

2024



Sustainability Report



Shinih Enterprise Co., Ltd.

Sustainability Report

SHINIH



Contents

- **Preface**

- **About the Report** 1

- **Chairman's Message** 2

CH1 About the Company

1.1 Company Profile	4
1.2 Business Performance	7
1.3 Sustainable Governance	10
1.4 Stakeholder Identification and Engagement	11
1.5 Identification of Material Sustainability Topics	13

CH2 Corporate Governance

2.1 Corporate Governance Structure	16
2.2 Risk Management	23
2.3 Legal Compliance and Ethical Management	26
2.4 Supply Chain Management	29
2.5 Customer Relationship Management	36
2.6 Product Quality and Marketing	39
2.7 Information Security Management	46

CH3 Happy Workplace and Social Prosperity

3.1 Talent Development and Happy Workplace	50
3.2 Occupational Safety and Health	56
3.3 Human Rights Protection	64
3.4 Social Prosperity	66

CH4 Environmental Sustainability

4.1 Climate Change Response	68
4.2 Energy Management	72
4.3 Water Resource Management	73
4.4 Waste Management	74
4.5 Chemical Substance Management	79
4.6 Green Products and Circular Economy	82

- **Appendix**

GRI Standards Comparison Table	85
SASB Metrics	90
Independent Auditor's Report	91



Preface

About the Report

Chairman's Message

1 About the Company

2 Corporate Governance

4 Environmental Sustainability

5 Appendix

About the Report

The Sustainability Report is issued by Shinih Enterprise Co., Ltd. (hereinafter referred to as "Shinih, the Company, or we"), which mainly discloses to the public and stakeholders the Company's efforts in the three major aspects of environment, society, and governance, including actual actions, performance results, and future plans. Shinih believes that an organization should not only focus on profitability but also take environmental ecology seriously in order to achieve sustainable development. We hope the Report will enable stakeholders to understand Shinih's sustainable actions and our determination to fulfill our corporate social responsibility and implement sustainable development.

● Boundaries and Scope of the Report

The scope of information disclosed in the Report mainly covers the parent company in Taiwan, Shinih Enterprise Co., Ltd., as the reporting entity, and does not include other overseas locations, as these regions do not have a significant impact on the Company's economic, environmental, and social aspects. Therefore, sustainability-related information from these locations is not fully disclosed in the Report. Information involving other regions will be specifically noted in the report.

● Reporting Period:

January 1 to December 31, 2024.

● Issuance:

Date of publication of the current edition: August 2025, with an expected frequency of once a year.

● Basis of Preparation:

The Report has been prepared in accordance with the GRI Standards 2021 published by the Global Reporting Initiative (GRI). The Report also follows the Sustainability Accounting Standards Board (SASB) industry indicators and the Task Force on Climate-related Financial Disclosures (TCFD) framework for disclosure. The GRI Standards and SASB content index are provided in the appendix of the Report for quick reference.

● Report Information Compilation and Approval Process

The relevant information in the Report was collected by each department and reviewed by the department head before being sent to the Company's stock affairs office for information consolidation, compilation, and review. The completed report was then submitted to the Board of Directors for review and approval before publication.

● Report Assurance and Verification

The Report has been audited by Crowe (TW) CPAs in accordance with Assurance Standards No. 3000, "Assurance Cases for Audits or Reviews of Non-historical Financial Information" published by the Accounting Research and Development Foundation. Please refer to the Appendix for the CPA's assurance report. The financial information mentioned in the Report is consistent with Shinih's 2024 consolidated financial statements, and has been audited and certified by Crowe (TW) CPAs.

● Feedback:

If you have any feedback or suggestions regarding the content of the Report, please feel free to contact us.

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Preface

About the Report

Chairman's Message

1 About the Company

2 Corporate Governance

4 Environmental Sustainability

5 Appendix

Chairman's Message

For more than 60 years, Shinih has been deeply involved in the nonwoven fabric industry. With our core technologies, we have continued to expand our business territory in Asia, the Americas, and the ASEAN markets. With our management team's international vision and world-class R&D capabilities, we have become a key global supplier of functional nonwoven fabrics.

In 2024, despite international economic uncertainty, geopolitical risks, and the challenges of climate change, we remain committed to the core principle of "sustainable development," continuing to promote green circular manufacturing, energy conservation, and carbon reduction while proactively responding to shifts in the industry to demonstrate our corporate resilience.

