alongside an EMS to enable real-time monitoring of energy consumption. This system effectively identifies high-energy-consuming equipment and abnormal conditions, reducing energy waste and improving management efficiency.
3. Promotion of renewable energy adoption: A 1,998.3 kW rooftop solar photovoltaic system

has been installed at the Taoyuan plant, generating approximately 2 million kWh annually. This provides a stable source of green electricity, reduces carbon emissions, and strengthens the Company's low-carbon operations foundation.

4. Boiler system energy recovery: Waste heat recovery systems have been installed on thermal oil boilers to capture high-temperature exhaust gases for preheating purposes, thereby reducing energy consumption. Combined with the transition from coal to natural gas, this significantly lowers overall carbon emissions.
5. Water Supply System Optimization: During the dyeing process, the water filling time for dyeing machines was excessively long, and the water temperature remained at ambient levels (20–30°C), resulting in low operational efficiency. High-efficiency motors have now been installed along with pressurized pumps, reducing the water intake time of dyeing machines by 40%. In addition, a heat exchanger has been installed on the steam boiler, which is expected to increase the water temperature to 40°C. This not only accelerates the bleaching and dyeing process but also reduces natural gas consumption.
6. Preventive maintenance management: Regular equipment maintenance is conducted to prevent efficiency degradation (e.g., bearing lubrication issues or system blockages) that could lead to additional energy consumption, ensuring optimal operating performance.
7. Strengthening of electricity monitoring and analysis: Electricity meters have been installed on major production equipment, covering approximately 65% of total electricity usage. This coverage will be increased to over 80% in the future, enabling detailed analysis and targeted improvement of high-energy-consuming equipment to achieve precise energy management.
8. Enhancement of employee energy conservation awareness: Regular training and awareness programs on energy conservation are conducted to improve employees' understanding of energy management and encourage participation in energy-saving initiatives, fostering a corporate culture of energy efficiency.

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

5.4.1 Water Resource Utilization

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 26% water reuse rate in 2025, 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	2023	2024	2025
Water withdrawal	m^3	537,382	664,534	635,593
Water discharge	m^3	Not counted	Not counted	589,264
Water consumption	m^3	Not counted	Not counted	46,329
Recycled water used within the plant	m^3	251,720	273,532	222,543
Ratio of Water Recycled and Reused	%	31.90%	29.16%	25.93%
Organization-Specific Metrics （Operate Revenue）	thousand	655,221	788,039	803,710
Organization-Specific Metrics （OEM dyeing and finishing quantit）	t	3,410	3,702	3,690
Using water density	m^3/thousand	0.82	0.84	0.79
Using water density	m^3/t	157.59	179.51	172.25

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

Water discharge = The total volume of water released into the environment under specific conditions, including wastewater generated from production processes.

Water consumption = water withdrawal − water discharge.

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%

The Company primarily uses groundwater for its dyeing and finishing processes. In compliance with the Water Act, a groundwater management system has been established, including flow meter installation, regular reporting of water usage, and proper well maintenance.

Tap water is mainly used for domestic purposes, with relatively low and stable consumption in recent years. As water tariffs in Taiwan have remained low and may be adjusted in the future, the Company will continue to conserve water resources and prioritize the use of groundwater and other renewable water sources.

5.4.2 Water Reduction Management Policy

Evertex is committed to improving water use efficiency by optimizing processes, upgrading equipment, and promoting water recycling and reuse, thereby continuously reducing water consumption. A water monitoring and management system has been established to regularly review water usage performance and implement water-saving targets, with the aim of achieving sustainable resource utilization and environmental protection. Therefore, the following environmental protection measures are adopted:

1. 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.
2. 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.
3. 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 introduced natural gas-fired boilers to reduce air pollution and optimize its energy structure. In March 2024, the use of coal as a fuel source was completely discontinued; therefore, there are no longer any sulfur oxides (SOx) emissions.

Item	Unit	2023	2024	2025
Volatile Organic Compounds (VOCs)	Kg	2,087.76	2,291.92	2,147.41
Total Suspended Particulates (TSP)	Kg	711.83	211.20	198.43
Sulfur Oxides (SOx)	Kg	2,647.14	2.68	0
Nitrogen Oxides (NOx)	Kg	5,950.14	6,613.20	6,770.80

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	2023	2024	2025
Dissolved Solids (SS)	mg/L	≤ 50	10.7	17.6	14.4
Chemical oxygen demand (COD)	mg/L	≤ 150	69.8	69.9	71.9
Biochemical oxygen demand (BOD)	mg/L	≤ 30	18.5	19.1	18.4

As shown in the table above, the wastewater discharge quality of the Company's Taoyuan plant consistently outperforms the ZDHC standards (SS ≤ 50 mg/L, COD ≤ 150 mg/L, BOD ≤ 30 mg/L). Monitoring results over the past three years indicate that all parameters have been stably maintained below the standard limits. In 2025, SS was 14.4 mg/L, COD was 71.9 mg/L, and BOD was 18.4 mg/L, demonstrating that the wastewater treatment system operates reliably with strong treatment performance. Through systematic management and technological optimization, the Company effectively reduces the impact of its operations on the water environment. Key measures are as follows:

1. Wastewater treatment and system optimization: Comprehensive wastewater treatment facilities are in place, with operations and management entrusted to professional service providers to ensure stable performance. Effluent quality consistently meets and exceeds regulatory and ZDHC standards. A real-time water quality monitoring system has also been established to track fluctuations in pollutant concentrations. In addition, wastewater pipeline renovation was completed in 2023 to further improve conveyance efficiency and overall system stability.
2. Sludge reduction and resource management: High-efficiency filter press dewatering equipment is used to reduce sludge moisture content to 50%, effectively decreasing sludge weight by approximately 60%. The sedimentation tank for the steam boiler system has been modified by introducing a softening tank to pre-filter well water, followed by backwash cleaning, thereby reducing sludge accumulation.
3. Adoption of low environmental impact materials: Priority is given to dyes and auxiliaries certified by international standards (e.g., bluesign® and ZDHC). These materials offer better biodegradability and lower toxicity, effectively reducing pollutant concentrations in wastewater, easing the load on downstream treatment systems, and enabling pollution prevention at the source.
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 2025, amounting to 1,036.9 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
Waste fabric	Non-Hazardous	8.44	Stored in temporary storage area.	114.52	Recycled products

General waste (employee household waste)	Non-Hazardous	0	Stored in temporary storage area.	44.85	Incineration(without energy recovery)
Plastic waste (PE)	Non-Hazardous	2.58	Stored in temporary storage area.	24.69	Sold after Vendor Recycling
Plastic waste (container)	Non-Hazardous	1.97	Stored in temporary storage area.	8.99	Sold after Vendor Recycling
Sludge	Non-Hazardous	12.79	Stored in temporary storage area.	741.60	Recycled products
Coal combustion fly ash	Non-Hazardous	0	Stored in temporary storage area.	0	Recycled products
Coal combustion bottom ash	Non-Hazardous	0	Stored in temporary storage area.	14.63	Recycled products
Waste paper	Non-Hazardous	4.67	Stored in temporary storage area.	26.98	Sold after Vendor Recycling
Scrap metal	Non-Hazardous	0	Stored in temporary storage area.	30.22	Sold after Vendor Recycling

Evertex is committed to reducing waste generation through source reduction, recycling, and reuse measures to enhance resource efficiency. In compliance with applicable regulations, waste is properly classified, stored, and treated. A management and monitoring system has been established to regularly review performance, in order to minimize environmental impact and promote sustainable development. The following are the main management contents::

1. Waste Sorting: Each type of waste differs in its characteristics, treatment methods, and resource value. The plant has established dedicated sorting areas for different waste streams, including fabric waste, paper, metal, plastic, and sludge, ensuring proper segregation as the first step toward effective resource circularity.
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. 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.

Using 2022 as the baseline (1,281 tons), the Company aims to reduce waste by 37.5% and keep total waste below 800 metric tons by 2030. In 2025, an 19% reduction has been achieved, reaching 51% of the target.

5.6 Climate-Related Issues Management

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". We report annually to the Audit Committee & Board of Directors on the measures taken in response to climate-related issues. The scope of the reporting is consistent with the scope of the consolidated financial statements.

Management Responsibility: The GM's 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 August 20, 2025, the Company welcomed a delegation from the Malaysian Knitting Manufacturers Association for a visit and exchange. During the visit, the Company shared its experience and achievements in energy conservation, carbon reduction, and environmental sustainability. The guests gained a deeper understanding of Evertex's concrete actions toward achieving net-zero carbon emissions, and both parties engaged in in-depth discussions and exchanges on energy-saving technologies and practical implementation.

"Environmental sustainability" has long been one of the Company's core management principles. Over the years, the Company has continuously invested financial and human resources and achieved significant results. Through this exchange, both parties from different cultural backgrounds gained further insights into industry development trends, AI-driven smart manufacturing, and sustainability issues, thereby contributing to the shared prosperity of the textile industry.

5.6.2 Strategy

Climate Risks and Opportunities: Based on the developed list of identified issues, the Company assesses significant risks and opportunities, and—aligned with its internal goal management timeline—defines climate-related risks and opportunities across the short term (within three years), medium term (three to ten years), and long term (over ten years).