In the past year, we continued to integrate the group's resources, strengthen supply chain management, and promote digital transformation and automation to improve operational efficiency and cost competitiveness.

The #sustainable development strategy of Shinih is closely aligned with the United Nations Sustainable Development Goals (SDGs), focusing on health and well-being, climate action, gender equality, and economic growth. In 2024, we launched the "Supply Chain Carbon Reduction Plan" to establish a water recycling system and waste recycling mechanism, while actively introducing renewable materials and green energy to achieve monitoring and management of Scopes 1, 2, and 3 GHG emissions. In the future, we will further set short-, medium-, and long-term carbon reduction targets to ensure we achieve the 2030 carbon reduction milestone.



In terms of human rights and employee care, Shinih has continued to promote "Human Rights Due Diligence" to ensure that all employees and value chain partners do not have major human rights risks. In 2024, we strengthened the building of a diverse and inclusive environment for employees and deepen workplace equality and safety measures, enabling them to fully realize their potential and co-create sustainable value.

Looking ahead, we will continue to deepen our core technologies, develop high-value-added products, and expand global strategic cooperation in the face of challenges such as extreme climate change, geopolitical factors, and supply chain restructuring. We will work with stakeholders to build a sustainable future with a spirit of integrity, innovation, and pragmatism. We will continue in our commitment to advancing economic growth, social progress, and environmental protection with professionalism and accountability to realize our vision of co-prosperity with the environment.

简瑞瑞

Shinih Enterprise Co., Ltd.
Chairman: Jui-Jui Chien



Preface

1 About the Company

- 1.1 Company Profile
- 1.2 Business Performance
- 1.3 Sustainable Governance
- 1.4 Stakeholder Identification and Engagement
- 1.5 Identification of Material Sustainability Topics

2 Corporate Governance

4 Environmental Sustainability

5 Appendix



1

1.1 Company Profile

1.2 Business Performance

1.3 Sustainable Governance

1.4 Stakeholder Identification and Engagement

1.5 Identification of Material Sustainability Topics

1.1 Company Profile

Established in 1962, Shinih has adhered to the spirit of integrity, innovation, pragmatism, and giving back. We have gradually grown steadily, and to date, we have accumulated countless valuable experiences and reached many proud milestones. We have been exploring all possibilities for sustainable development in the nonwoven fabrics field for many years. Through our dedicated R&D team and strict quality control standards, we have achieved our mission in the industry and are committed to fully implementing sustainable practices to fulfill our corporate vision for our employees and the wider community.

Preface

1 About the Company

- 1.1 Company Profile
- 1.2 Business Performance
- 1.3 Sustainable Governance
- 1.4 Stakeholder Identification and Engagement
- 1.5 Identification of Material Sustainability Topics

2 Corporate Governance

4 Environmental Sustainability

5 Appendix



Basic Information

Name of Company	Shinih Enterprise Co., Ltd.
Date of Establishment	May 19, 1962
Chairman	Jui-Jui Chien
General Manager	Jung-Fu Chien
Location of Company	No. 41, Lianhua Street, Bade District, Taoyuan City
Paid-in capital	NTD1,059,081,000
Industry Category	Others
Stock Code	9944





Company History

Preface

1 About the Company

- 1.1 Company Profile
- 1.2 Business Performance
- 1.3 Sustainable Governance
- 1.4 Stakeholder Identification and Engagement
- 1.5 Identification of Material Sustainability Topics

2 Corporate Governance

4 Environmental Sustainability

5 Appendix



Qualification of Associations

We actively participate in associations within the nonwoven fabric and textile industries, hoping to promote the establishment of industry standards, facilitate technology exchange across various fields, expand the market, and proactively advance toward sustainable development goals.

Name/Title	Title	Service Contents
Chia-Chin Chien Deputy General Manager	Chairperson, Taiwan Nonwoven Fabrics Industry Association	Coordinate relationships with the industry, enhance mutual benefits, plan for industrial improvements and expansion, and promote economic development.
	Taiwan Representative, Asia Nonwoven Fabrics Association	Represent Taiwan's nonwoven fabric industry in alignment with international standards, promote and strengthen overseas exchanges.
	Executive Director, Taiwan Textile Federation	- Represent Taiwan's nonwoven fabric industry and textile industry in strengthening sustainable development across upstream, midstream, and downstream sectors. - Promote the upgrade and transformation of Taiwan's textile industry, enhance international competitiveness, lay the foundation for sustainable operation, and establish a high-quality image for Taiwan's textile industry.
	Director, Taiwan Industrial Competitiveness Promotion Association	Represent Taiwan's nonwoven fabric industry and other industries in industrial advancement and diverse development, and assist in corporate guidance policies on par with the government's requirements.
	Director, Textile Industry Sustainable Development Association of Taiwan	Represent Taiwan's nonwoven fabric industry and textile industry in moving toward the net-zero emissions goal.

Preface

1 About the Company

- 1.1 Company Profile
- 1.2 Business Performance
- 1.3 Sustainable Governance
- 1.4 Stakeholder Identification and Engagement
- 1.5 Identification of Material Sustainability Topics

2 Corporate Governance

4 Environmental Sustainability

5 Appendix

Preface

1 About the Company

- 1.1 Company Profile
- 1.2 Business Performance
- 1.3 Sustainable Governance
- 1.4 Stakeholder Identification and Engagement
- 1.5 Identification of Material Sustainability Topics

2 Corporate Governance

4 Environmental Sustainability

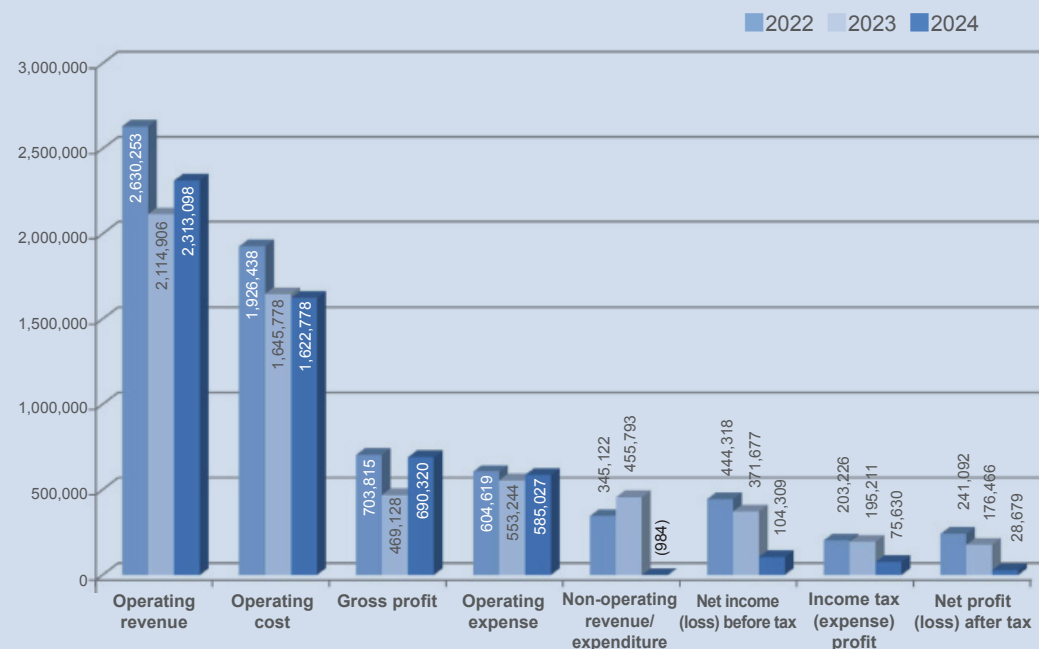
5 Appendix

1.2 Business Performance

Shinih integrates diverse existing nonwoven fabric manufacturing technologies, implements advanced processes and new functional materials, and collaborates with customers to meet development demands, in order to pursue the high added value product application characterized by differentiation, diversity, functionality, and sustainability. In addition, the Company continues to attract and cultivate research and development talent, with Taiwan as the R&D center. With consideration of the business model, customer value, and sustainable development, the Company continues to enhance customer trust and strengthen its core values in order to establish sustainable competitive advantages.



★ Business Performance:



Unit: NTD thousand

Item	2022	2023	2024
Operating revenue	2,630,253	2,114,906	2,313,098
Operating cost	1,926,438	1,645,778	1,622,778
Gross profit	703,815	469,128	690,320
Operating expense	604,619	553,244	585,027
Non-operating revenue/expenditure	345,122	455,793	(984)
Net income (loss) before tax	444,318	371,677	104,309
Income tax (expense) profit	203,226	195,211	75,630
Net profit (loss) after tax	241,092	176,466	28,679

Note: This is the amount of consolidated profit and loss for the past three years.