Risk / Opportunity	Risk/Opportunity Description	Potential Time Scope of Impact		
		Short-term	Medium-term	Long-term
Physical risk	Rise in average temperatures: Electricity demand may surge during summer, potentially leading to power shortages and rising electricity costs.	●	●	●
	Eextreme weather: Reduced water supply for dyeing and finishing processes may result in decreased production, or disruptions caused by typhoons/flooding.		●	●
Transformation risk	Carbon fee and Laws: Increased enforcement of climate-related policies and regulations by authorities; currently, entities with annual emissions exceeding 25,000 tons are required to pay a carbon fee (NTD 300 per ton).		●	●
	Customer behavior change: Brand customers require the use of sustainable and environmentally friendly materials, and production/warehousing processes must comply with the Global Recycled Standard (GRS).	●	●	●
	Rising costs of raw materials and natural gas: 1. Climate change may cause supply–demand imbalances, leading to rising prices. 2. Natural gas, as a lower-carbon alternative energy source, is experiencing surging global demand, resulting in price increases.	●	●	●
	Research and develop new production technologies: The adoption of new technologies and equipment may also lead to higher initial costs.	●	●	●
Opportunity	Development of moisture-wicking fabric: Rising temperatures increase market demand for moisture-wicking textiles.	●	●	●
	Develop low-carbon fabrics: Rising temperatures increase market demand for moisture-wicking textiles.	●	●	●
	Improve energy efficiency: Adoption of more efficient production equipment can reduce energy and resource consumption during manufacturing, thereby lowering operating costs and greenhouse gas emissions.	●	●	
	Participate in renewable energy resources: Utilization of solar power generation.	●	●	●

Impact on the Company's Business Model and Value Chain, both now and in the future.

<table>
<tr><th rowspan="2">Risk/Opportunity Category</th><th rowspan="2">Risk/Opportunity Description</th><th colspan="2">Impact on business model</th><th colspan="2">Impact on value chain</th></tr>
<tr><th>Current situation</th><th>Expected impact</th><th>Current situation</th><th>Expected impact</th></tr>
<tr><td rowspan="2">Physical risk</td><td>Rise in average temperatures</td><td>Peak electricity demand during summer leads to continual increases in electricity tariffs, resulting in higher power costs.</td><td>Peak electricity demand during summer leads to continual increases in electricity tariffs, resulting in higher power costs.</td><td>Peak electricity demand during summer leads to continual increases in electricity tariffs, resulting in higher power costs.</td><td>Peak electricity demand during summer leads to continual increases in electricity tariffs, resulting in higher power costs.</td></tr>
<tr><td>Eextreme weather</td><td>No impact at present.</td><td>Water scarcity may lead to insufficient water supply for production processes, resulting in reduced output.</td><td>No impact at present.</td><td>Upstream raw material suppliers may experience production disruptions of certain materials due to water shortages.</td></tr>
<tr><td rowspan="4">Transformation risk</td><td>Carbon fee and Laws</td><td>No impact at present.</td><td>The imposition of carbon border taxes will further increase operating costs.</td><td colspan="2">Upstream raw material suppliers may pass on the costs of carbon fees, leading to higher production costs and consequently affecting product pricing.</td></tr>
<tr><td>Customer behavior change</td><td>In response to brand customers' requirements and compliance with relevant standards in production and warehousing, the frequency and scope of factory audits have increased.</td><td>Brand customers require products to achieve more than an 80% reduction in carbon emissions.</td><td>Upstream raw material suppliers are required to adopt sustainable materials such as recycled fibers, which are typically more expensive and have more limited availability.</td><td>Downstream customers can obtain lower-carbon fabrics, thereby reducing the carbon footprint of end products.</td></tr>
<tr><td>Rising costs of raw materials and natural gas</td><td colspan="2">Operating costs may increase and could rise significantly due to geopolitical factors.</td><td colspan="2">Upstream raw material suppliers may pass on increased petrochemical costs, thereby affecting product pricing.</td></tr>
<tr><td>Research and develop new production technologies</td><td>The introduction of new production equipment will increase operating costs in the short term.</td><td>Optimizing existing product processes may reduce product competitiveness if the pace of transformation lags behind industry peers.</td><td>No impact at present.</td><td>To promote new production technologies, it is necessary to reassess upstream suppliers.</td></tr>
<tr><td rowspan="4">Opportunity</td><td>Development of moisture-wicking fabric</td><td>Evaluate moisture-wicking technologies and plan pilot production.</td><td>Evaluate moisture-wicking technologies and plan pilot production.</td><td>Evaluate moisture-wicking technologies and plan pilot production.</td><td>Evaluate moisture-wicking technologies and plan pilot production.</td></tr>
<tr><td>Develop low-carbon fabrics</td><td>Evaluate low-carbon technologies and plan pilot production.</td><td>Evaluate low-carbon technologies and plan pilot production.</td><td>Evaluate low-carbon technologies and plan pilot production.</td><td rowspan="3">Downstream customers can obtain lower-carbon fabrics, thereby reducing the carbon footprint of end products.</td></tr>
<tr><td>Improve energy efficiency</td><td>Introduce low-carbon production equipment and optimize processes for energy efficiency to reduce energy consumption.</td><td>Effectively reduce the carbon footprint of products and increase market share in the low-carbon product segment.</td><td>No impact at present.</td></tr>
<tr><td>Participate in renewable energy resources</td><td>No impact at present.</td><td>When electricity costs rise significantly, consider adopting solar power generation for self-consumption.</td><td>No impact at present.</td></tr>
</table>

Information on the impact of climate-related risks and opportunities on individual strategies and decisions:

Risk/Opportunity Category	Risk/Opportunity Description	Impact on business model	
		Current situation	Expected impact
Physical risk	Rise in average temperatures	Introduce energy storage systems to optimize electricity allocation and install smart meters for energy monitoring.	Evaluate the cost-saving effectiveness of the current energy storage system and consider large-scale implementation if justified.
	Eextreme weather	Optimize dyeing machines, production processes, and chemical auxiliaries, and improve water recycling efficiency.	Improve water recycling rates to reduce the risk of operational disruption caused by water shortages.
Transformation risk	Carbon fee and Laws	Establish a greenhouse gas inventory and management system to enable more efficient management and real-time data monitoring.	Assess and conduct simulations on the impact of carbon border taxes on major export products in order to address carbon cost implications.
	Customer behavior change	Comply with customer requirements and undergo third-party factory audits, including GRS, RWS, Higg FEM/FSLM, and other certifications.	Accelerate the replacement of aging, high-energy-consuming equipment in response to low-carbon production requirements.
	Rising costs of raw materials and natural gas	Monitor price fluctuations of yarns and dyeing/finishing chemicals, and increase procurement in advance when significant price hikes are anticipated.	Consider passing part of the costs on to customers, and explore alternative energy sources such as boiler electrification, biomass energy, and solar power to reduce reliance on natural gas.
	Research and develop new production technologies	Reduce rework to avoid energy waste.	Introduce smart dyeing and finishing technologies and equipment to optimize production processes and improve efficiency.
Opportunity	Development of moisture-wicking fabric	Reuse waste heat from boilers for energy recovery.	Continue investment in raw materials, equipment, technologies, and professional personnel required for moisture-wicking fabric production.
	Develop low-carbon fabrics	Introduce automatic fabric inspection machines to reduce labor requirements.	Continue investment in raw materials, equipment, technologies, and professional personnel required for innovative low-carbon fabric production.
	Improve energy efficiency	The R&D department, in coordination with the production department, conducts technical development discussions on moisture-wicking fabrics and reviews resource requirements and production bottlenecks across all processes.	Implement artificial intelligence (AI) for equipment monitoring and production process optimization to reduce energy consumption.
	Participate in renewable energy resources	The R&D department, in coordination with the production department, conducts technical development discussions on innovative low-carbon fabrics and reviews resource requirements and production bottlenecks across all processes.	Install additional solar panels to expand electricity generation capacity.

The expected impact of climate-related risks and opportunities on short- and medium-term financial condition, financial performance, and cash flows:

Risk/Opportunity Category	Risk/Opportunity Description	Financial impact during the reporting period	Expected financial impact
Physical risk	Rise in average temperatures	Considering the rising trend of electricity costs, the Company has introduced an energy storage system to optimize electricity allocation, resulting in an increase in capital expenditure of approximately NTD 11 million, it was accepted in 2026.	If the cost-saving effectiveness of the energy storage system proves significant, the Company will consider installing two additional units, resulting in an estimated capital expenditure increase of approximately NTD 20 million.
	Eextreme weather	Water used in dyeing and finishing processes is primarily sourced from groundwater, and therefore has no direct impact during the reporting period.	In the medium to long term, the Company plans to improve water recycling rates. However, further planning is required, and due to limited availability and reliability of relevant data, the impact cannot currently be quantified.
Transformation risk	Carbon fee and Laws	Completion of annual greenhouse gas third-party verification resulted in an increase in operating costs of approximately NTD 120,000, leading to cash outflow and accounting for about 0.02% of total annual operating costs.	Carbon border taxes are expected to potentially affect major export products. The Company plans to engage external professional consultants to assist in estimation, which is expected to incur related operating expenses. However, due to limited availability and reliability of relevant data, the impact cannot currently be quantified.
	Customer behavior change	Annual third-party factory audit costs amounted to approximately NTD 350,000, accounting for about 0.06% of total annual operating costs.	Based on the equipment replacement plan, the Company intends to adopt smart equipment on a large scale in the future. However, due to limited availability and reliability of relevant data, the impact cannot currently be quantified.
	Rising costs of raw materials and natural gas	The average cost of natural gas in 2025 was NTD 15.15/m³, representing an increase of 4.34% compared to 2024 (NTD 14.52/m³).	The technologies related to alternative energy sources are not yet mature; therefore, no meaningful comparison can currently be made, and the impact cannot be quantified.
	Research and develop new production technologies	An automatic fabric inspection machine has been introduced, increasing capital expenditure by approximately NTD 4 million. However, as it is still in the testing phase, there is no material financial impact for the current period.	The development progress and related expenditures of new smart dyeing technologies/equipment involve high uncertainty; therefore, the impact cannot be reliably quantified.
Opportunity	Development of moisture-wicking fabric	The Company is currently in the new product development stage, resulting in research and development expenses of approximately NTD 350,000, leading to cash outflow and accounting for about 0.06% of total annual operating costs. The Company has implemented a replacement program for dyeing machines. Two new dyeing machines cost approximately NTD 6.34 million, with depreciation expense in 2025 of approximately NTD 410,000, accounting for about 0.67% of total annual operating costs.	Continued investment in raw materials, equipment, and technologies for moisture-wicking and innovative low-carbon fabric development is expected to affect future operating costs and capital expenditures. However, due to high uncertainty in development progress and related expenditures, the impact cannot be reliably quantified. In the medium to long term, the Company plans to introduce artificial intelligence (AI) for equipment monitoring and production process optimization. However, due to the long implementation timeline and high uncertainty in related costs, the impact cannot be reliably quantified.
	Develop low-carbon fabrics		
	Improve energy efficiency	For the financial performance of the subsidiary Tongfa Green Energy, please refer to page 103 of the annual report for the respective year.	Tongfa Green Energy currently has a solar power generation capacity of 1,998.3 kW, with potential expansion of approximately 500 kW. The additional power generation equipment is estimated to cost approximately NTD 22 million, with annual depreciation increasing by about NTD 1.1 million.
	Participate in renewable energy resources	Considering the rising trend of electricity costs, the Company has introduced an energy storage system to optimize electricity allocation, resulting in an increase in capital expenditure of approximately NTD 8.7 million, with acceptance expected in 2026.	If the cost-saving effectiveness of the energy storage system proves significant, the Company will consider installing two additional units, resulting in an estimated capital expenditure increase of approximately NTD 18 million.

Climate Resilience: Climate-Related Scenario Analysis and Assessment (Timeframe: 2027-2050; Analysis Scope: Main Operating Locations – Northern Taiwan)

Risk Category	Risk/Opportunity Description	Selection Scenario & Key Assumptions	Impact Assessment	Resilience Capability
Physical risk	Rise in average temperatures	Based on TCCIP climate scenario information, simulate changes in temperature and consecutive non-rainfall days under different scenarios to assess potential water scarcity conditions. IPCC low-emissions scenario (SSP1-2.6) IPCC very high-emissions scenario (SSP5-8.5)	Based on scenario analysis results, under the SSP1-2.6 and SSP5-8.5 scenarios, the average temperature in 2030 is projected to increase by 1.5°C~2.5°C and 2.5°C~3.5°C respectively, while water scarcity is expected to increase by 15% and 30% respectively.	Install relevant pollution control equipment for each emission source and introduce new boiler systems.
	Eextreme weather			Improve water recycling rate to mitigate the impact of water shortages and enhance resilience against water scarcity.
Transformation risk	Carbon fee and Laws	1. Under the IEA Net Zero Emissions by 2050 Scenario (NZE) scenario, assess changes in renewable energy electricity costs up to 2030. 2. In response to customer and policy requirements, evaluate the impact of large-scale adoption of renewable energy, taking into account demand for petrochemical-based raw materials and the Company's own renewable energy initiatives.	In response to customer and regulatory low-carbon requirements, the Company assesses whether a high proportion of renewable energy usage would have a material impact on operations. Based on the analysis, the impact of renewable energy is mainly concentrated in the medium term. As the unit cost of energy gradually decreases, the impact is expected to diminish over time. However, there is also a potential risk that insufficient market supply of renewable energy could lead to procurement constraints.	Plan to enter into contracts with multiple renewable energy providers to ensure the Company's demand for renewable electricity can be met.
	Customer behavior change			
	Rising costs of raw materials and natural gas			
	Research and develop new production technologies	1. Under the NZE scenario, assess the development of new technologies up to 2030. 2. Evaluate the impacts and benefits of adopting low-carbon raw materials.	Based on scenario analysis results, in the short term, demand growth for products made with recyclable materials is relatively limited; however, by 2030, such demand is expected to increase significantly.	The Company has continuously implemented a low-carbon raw material substitution program for innovative low-carbon fabrics and is collaborating with suitable suppliers for joint development.

The Company currently maintains stable profitability, with the ratio of operating cash flow to current liabilities consistently exceeding 150%, and a debt-to-asset ratio below 20%. This indicates a sound financial structure and strong liquidity management capability.

Under climate change scenario analysis (such as SSP1-2.6 and SSP5-8.5), although the Company may face risks including increased operating costs due to extreme weather events, instability in water resource availability, and volatility in energy prices, it retains sufficient financial flexibility to support necessary adaptation measures. These include investments in energy-efficient equipment and process optimization.

In summary, supported by a solid financial foundation and the continuous implementation of climate-related risk and opportunity management strategies, the Company is assessed to have the capability to adjust its operating model and enhance climate resilience over the short, medium, and long term.

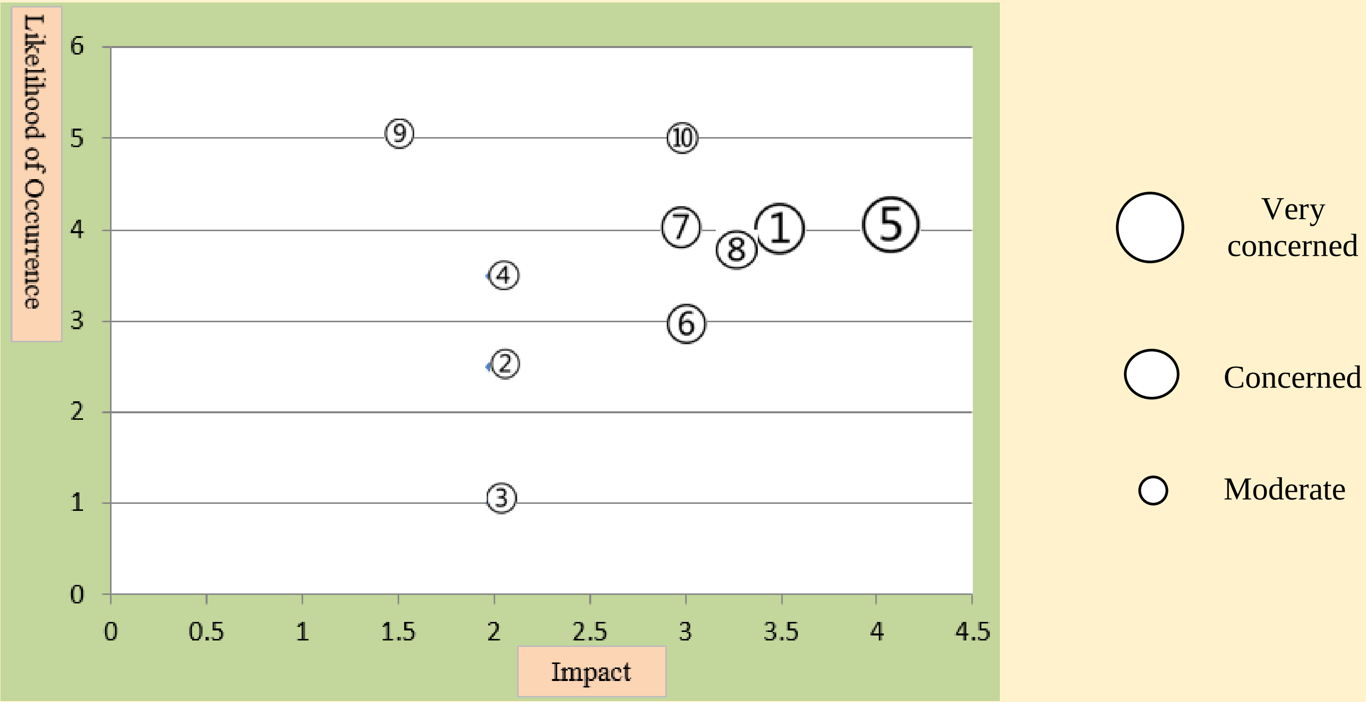
5.6.3 Climate Risk Management

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, "Rise in average temperatures" and "Rising costs of raw materials and natural gas" were identified as the most critical topics requiring close attention.



Physical risk	Transformation risk	Opportunity
①Rise in average temperatures	③Carbon fee and Laws	⑦Development of moisture-wicking fabric
②Eextreme weather	④Customer behavior change	⑧Develop low-carbon fabrics
	⑤Rising costs of raw materials and natural gas	⑨Improve energy efficiency
	⑥Research and develop new production technologies	⑩Participate in renewable energy resources

For relevant risk management processes and climate-related issues of high concern, please refer to section Management. (Page 34~35).