Preface

1 About the Company

- 1.1 Company Profile
- 1.2 Business Performance
- 1.3 Sustainable Governance
- 1.4 Stakeholder Identification and Engagement
- 1.5 Identification of Material Sustainability Topics

2 Corporate Governance

4 Environmental Sustainability

5 Appendix

★ Direct Economic Value Generated and Distributed by the Organization:

Unit: NTD thousand

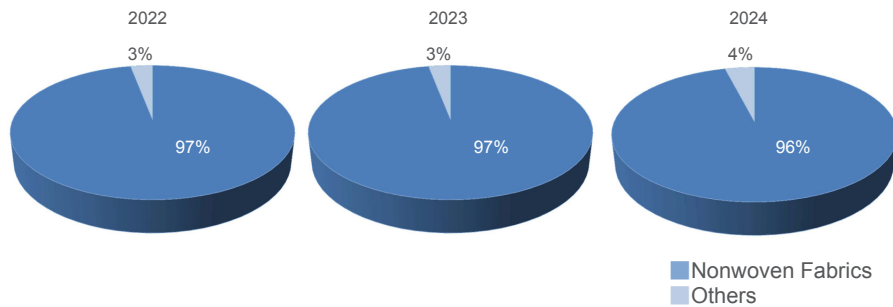
Item	2022	2023	2024
Revenue	2,630,253	2,114,906	2,313,098
Operating cost	1,926,438	1,645,778	1,622,778
Employee wages and benefits	592,556	562,404	573,085
Payments to capital contributors	143,563	156,138	118,541
Payment to the government	206,030	303,423	76,228
Community investment	177	49	284

Note: This is the amount of consolidated profit and loss for the past three years.

Sales of Products

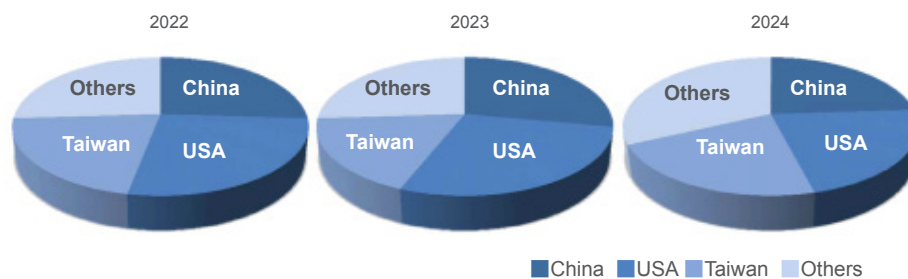
★ Revenue Proportion of Main Products:

Unit: NTD thousand



By Product	2022		2023		2024	
	Sales Revenue	Proportion	Sales Revenue	Proportion	Sales Revenue	Proportion
Nonwoven Fabric	2,562,965	97%	2,045,048	97%	2,230,674	96%
Others	67,288	3%	69,858	3%	82,424	4%
Total	2,630,253	100%	2,114,906	100%	2,313,098	100%

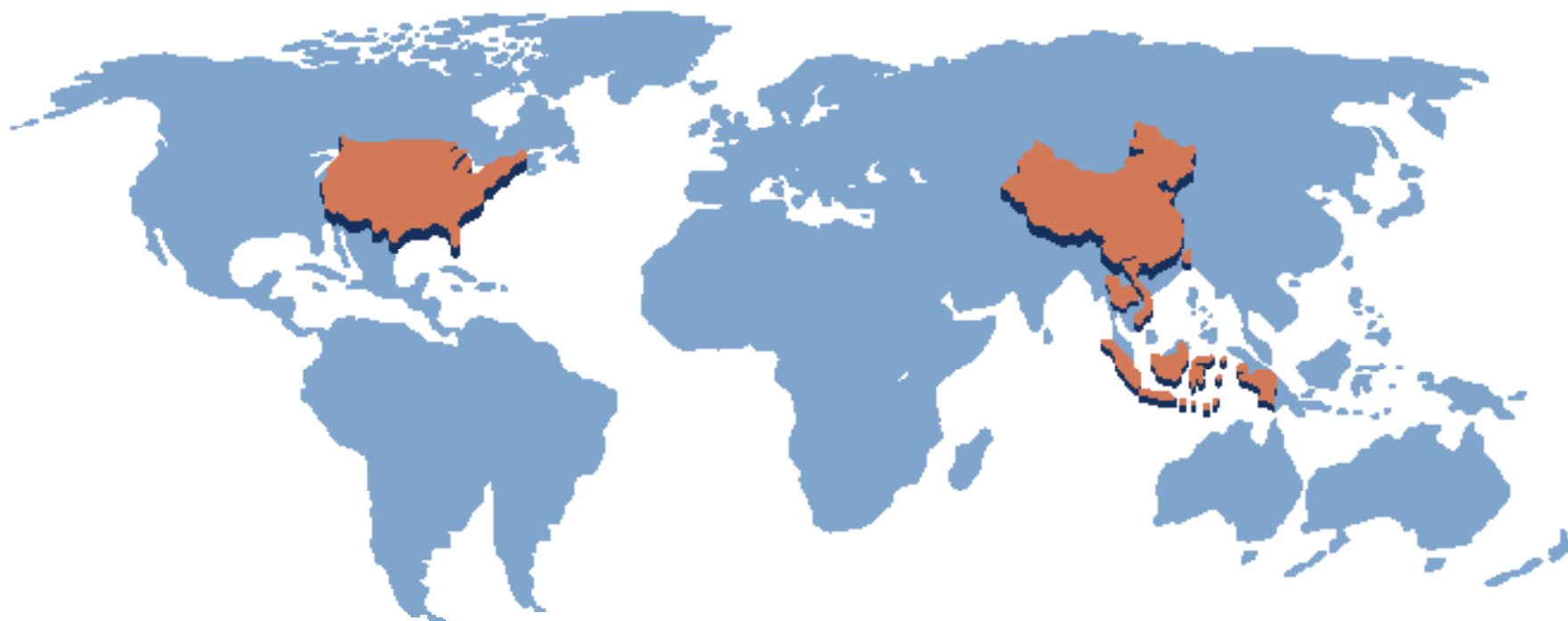
★ Regions Where the Main Products Are Sold



Unit: NTD thousand

Sales Region	2022		2023		2024	
	Sales Revenue	Proportion	Sales Revenue	Proportion	Sales Revenue	Proportion
China	691,365	26%	585,577	28%	563,099	24%
USA	696,610	27%	589,412	28%	498,334	22%
Taiwan	557,213	21%	386,978	18%	514,828	22%
Others	685,065	26%	552,939	26%	736,837	32%
Total	2,630,253	100%	2,114,906	100%	2,313,098	100%

★ Map of Shinih's Operating Locations



Preface

1 About the Company

- 1.1 Company Profile
- 1.2 Business Performance
- 1.3 Sustainable Governance
- 1.4 Stakeholder Identification and Engagement
- 1.5 Identification of Material Sustainability Topics

2 Corporate Governance

4 Environmental Sustainability

5 Appendix

Preface

1 About the Company

- 1.1 Company Profile
- 1.2 Business Performance
- 1.3 Sustainable Governance
- 1.4 Stakeholder Identification and Engagement
- 1.5 Identification of Material Sustainability Topics