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(2025)
Oal-Fired Boiler -depreciation	-	-
Natural gas boiler-depreciation	-	1,900
Fuel cost - coal	32,076	-
Fuel cost - natural gas	-	64,028
Carbon Fee & Air Pollution Fee	5,644	-
Total Cost	37,720	65,928

The Company adopts an implicit carbon cost approach for internal carbon pricing, whereby the price is estimated based on the marginal abatement cost of various emission reduction measures. The highest marginal cost required to achieve the carbon reduction target is used as the basis for setting the internal carbon price, in order to reflect the actual cost of emission reduction efforts and support investment decision-making.

Implicit Carbon Price,(ICP)= Cost Increase Due to Carbon Reduction ／Reduced CO_2e Emissions

Using 2021 greenhouse gas (GHG) emissions of 42,148 tCO_2e, the verified GHG emissions in 2025 were 12,815 tCO_2e. With the transition from coal-based production to low-carbon production, as shown in the table above, the cost increased by approximately NTD 28,208 thousand, resulting in an additional cost of NTD 962 per ton of CO_2 reduction. In addition, the cost of natural gas may rise. The Company has set an internal carbon price of up to 1,500 per metric 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

Climate-related metrics:

For greenhouse gas emissions, please refer to Section 5.2 “GHG Emissions Management.”

Climate-related transition risks:

In response to brand customers’ requirements for the entire supply chain to use sustainable and environmentally friendly materials in production processes, material usage must comply not only with the verification of raw material sourcing and recycling, but also with the requirements of the Global Recycled Standard (GRS) throughout production, warehousing, and processing stages. In 2025, revenue from products compliant with GRS accounted for approximately 1% of the Company’s total revenue, while products containing recycled yarn accounted for approximately 31% of total revenue.

Climate-related physical risks:

The Company’s Taoyuan production facility is located near the Nankan River. Therefore, a key physical risk is extreme weather events, such as heavy rainfall, which may cause the river to overflow and result in flooding of the plant, affecting equipment operations and causing production disruptions. The Company will adopt the following measures in response: installation of flood prevention facilities and enhancement of drainage systems; establishment of meteorological and water level monitoring mechanisms; and development of emergency response plans and business continuity plans.

Climate-related opportunities:

To support the development of low-carbon products, the Company plans for its sales units to provide yarn composition and weight specifications, while production units will determine processing stages, dyeing auxiliaries formulations and ratios, and dyeing machine bath ratios. Carbon emission factors will be based on credible official data. Together, these inputs will be used to prepare a “Product Carbon Emissions Analysis Table,” where quantified information can enhance carbon footprint transparency and ensure traceability.

Capital allocation:

The Company’s capital expenditures allocated to climate-related risks and opportunities primarily involve process energy efficiency improvements, carbon reduction initiatives, and low-carbon transition efforts. Further details are provided below and will be continuously updated in the future.

Major Capital Allocation Projects	Quantity	Amount (thousands)	Current Progress
Dyeing Machine (HEJP-4-600KG)	2	6,343	Acceptance in August 2025
Warping Machine (including creel tensioner)	1	1,780	Acceptance in September 2025
Warp Knitting Machine (three-bar type)	2	15,152	Acceptance in February 2026
Energy Storage System	1	10,978	Acceptance in May 2026
Washing and Relaxation Shrinking Machine	1	6,799	Expected acceptance in June 2026
Direct-Fired Stenter Machine	1	20,000	In progress
Wastewater Cooling Tower Replacement Project	1	2,458	Planning

Remuneration

The Company currently incorporates climate-related performance into the performance evaluation and remuneration system of senior management (Vice President level and above), in order to strengthen the implementation of climate governance and carbon reduction targets.

Long-term: Planning to achieve net-zero emissions by 2050.

Short-term: Supervising the replacement of outdated equipment and the implementation and improvement of energy-saving measures.

Industry basic indicators:

The Company operates in the midstream textile industry and is subject to all disclosure topics and related industry-based metrics under the IFRS S2 Industry-Based Guidance for “Apparel, Accessories and Footwear.”Among these, the key climate-related areas—namely raw material procurement and chemical management—are disclosed in Section 5.1 Raw Material Management (page 40~41). Information on the number of suppliers is disclosed in Section 3.5.4 Supplier Environmental Assessment (page 32~33).

Climate-related 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 (2022)	2030 target		2025		Performance
		Reduction	Unit dosage	Total usage	Unit dosage	
CO_2e (Note 1)	24,796t CO_2e	Controlled within 11,186t CO_2e / approximately 55% reduction	2.8 CO_2e/t	12,815t CO_2e	3.47CO_2e/t	Emissions reduction reached 87%; unit emissions reduction reached 81%
Electricity consumption	10.12 million kWh	Controlled within 7.9 kWh / approximately 22% reduction	2.0 kWh/t	8.32 million kWh	2.25kWh/t	Total usage reduced by 95%; unit usage reduced by 89%.
Water consumption	0.94 million m^3	Controlled within 0.6 m^3 / approximately 36% reduction	150 m^3 / t	0.64 million m^3	172 m^3 / t	Total usage reduced by 94%; unit usage reduced by 87%.

Note 1: The GHG data coverage includes Scope 1 and Scope 2 emissions. please prefer 5.2 GHG Emissions Management page 42

The company has reduced GHG emissions by 48%, and electricity and water consumption by 18% and 32% respectively. Going forward, we will adopt a refined carbon reduction model, which means continuously replacing old production equipment with high-efficiency and energy-saving equipment. We expect to reduce CO_2e by 1% to 2% annually, while saving electricity and water in the factory. We hope to achieve 100% of the above targets by 2030.

In addition, according to the second edition of the “Reference Guidelines for Sustainable Economic Activities” issued by the Financial Supervisory Commission, for the dyeing and finishing industry to mitigate climate change, greenhouse gas emissions per ton of product (Scope 1 + Scope 2) must be below 2.7 CO_2e/t. Assuming production volume remains unchanged, the plant’s total greenhouse gas emissions must be controlled within 10,000 metric tons. Based on the Company’s greenhouse gas reduction plan, this target is expected to be achieved after 2035.

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 2025, the company had a total of 242 employees, consisting of 155 male (63%) and approximately 87 female (36%), 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 2 interns (male). Additionally, there were 4 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 Employee Age	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
< 30 years old	26	15	29	15	33	14
30-49 years old	91	50	83	54	82	49
≥ 50 years old	40	22	42	21	40	24
Subtotal	157	87	154	90	155	87
%	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	2
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:

		Year	2023	2024	2025
Item/ Gender		Age	Number of People	Number of People	Number of People
Managerial Personnel	Male	< 30 years old	0	0	0
		30-49 years old	24	22	19
		≥ 50 years old	17	18	20
	Female	< 30 years old	0	0	0
		30-49 years old	10	10	6
		≥ 50 years old	10	10	8
Total number of managerial personnel			61	60	53
Non-managerial personnel	Male	< 30 years old	26	24	33
		30-49 years old	67	69	63
		≥ 50 years old	23	21	20
	Female	< 30 years old	15	16	14
		30-49 years old	40	44	43
		≥ 50 years old	12	10	16
Total number of non- managerial personnel			183	184	189
Total employees			244	244	242

Female employees account for approximately 36% of the total workforce, while female managers make up about 26% 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
Male	< 30 years old	8	0	8	10	0	6	0	12	11	0	4	0	10	19	0
	30-49 years old	42	2	10	35	2	38	2	8	36	2	35	2	8	36	1
	≥ 50	37	1	2	0	0	36	1	2	0	0	37	1	2	0	0

	years old															
Female	< 30 years old	12	0	1	2	0	8	0	5	2	0	6	0	5	3	0
	30-49 years old	35	1	4	10	0	35	1	6	12	0	32	1	6	10	0
	≥ 50 years old	22	0	0	0	0	21	0	0	0	0	24	0	0	0	0
Subtotal		156	4	25	57	2	144	4	33	61	2	138	4	31	68	1
Total		244					244					242				

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	**2023**	**2024**	**2025**
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	0	0
Subtotal		3	2	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 2025, a total of 38 new employees were hired (26 males and 12 females), resulting in a new hire rate of 15.7%, which is a 4.8% decrease compared to the previous year. The number of employee departures also totaled 40 (25 males and 15 females), with a resignation rate of 16.5%, reflecting a 3.96% decrease from the previous year.