2 Corporate Governance

4 Environmental Sustainability

5 Appendix

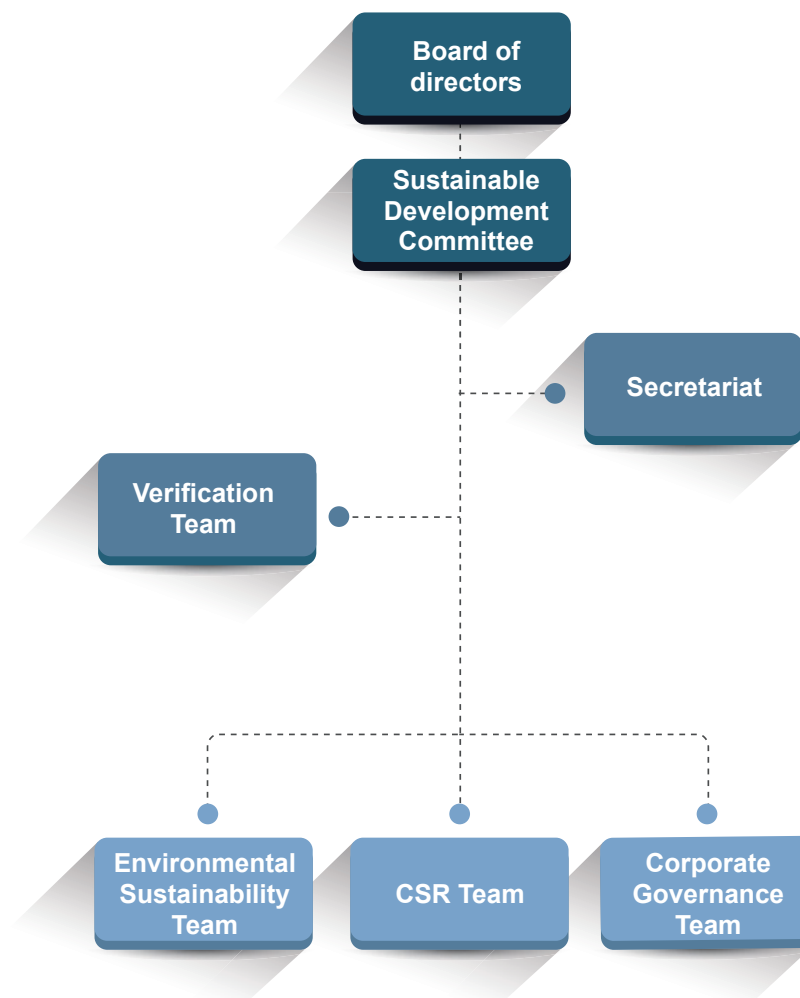
1.3 Sustainable Governance

The Board of Directors is the highest decision-making and supervisory body for Shinih's sustainable development initiatives, directly overseeing the promotion status and governance structure. The Company has established a dedicated unit to promote sustainable development. Currently, each team is striving to promote sustainable development initiatives within its respective functions. The corporate governance unit assists in consolidating the progress of sustainable development and related major events, reporting them regularly to the Board of Directors. The Board of Directors confirms the Company's sustainability initiatives and progress, supervises and tracks the implementation of the management team's annual sustainable development plans, and monitors the achievement of sustainability performance goals through reports from the corporate governance unit. This ensures that the Company has sufficient capabilities and resources to address potential economic, environmental, and social (including human rights) impacts.

In order to implement and strengthen governance and supervision of the progress and effectiveness of sustainable development, the Company established the "Sustainable Development Committee" at the 12th meeting of the 20th Board of Directors on March 11, 2024. The Committee is responsible for formulating the overall direction of sustainability policies, implementing the Company's sustainability action plan, and reviewing matters related to sustainable development. The Sustainable Development Committee is responsible for decision-making and supervision of the Company's sustainable development initiatives. The Committee comprises the Environmental Sustainability Team, the CSR Team, and the Corporate Governance Team, each responsible for:

- Establishment, supervision, and review of environmental sustainability systems and goals (climate change management, water resource management).
- Establishment, supervision, and review of sustainable development policies, systems, or corporate social responsibility-related management guidelines.
- Formulation, supervision, and review of policies and management mechanisms related to corporate governance, ethical management, and risk management.

★ Sustainability Committee Framework



1.4 Stakeholder Identification and Engagement

After internal discussions, Shinih identified seven categories of stakeholders, including shareholders, employees, customers, suppliers, government agencies, media, and community residents. We have smooth communication channels in place for stakeholders to respond to their needs. In order to implement effective communication with stakeholders and to understand the opinions and expectations of each stakeholder regarding Shinih's sustainable operation, the communication channels and frequency with each stakeholder are as follows:

Stakeholders	Purpose of Engagement	Issues Communicated	Communication Channels – Frequency	2024 Communication Results
 Shareholders	Maintain good investment relations	Corporate governance Business performance Ethical management Risk management Sustainable development	Shareholders' meeting – Regularly Annual report/financial report – Annually/Periodically Investor section on the official website – Real time External communication mailbox – Real time Investor conference – Annually	• 1 investor conference • 1 shareholders' meeting • Operating revenue or financial report data disclosed on the official website and MOPS monthly and quarterly
 Employees	Enhance human capital	Occupational safety and health Labor–management relations Education and training Wages and benefits Sustainable development	Stakeholder section on the official website – Real time Labor–management meeting – Quarterly Internal communication mailbox – Real time Occupational Safety and Health Committee meeting – Monthly Employee Welfare Committee meeting – Regularly Internal communication website – Real time Plant safety awareness & communication – Real time Labor safety education and training in the plant – Periodically Various meetings in the plant – Weekly Plant affairs meeting – Monthly Health consultation with the plant physician – Monthly	• 12 Occupational Safety and Health Committee meetings held per plant • 4 labor–management meetings held per plant • 12 plant affairs meetings held per plant • 52 on-site medical services by occupational physicians/nurses
 Customers	Maintain good customer relations	Customer health and safety Customer satisfaction Compliance with laws and regulations Customer privacy	Stakeholder section on the official website – Real time Customer satisfaction survey – Annually Direct communication – Real time External communication mailbox – Real time New product launch – Real time	• Customers had fixed communication channels

Preface

1 About the Company

- 1.1 Company Profile
- 1.2 Business Performance
- 1.3 Sustainable Governance
- 1.4 Stakeholder Identification and Engagement
- 1.5 Identification of Material Sustainability Topics

2 Corporate Governance

4 Environmental Sustainability

5 Appendix

Preface

1 About the Company

- 1.1 Company Profile
- 1.2 Business Performance
- 1.3 Sustainable Governance
- 1.4 Stakeholder Identification and Engagement
- 1.5 Identification of Material Sustainability Topics

2 Corporate Governance

4 Environmental Sustainability

5 Appendix

Stakeholders	Purpose of Engagement	Issues Communicated	Communication Channels – Frequency	2024 Communication Results
 Suppliers	Maintain good value chain operation	Procurement practices Sustainable development of the Company Climate change impact response	Supplier evaluation questionnaire – Annually Stakeholder section on the official website – Real time External communication mailbox – Real time Direct communication – Real time	Discussed market and supply conditions with suppliers on an unscheduled basis
 Government agencies	Ensure compliance with laws and regulations	Ethical management Compliance with laws and regulations Environmental protection Public security Climate change impact response	Stakeholder section on the official website – Real time Official correspondence – Real time Regulatory briefing, public hearing, or seminar – Real time	Participated in awareness-raising events or seminars organized by the environmental protection authority on an unscheduled basis
 Media	Maintain good public relations	Economic performance Compliance with laws and regulations Social welfare Environmental protection	Stakeholder section on the official website – Real time External communication mailbox – Real time Spokesperson interview – Real time Press release – Real time	1 investor conference
 Community residents	Fulfill corporate social responsibility	Community engagement Waste Air pollution emissions Community impact Community development Social welfare	Stakeholder section on the official website – Real time External communication mailbox – Real time Local community visit – Real time Direct communication – Real time	- Voluntarily visited neighboring communities, participated in local community service activities, and sponsor events hosted by the township office, nearby schools, and local organizations. 6 community activities participated in by plants

Procedures for Remedying Negative Impacts

The Company identifies and evaluates actual or potential negative impacts on the economy, environment, and people (including their human rights) through regular assessments, stakeholder communication, and grievance mechanisms. If the Company identifies actual or potential negative impacts, it will provide mitigation or remedial measures for actual negative impacts and take countermeasures to prevent potential negative impacts. There were no negative impacts on the economy, environment, and human rights in 2024.

Preface

1 About the Company

- 1.1 Company Profile
- 1.2 Business Performance
- 1.3 Sustainable Governance
- 1.4 Stakeholder Identification and Engagement
- 1.5 Identification of Material Sustainability Topics