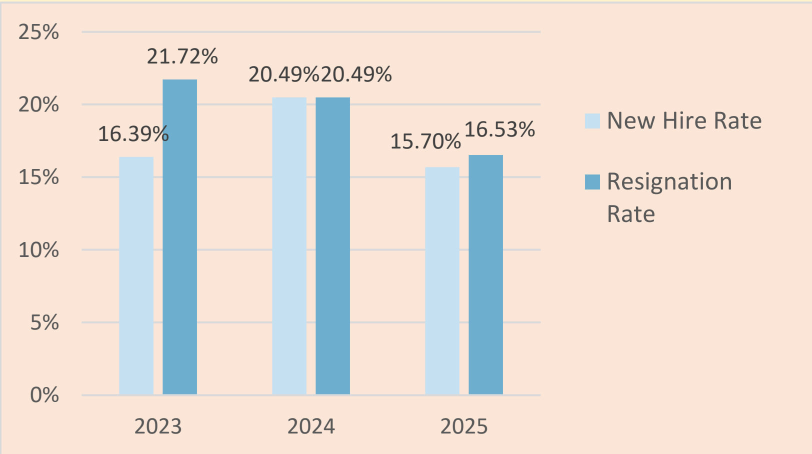
Employee New Hire Rate

Category	**2023**				**2024**				**2025**			
	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	14	*61*	5	*29*	14	*54*	10	*42*	15	*58*	3	*25*
30-49 years old	9	*39*	12	*71*	11	*42*	14	*56*	10	*38*	9	*75*
≥ 50 years old	0	*0*	0	*0*	1	*4*	0	*0*	1	*4*	0	*0*
Total number of new hires	40				50				38			
Total number of employees	244				244				242			
New Hire Rate	16.39%				20.49%				15.70%			

Employee Resignation Rate

Category	2023				2024				2025			
	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	16	52	7	32	9	31	9	43	7	28	3	20
30-49 years old	13	42	12	54	15	52	10	48	15	60	10	67
≥ 50 years old	2	6	3	14	5	17	2	9	3	12	2	13
Total number of employee departures	53				50				40			
Total number of employees	244				244				242			
Resignation Rate	21.72%				20.49%				16.53%			

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

Analysis of Employee Turnover Reasons in the Past Two Years:

Year / Reasons for Leaving	2024				2025			
	Male	Female	Total	%	Male	Female	Total	%
Voluntary Resignation	10	16	26	52	13	11	24	60
Expiration of Labor Contract (Note)	15	2	17	34	10	2	12	30
Retirement	3	1	4	8	0	0	0	0
Layoff/Dismissal	1	2	3	6	2	2	4	10
Total	29	21	50	100	25	15	40	100

Note：1. All foreign migrant workers of the Company are employed under fixed-term contracts in accordance with the Employment Service Act. For those whose contracts will not be renewed, the Company provides advance notice prior to contract expiration and offers assistance with repatriation or transfer to another employer. The Company upholds the principle of equality and ensures that renewal decisions are not influenced by nationality, gender, or religion, thereby safeguarding the labor rights and human rights of foreign workers.

2. The Company enters into cooperative education agreements with partner institutions, under which students receive vocational training at the institution for a specified period. Upon completion, the students revert to their status as students and no longer maintain an employment relationship with the Company.

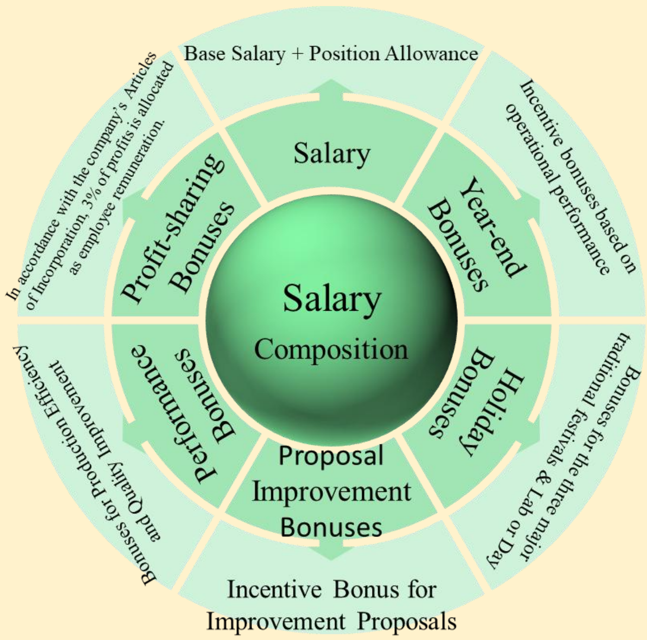
6.2 Compensation and Performance Evaluation

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.

The Company's employee compensation consists of fixed salaries, bonuses, and other benefits. Bonuses are determined based on the Company's operating performance and employees' performance evaluations, and include year-end bonuses as well as other performance-based incentives. In addition, in accordance with the Company's Articles of Incorporation, a certain percentage of profits is allocated as employee compensation when profits are generated, with priority given to frontline employees to ensure internal equity and enhance motivation. Furthermore, to encourage employees to improve operational performance and to promptly reflect business results, the Company may grant quarterly bonuses or other incentives on a non-regular basis, taking into account overall operating conditions and departmental performance.

The Company regularly reviews the appropriateness of its compensation system by benchmarking against market salary levels, industry trends, and its own operating conditions, and makes adjustments when necessary to maintain competitiveness and reasonableness. By enhancing salary levels, the Company aims to boost morale, improve work efficiency, achieve long-term development goals, and create a win-win outcome for both labor and management.



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	28,590	28,590	100
Female	28,590	28,590	100

1. 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.
2. The minimum wage in 2025 is NTD 28,590. All entry-level employees at the company, regardless of gender, receive a salary higher than NTD 28,590.

Salary Information of Employees Not in Managerial Positions

Category	2023	2024	2025
Average Annual Salary (NTD thousands)	560	634	628
Median Salary (NTD thousands)	473	547	538
Average number of full-time employees	236	224	228

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 2025 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.

2025 Employee Training Statistics

Category / Headcount / Hours	Managerial Staff		Non-Managerial Staff		Total	
	Male	Female	Male	Female	Male	Female
Number of Employees	42	20	122	77	164	97
Total Training Hours	691	322	1554	830	2245	1152
Average Training Hours per Employee	16.5	16.1	12.7	10.8	**13.7**	**11.9**
	16.3		**12.0**		**13.0**	

●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	2025		
	Male	Female	Total
Number of eligible employees for parental leave in the year (A)	4	3	7
Actual number of applicants for parental leave in the year (B)	0	1	1
Application rate (B/A)	0%	33%	14%
Number of employees taking parental leave due for reinstatement in the year (C)	0	0	0
Actual number of employees who applied for reinstatement during the year (D)	0	0	0
Reinstatement rate (D/C)	0%	0%	0%
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	100%

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 Standards Act Parental Leave Retirement System	Holiday Bonus for the Three Major Birthday leave, Labor Day Bonus Wedding Bonus/Maternity Bonus New Home Completion Bonus Various Types of Condolence Money Employee Travel Group Meal Expenses Annual Health Check-up Years of Service Reward Year-End Raffle	Employee Dormitory Employee Cafeteria (Free Meals Provided) Employee Lounge (Coffee Machine, Microwave, Food Steamer) Employee Uniform Quarterly Team Performance Bonus Year-End Bonus Employee Profit Sharing

Employee benefit measures:

1. 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.
2. We provide staff lounge, occasional recreational activities and free clubs (yoga, badminton, physical fitness) to take care the physical and mental health of the employees and relieve their work stress.
3. 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.
4. To support employees in managing family responsibilities, such as caregiving and school pick-up/drop-off, the Company has implemented a flexible working hours policy starting in 2025. Employees may apply based on their individual needs, enabling a better balance between work and family life. (A total of two employees applied for flexible working hours this year)

5. 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	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 Addres: beach.lee@evertex.tw

Complaint Procedures:	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 Opinion Survey	The Company actively listens to employees' voices. Starting in 2025, the HR department conducts an annual online employee satisfaction survey targeting local on-site employees. The survey covers areas such as work environment and responsibilities, career development, organizational culture, leadership and peer interaction, and compensation and benefits. The overall average satisfaction score was 4.08 out of 5, with a response coverage rate of approximately 85%. Based on the survey results, some employees indicated that production work is often low in technical content and repetitive in nature, which is not conducive to long-term career development. In response, the Company implements job rotation based on departmental needs and individual preferences, and provides cross-departmental training opportunities to develop secondary specialties. Employees who complete the relevant training and obtain certification are granted corresponding incentives.

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 "Human Rights 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.

This company conducted a human rights due diligence assessment at the end of 2025, covering all employees. For details on the relevant procedures, as well as mitigation and remediation measures, please refer to pages 45–46 and 54–55 of the 2025 annual report, or visit the company's website: https://www.evertex.tw/tw/about/永續發展/永續環境

At the end of 2025, human rights and related labor rights training was conducted in batches for both local and foreign employees at the Taoyuan plant, with a total of approximately 163 participants and a training coverage rate of about 73%. In addition, all six outsourced security personnel also completed human rights-related training, achieving a 100% training coverage rate. The training content is as follows:

Social Responsibility Projects		Key Content
La	**Recruitment & Employment**	To ensure fairness and compliance in recruitment and employment, the hiring process prohibits discrimination, forced labor, and child labor, and follows

		principles of voluntariness and transparency. No recruitment fees or deposits may be charged.
	Termination & Layoffs	To ensure that termination and layoffs are lawful and compliant, they must be handled in accordance with applicable regulations, without coercion or improper conduct. Employees must not be dismissed due to filing complaints, pregnancy, or gender-related factors.
	Workplace Rules	The Company has established "Work Rules" in accordance with the Labor Standards Act and filed them with the competent authority for approval. These serve as the basis for employees' rights and obligations, and clearly define grievance and disciplinary procedures. Multilingual versions are also provided for foreign employees.
	Child Labor & Young Workers	The employment of child labor (under the age of 15) is prohibited, and young workers are not permitted to engage in hazardous work. Age verification is completed prior to hiring, and student workers are managed in accordance with applicable laws and are required to sign educational cooperation agreements.
	Prohibition of Forced Labor	Forced labor and human trafficking are strictly prohibited. The Company safeguards workers' freedom of movement, implements a no-retention-of-identification policy, and conducts regular audits to ensure compliance.
	Anti Harassment & Abuse	The Company upholds employee dignity and respect, and prohibits any form of harassment, violence, coercion, or abuse. Discrimination based on any personal characteristic or status in recruitment, employment, or termination is not permitted. A secure grievance mechanism is in place, with all cases handled confidentially, and any form of retaliation is strictly prohibited.
	Anti Discrimination	The Company prohibits unlawful discrimination against employees based on any status or background, including in recruitment, employment, termination, compensation, and promotion. Discriminatory medical examinations are also prohibited.
	Wages, Hours & Disciplinary Action	Working hours comply with the Labor Standards Act, with a maximum of 60 hours per week (including overtime) and at least one day off per week. Wages must meet statutory standards, be paid on time with detailed statements provided, and working hour records must be accurate and transparent. Wage deductions must not be used as a disciplinary measure.
	Freedom of Association & Collective Bargaining	The Company respects employees' right to organize and also safeguards their freedom to choose not to participate. Employees and their representatives may communicate openly with management on work-related matters without fear of discrimination, retaliation, or harassment.
	Grievance Mechanism	The Company has established both anonymous and non-anonymous grievance channels to ensure full confidentiality and prohibit retaliation, and provides necessary compensation for working hours and wages to complainants. An independent review committee has been established to ensure fair handling of grievances and traceable outcomes.
	Bribery & Anti Corruption	In all business interactions, the highest standards of integrity must be upheld. All parties shall adopt a zero-tolerance policy against any form of bribery, corruption, extortion, and embezzlement.
Health	Occupational Safety	The Company shall identify, assess, and control workplace safety risks (such as fire hazards, chemicals, material handling, and contractor management) through design, engineering, and administrative controls, combined with safety training and operating procedures, to ensure employee safety. Where risks cannot be fully

		controlled, appropriate personal protective equipment and related training shall be provided. Reasonable measures shall be taken to prevent pregnant and breastfeeding employees from engaging in high-risk work, and safe facilities shall be provided.
	Emergency Preparedness	The Company shall assess the risks of emergency situations and establish and implement emergency response plans, including reporting, notification, evacuation, training and drills, and the provision of fire detection and firefighting equipment. Clear and accessible exits must be ensured to minimize risks to life, the environment, and property.
	Occupational Injury and Illness	The Company shall establish procedures for the prevention, management, and reporting of occupational injuries and illnesses, including first aid, case recording, treatment, investigation, and corrective actions, and shall assist employees in returning to work.
	Machine Guarding	Potential safety hazards associated with production equipment or other types of machinery shall be assessed. To prevent possible injuries to employees, appropriate physical safeguarding devices shall be provided and properly maintained.
	Sanitation, Food, and Housing	The Company shall provide employees with clean restroom facilities, safe drinking water, and hygienic dining facilities. Dormitories, where provided, must be kept clean and safe, and be equipped with emergency exits, hot water, adequate lighting and ventilation, as well as secure storage and reasonable personal space with convenient access.
	Health and Safety Communication	The Company shall provide appropriate occupational health and safety training to employees, and post relevant health and safety information in prominent locations in the workplace or make such information readily accessible and understandable to employees.
Supplier Management		The Company's suppliers shall ensure compliance with social responsibility standards in terms of labor rights, occupational health and safety, and business ethics, continuously improve working conditions, and ensure that all employees are treated with respect and provided with a safe, fair, and lawful working environment.

The Company requires its security service providers to sign a "Social Responsibility Commitment Letter." Security personnel assigned to the Company must also complete human rights-related training, which is incorporated into the supplier management evaluation criteria.

In 2025, there were no incidents of discrimination, no employment of child labor, no cases of forced labor, no violations of freedom of association and assembly, and no cases of retaliation against complaints or grievances.

The Company's human rights commitment applies to all employees of the Company and its subsidiaries, and, to the extent reasonably practicable, extends to customers, suppliers, contractors, and the local communities where it operates.

7、 Occupational Health and Safety

7.1 Occupational Health and Safety Management

Safety and health considerations must form the foundation of all business operations. By utilizing appropriate safety and health assessment tools, management plans are developed and implemented into daily operational controls to achieve safe work practices and clean production. This supports the goal of sustainable business operations. Accordingly, the Company has established an "Occupational Safety and Health Manual," which includes relevant policies and systems.

7.1.1 Occupational Safety and Health Management Policies

Occupational Safety and Health Management Policies	
Compliance with Laws	Adhere to and exceed national regulations related to environment, health, safety, and energy.
Responsible Care	Uphold the cradle-to-grave principle by reviewing raw materials, product processes, and sales recycling to ensure compliance with EHS (Environment, Health, and Safety) requirements.
Health & Safety	Reduce occupational hazards, prioritize worker health, promote gender equality, and respect religious beliefs.
Identification & Assessment	Conduct hazard identification, risk assessment, risk control, and change management.
Active Communication	Communication is the best method to implement policies, and education and training are the most effective tools for communication.
Objective Management	All management activities should follow the PDCA (Plan-Do-Check-Act) cycle to ensure effective implementation of the management system.

In addition, the Company complies with domestic occupational safety and health laws and other applicable requirements. Through the promotion of safety and health initiatives, the Company enhances the safety and health knowledge and awareness of all employees and relevant stakeholders. The occupational safety and health management system is maintained to operate effectively, with continuous review and improvement to enhance workplace safety.

7.1.2 Occupational Safety and Health Management System

The Company's Occupational Safety and Health Management System complies with the requirements of ISO 45001:2018 and CNS 45001:2018. 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.

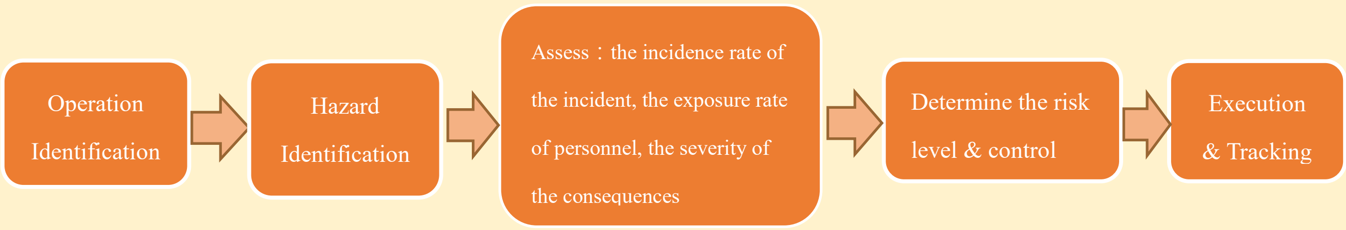
With a multi-layered approach to protection—covering personnel, equipment, environment, and compliance with regulations—Evertex maintains an occupational disease rate of zero. In designated high-risk operation areas (e.g., noise or dust exposure zones), clear signage is posted to inform personnel of 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

7.2.1 Safety & Health Hazard Identification, Risk Assessment & Control

To effectively meet occupational safety and health (OSH) management requirements, the Company identifies and assesses safety and health hazards and risks arising from employees, stakeholders, and the workplace environment prior to the establishment or implementation of the OSH management system. The results serve as the basis for setting OSH management objectives and for implementing risk control measures, including operational controls, emergency response measures, and education and training programs. In addition, past and existing OSH management performance is reviewed and evaluated to enhance management effectiveness, with the ultimate goal of achieving "zero accidents and zero occupational injuries."

Each production department, in collaboration with the EHS, conducts analyses of its operations and work environment to identify potential hazards related to activities, equipment, materials, or environmental conditions. Identified hazards are scored based on their likelihood of occurrence and severity, and risk levels are determined using a risk matrix. Based on the assessed risk levels, risk reduction control measures—such as equipment replacement, process modifications, or the installation of additional protective devices—are planned and implemented. The Occupational Safety and Health Section provides support and tracks the progress of corrective actions to ensure continuous improvement.



The Company engages a third-party service provider every six months to conduct workplace environmental monitoring. The monitoring scope includes chemical agents (isopropyl alcohol, acetic acid, hydrogen peroxide, and dust) and physical factors (noise and lighting). All monitoring results for the current year complied with the legally permissible exposure limits.

7.2.2 6S Management – Self-Inspection

The Taoyuan Plant continues to implement a "6S Management Committee" system, under which the entire plant is divided into 12 zones. This approach effectively maintains a clean and orderly workplace environment, encourages active employee participation in plant management, strengthens safety awareness, and progressively enhances the safety of both individuals and others in the workplace. Each zone conducts inspections and supervision based on a standardized checklist and submits the results monthly to the Occupational Safety and Health Section. The checklist covers a total of 37 items across four major categories: 12 items related to fire protection equipment, four items related to evacuation and escape facilities, four items related to electrical safety, and 17 items related to operational safety. Inspections are conducted on a weekly basis. In addition to routine items, the inspections also address special emergency matters, pre-disaster preparedness checks prior to natural disasters, and post-disaster recovery activities. Review meetings are convened biweekly to report identified abnormalities or deficiencies, and follow-up actions are tracked until all issues are fully resolved.

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.

7.2.3 Implementation of potential hazard prevention measures

In 2025, the Company implemented six major improvement initiatives related to the work environment and management measures at the Taoyuan Plant, including four projects focused on the work environment and two projects related to management measures. Following these improvements, workplace safety at the plant was further enhanced and environmental pollution was effectively reduced.

Before Improvement	After Improvement
Due to the frequent boiler gas explosion incidents at factories in Taiwan, the Taoyuan City Government's Labor Inspection Office required the Company's Taoyuan Plant to install explosion-proof electrical equipment in the boiler area.	The Company carried out retrofitting works in the steam and thermal oil boiler areas by installing explosion-proof facilities. These improvements included clearly displaying operator and permit information in the boiler area, installing rolling steel doors, segregating control panels, installing explosion-proof lighting, gas shut-off valves, grounding systems, and other safety measures. All installations are now in compliance with labor inspection regulations.
In principle, wastewater temperature is required to be maintained below 38°C during the summer season and below 35°C during other seasons. The Company was subject to a regulatory penalty in 2024 due to non-compliance with this requirement.	An aeration system was installed, achieving a temperature reduction of approximately 1~2°C. Further improvement measures are planned, including the reorganization of piping around the cooling tower and the replacement of the self-priming tank at the pumping station, in order to enhance cooling efficiency and ensure ongoing regulatory compliance.
During high-speed hot air circulation, hot air drying, and fabric edge stabilization processes in	1. The use of clean-type air compressors.

the stenter machine, lint is prone to being generated, dispersed into the surrounding environment, and accumulated inside the equipment. With traditional edge-blowing air nozzles, unstable airflow, dead angles in nozzle positioning, or excessively high or low air pressure can cause lint to detach from the fabric edges and disperse across the machine or escape into the workshop, thereby creating sources of contamination.	2. Installation of air filters or lint filters upstream of the heat exchanger to significantly reduce the risk of clogging. 3. Evaluation of new edge-handling methods, replacing blowing with suction to reduce lint dispersion and environmental contamination.
An overheating variable frequency drive (VFD) inside the electrical control cabinet of the sludge dryer caused a fire in the plastic casing, resulting in a near-miss incident.	1. Overhaul of the electrical control cabinet and reconfiguration of the power distribution system. 2. Semi-annual infrared thermographic inspections of low-voltage panels, with inspection records maintained for systematic management, to reduce the risk of similar incidents.
At the Taoyuan Plant, windows on the second floor of the gray fabric warehouse had become warped and deformed due to long-term deterioration.	The old window frames were removed and replaced with galvanized 150-section steel.
certain facilities in the employee dormitory were aging, including a collapsed bathroom ceiling, corroded light fixtures, and multiple water leakage issues.	The Company engaged external contractors to carry out repair and maintenance works to improve safety and living conditions.

7.3 Occupational Safety Training

7.3.1 Internal Occupational Safety Trainings

●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 2025 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	264	404
Forklift Operation Safety Training	124	124
Personal Protective Measures and Equipment Guidelines	161	161
Fire Safety Training	150	600
Total	699	1,289

Personal Protective Measures and Equipment Guidelines:



7.3.2 External Occupational Safety

The establishment and operation of our company and factory require obtaining relevant certifications in accordance with occupational safety and health regulations. In 2025, 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

First-Class Pressure Vessel Operators	5	three years
High-Pressure Gas Equipment Operators	1	
Operators of fixed-type cranes under three tons	2	
Forklift Truck Operator	16	
Acetylene Welding and Cutting Operators	1	
First-aider	9	
Class B Waste Management Technician	1	
Class A Wastewater Treatment Operator	1	
Oxygen Defiency Operation managers	1	6 hours of retraining every three years
Fire Protection Manager	1	

7.3.3 Fire Safety Training

To enhance employees' awareness and capabilities in fire evacuation and firefighting, the Taoyuan Plant conducts regular fire brigade training and evacuation drills every six months. The fire brigade includes the notification team, firefighting team, safety protection team, and emergency medical response team. The training and drills cover on-site emergency response measures, notification procedures, and command systems, all of which are implemented in accordance with applicable regulations. Through hands-on training and practical drills, the Company strengthens employees' understanding of fire hazards and the proper use of firefighting equipment, enhances disaster prevention awareness and emergency response capabilities, and ensures that personnel can evacuate safely and promptly in the event of an emergency, thereby reducing casualties and property losses caused by factory fires and providing a safer environment for employees and the community.

In addition, the Company annually engages a third-party fire safety inspection agency to conduct inspections of the fire safety equipment at the Taoyuan Plant. The inspection scope includes fire extinguishers, indoor fire hydrants, automatic fire alarm systems, emergency broadcasting systems, emergency lighting, smoke exhaust systems, standpipe systems, signage, and wiring. The inspection results are reported to the Taoyuan City Fire Department in accordance with regulatory requirements for record-keeping.

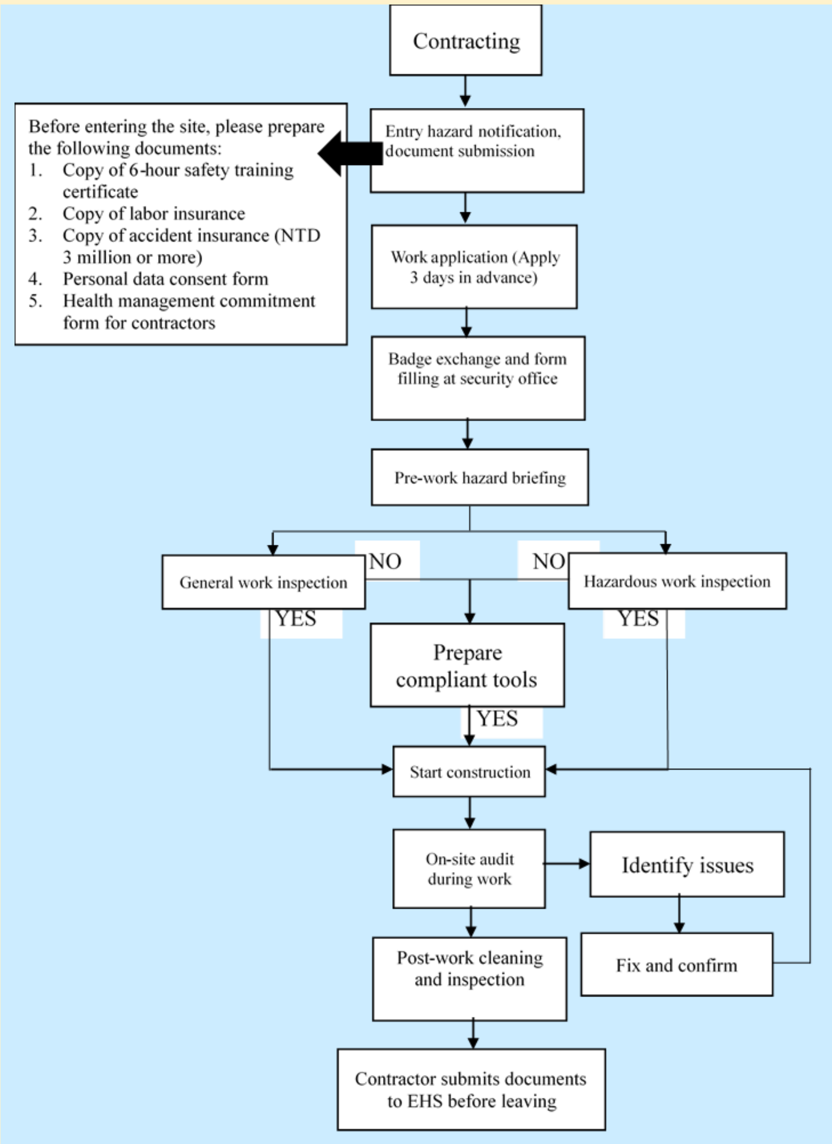
Fire Safety Training:



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 2025, 89% (17 out of 19) 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 2025.

Review Items	Education and training,construction license	Labor insurance details	Contractor accident insurance	Management Measures Confirmation	Health commitment and personal data consent form
Qualified	6	13	8	17	15
Failure	13	6	11	2	4

Number of non-employees as of December 31, 2025	16
Average number of non-employees in 2025	18

7.5 Health Management & Promotion

7.5.1 Health Management

Employee health is vital to the company's sustainable growth. All employees receive annual health check-ups, and in 2025, a total of 142 employee health examinations were conducted. In addition, 30 employees engaged in special operations (such as exposure to dust and noise) . Based on results, follow-ups, doctor consultations, and job adjustments are arranged as needed. Health training sessions are also provided.
The Company regularly arranges on-site health consultations provided by medical and nursing personnel. Based on the results of health examinations, detailed analysis and assessments are conducted. If any abnormalities are identified, employees are proactively consulted regarding potential health risks, and appropriate recommendations and improvement plans are provided. Employees' health indicators are continuously monitored, and when necessary, professional physicians are arranged for further consultation or job assignments are adjusted to ensure that employees can work safely in suitable positions.
2025 Abnormal and Special Health Management Statistics (Consultations in Progress)

Health Check Items	Male	Female	Total
Management of High-Risk Abnormalities Identified in Health Examinations (Note)	38	10	48
Overload Assessment and Management	10	5	15
Human Factor Hazard Prevention Plan Management	2	2	4
Level 2 Management of Noise Operations	5	1	6
Level 2 Management of Dust Operations	0	0	0

Note: High-risk abnormalities include elevated BMI, high blood pressure, high blood glucose, abnormal blood lipids, abnormal chest X-ray findings, and moderate or higher risk of cardiovascular diseases.

7.5.2 Health Promotion

To enhance employees' health awareness, the Company regularly organizes health seminars, hygiene education and training, and health management activities each year. These initiatives help employees better understand their health examination reports and learn how to maintain healthy lifestyles and workplace safety. Through these efforts, the Company aims to create a healthy and secure working environment, promote employee well-being, and support sustainable corporate development.
In 2025, the Company continued to implement its "Health Promotion Program." Through regular seminars, hands-on courses, and individual consultations, employees' health awareness was strengthened and encouraged to be applied in both daily life and work. In addition, the Company periodically promoted updated information on occupational safety and health, including workplace safety, environmental hygiene, and first aid knowledge. Educational initiatives also covered topics such as diet, exercise habits, stress management, and disease prevention, helping employees establish healthy lifestyles. Furthermore, the Company encourages employee participation in physical activities and provides appropriate health and wellness benefits, such as fitness subsidies or group exercise classes, to enhance overall health and well-being.

7.6 Health and Safety Performance Management

7.6.1 This Year's Performance

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.

2025 Implementation Performance

Item	Target Value	Actial 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	1	Cases
False alarm	≦6	0	Cases

(1)Disabling Injury Frequency Rate (FR): (Annual number of people who suffer disabling injuries×1,000,000) ÷ Total work hours
(2)Disabling Injury Severity Rate (SR): (Annual number of people who suffer disabling injuries×1,000,000) ÷ Total work hours

Place	Gender	2023		2024		2025	
		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 2025, 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 2025, zero occupational disease cases were reported.

Occupational Injury Statistics 2025:

	Employees	Contractors
Number of Occupational Injuries	0	0
Rate of Occupational Injuries	0	0
Number of Severe 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

Rate of Severe Occupational Injuries	0	0	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
Job-related Deaths	0	0	
Rate of Job-related Deaths	0	0	
Working hours (hours)	478,192	6,156	

7.6.2 Future Plans

2026 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

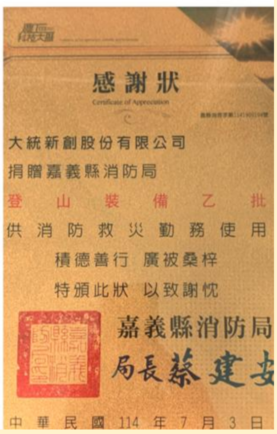
Evertex upholds the spirit of fulfilling corporate social responsibility by making physical donations, participating in community development, charity organizations, and related activities. In addition to establishing good community relations and promoting local harmony, the company also gives back to 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 2 young students at the company. Through participation in various seminars and courses led by the management team, students can share practical experiences.
2. Charity Activities:

(1) In January 2025, the Company donated a total of 150 pieces of moisture-wicking shirts and thermal vests to the Taiwan Le Shan Association. In March of the same year, a batch of mountaineering equipment was donated to the Chiayi County Fire Department to provide tangible material support for emergency responders

(2) In June 2025, the Company donated 318 yards of recycled and regenerated fiber fabrics to Beauterama Trading Limited demonstrating its support for the development of sustainable fashion brands.


台灣樂山協會
感謝狀
茲感謝大統新創股份有限公司捐贈
救災夏季排汗衣100件，動態輕保暖
立領背心50件，增添搜救隊員的防護
仁風義行 深銘五內
特此立狀已表謝忱
理事長 林月裡
總教練 劉崑耀
中華民國 一一四 年 一 月 十二 日


感謝狀
Certificate of Appreciation
大統新創股份有限公司
捐贈嘉義縣消防局
登山裝備乙批
供消防救災勤務使用
積德善行 廣被桑梓
特頒此狀 以致謝忱
嘉義縣消防局
局長蔡建安
中華民國 114 年 7 月 3 日

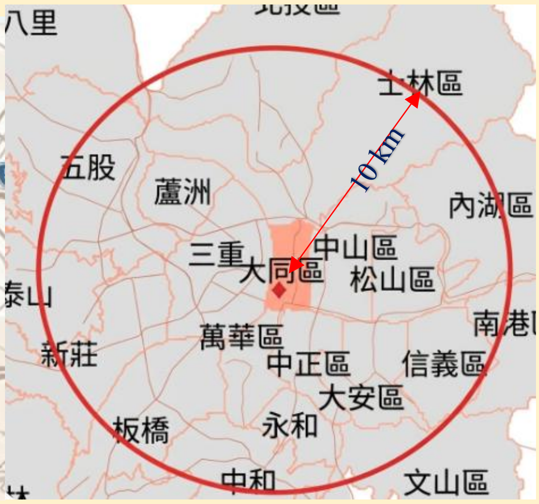

CERTIFICATE
OF THANK
PRESENTED TO
大統新創股份有限公司
於民國114年1月2日 捐贈 七棵橡樹國際股份有限公司
做為零廢棄服飾循環再利用使用布料 16 種，共計 318 碼
謹致此狀以資感謝
中華民國 114年 6月4日
DATE
創辦人

(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	21.1%
Within a 10-kilometer radius	54	17	71	50.0%



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 2025 (from January 1, 2025, to December 31, 2025).
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	No rewriting	-
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 P83
2-7	Employees	6.1 Diverse and Inclusive Talent Structure	P63
2-8	Workers who are not employees	6.1 Diverse and Inclusive Talent Structure 7.4 Contractor Management	P63 P83
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 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	P13 P22 P26 P26 P73
2-24	Embedding policy commitments		
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**
Biodiversity	101-1	Policies to halt and reverse biodiversity loss	The Company's operating sites and their surrounding areas are not located within environmentally protected areas or biodiversity	-
	101-2	Management of biodiversity impacts		-

	101-3	Access and benefit-sharing	habitats; therefore, related disclosures have been omitted.	-
	101-4	Identification of biodiversity impacts		-
	101-5	Locations with biodiversity impacts		-
	101-6	Direct drivers of biodiversity loss		-
	101-7	Changes to the state of biodiversity		-
	101-8	Ecosystem services		-
Economic aspect				
Bussiness performance	**201-1**	Direct economic value generated and distributed	4.2 Operating Performance	P36
	201-2	Financial implications and other risks and opportunities due to climate change	5.6 Climate-Related Financial Disclosure	P52
	201-3	Defined benefit plan obligations and other retirement plans	6.4.1 Employee Benefits and Care	P70
	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	P67
	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	P87
	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	4.4 Tax governance	P39

		risk management		
	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 dischargerelated 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		-
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-depletingsubstances (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	P63
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.4 Employee Benefits and Care	P70
	401-3	Parental leave	6.4.2 Parental Leave and Implementation Status	P70
	402-1	Minimum notice periods regarding operational changes	6.5 Labor-Management Communication	P72
Occupational Safety and Health	**403-1**	Occupational health and safety management system	7.1 Occupational Health and Safety Management	P76
	403-2	Hazard identification, risk assessment, and incident investigation	7.2Hazard Identification and Risk Assessment	P78
	403-3	Occupational health services	7.1 Occupational Health and Safety Management	P76
	403-4	Worker participation, consultation, and communication on occupational health and safety	7.1 Occupational Health and Safety Management	P76
	403-5	Worker training on occupational health and safety	7.3 Occupational Safety Training	P80
	403-6	Promotion of worker health	7.5 Health Management & Promotion	P84
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	7.3 Occupational Safety Training	P80
	403-8	Workers covered by an occupational health and safety management system	7.1 Occupational Health and Safety Management	P76
	403-9	Work-related injuries	7.6 Health and Safety Performance Management	P85
	403-10	Work-related ill health	7.6 Health and Safety Performance Management	P85
Training and	**404-1**	Average hours of training per	6.3Cultivation and development	P69

Education		year per employee		
	404-2	Programs for upgrading employee skills and transition assistance programs	6.3 Cultivation and development 6.4 Employee Benefits and Care	P69 P70
	404-3	Percentage of employees receiving regular performance and career development reviews	6.2.2 Performance Evaluation	P68
Diversity and Equal Opportunity	**405-1**	Diversity of governance bodies and employees	6.1 Diverse and Inclusive Talent Structure	P63
	405-2	Ratio of basic salary and remuneration of women to men	6.2.1 Remuneration Policy	P67
Non-discrimination	**406-1**	Incident of discrimination and corrective actions taken	6.6 Human Rights Protection	P73
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	P73
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	P73 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	P73 P31
Security practices	**410-1**	Security personnel trained in human rights policies or procedures	6.1 Diverse and Inclusive Talent Structure 6.6 Human Rights Protection	P63
Rights of indigenous Peoples	**411-1**	Incidents of violations involving rights of indigenous peoples	6.1 Diverse and Inclusive Talent Structure 6.6 Human Rights Protection	P63 P73
Local Communities	**413-1**	Operations with local community engagement, impact assessments, and development programs	8.1 Social Contribution 8.2 Community Recognition	P87 P88
	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	P29
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and	3.4 Customer Service Management	P29

		services		
Marketing and Labeling	**417-1**	Requirements for product and service information and labeling	3.4 Customer Service Management 5.1 Raw Material Management 5.5.3 Waste Management	P29 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	P52
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 clmited-related risks are integrated into the organization's overall risk management.	5.6.3 Climate Risk Management	P58
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 adress climate-related risk, describe the contents of the plan, and metrics and targets used to identify and manage physical riska and transittion risk.	5.2 GHG Emissions Management 5.6.5 Metrics and Targets	P42 P60
7	If internal carbon is used as a planning tool, describe the pricing basis.	5.6.4 Internal Carbon Pricing	P59
8	If climate targets are set, describe the activities and scope of GHG emissions covered, planned schedule and annual progress achievd; 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	P60

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** **P76**
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**