2 Corporate Governance

4 Environmental Sustainability

5 Appendix

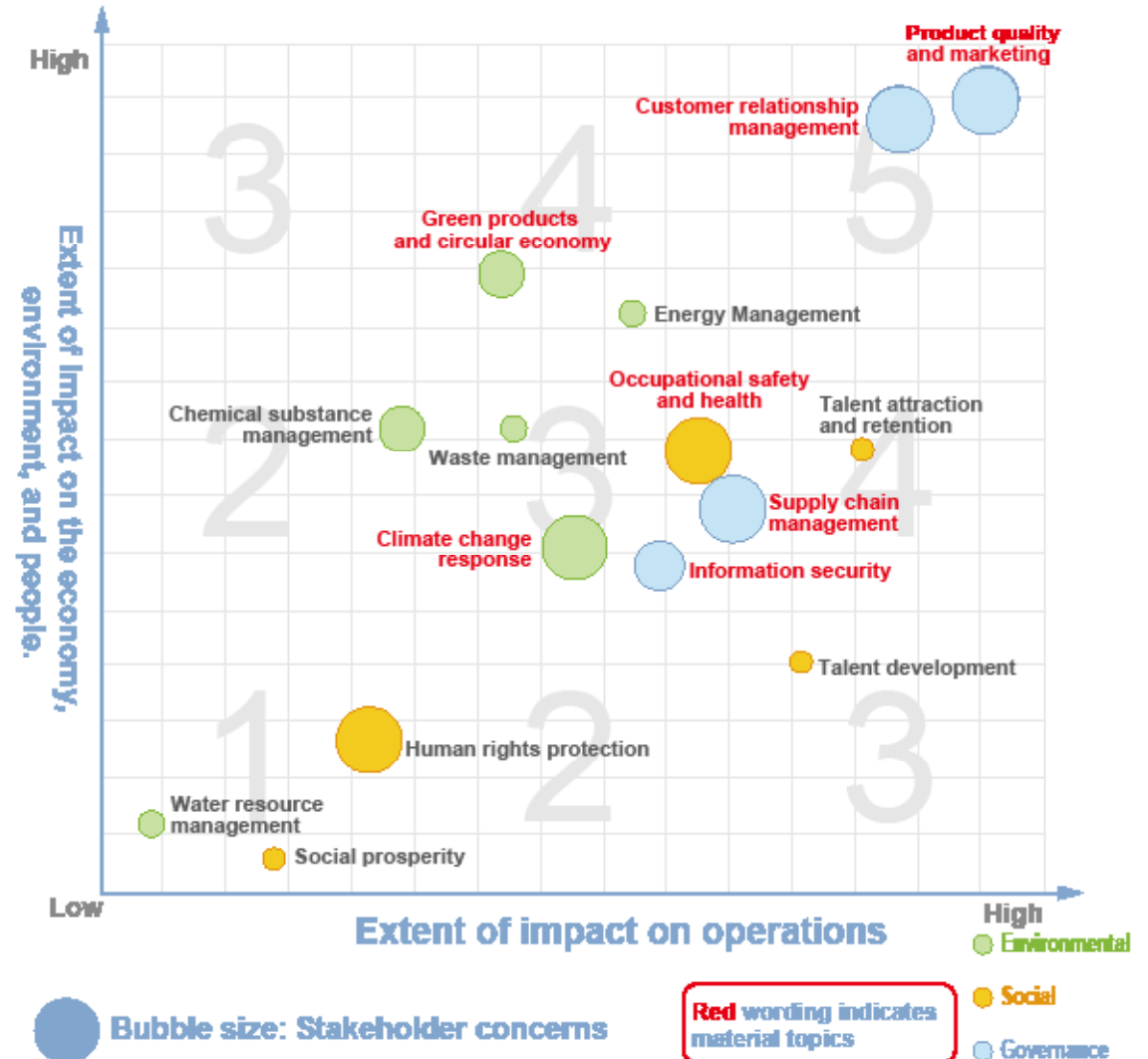
1.5 Identification of Material Sustainability Topics

Process for Identifying Material Sustainability Topics

The Company collected various sustainability issues through internal discussions, assistance from external experts, and by referencing the GRI (Global Reporting Initiative) Standards, along with important domestic and international industry trends. In 2023, the Company conducted a systematic analysis of the impact of various issues on management through departmental interviews and questionnaires. This analysis aimed to evaluate the impact of each issue on the economy, environment, and people, as well as their impact on the Company's operations. Additionally, the Company distributed a questionnaire to major stakeholders to gauge their level of concern regarding material topics, and a total of 284 valid responses were collected. Based on these responses, the Company identified stakeholder concerns regarding sustainability issues and subsequently created a material topics matrix.

The X-axis in the matrix below represents the "degree of impact on the Company's operations," the Y-axis represents the "degree of impact on the economy, environment, and society," and the size of bubble represents the "degree of stakeholder concern." Based on their scores, the materiality of topics were assessed and categorized as material or general topics. After integration, analysis, and sorting, and following confirmation by senior executives, seven material topics were identified for Shinih in 2023: product quality and marketing, customer relationship management, information security, occupational safety and health, green products and the circular economy, supply chain management, and climate change response. We also used these topics as a reference for information disclosure in the Report and continued to make improvements. As there was no significant change in 2024, we continued to use the same material topics.

Material topic matrix



List of Material Topics

Dimension	Material Topic	Description of Material Topic	Corresponding Chapter
 Governance	Product quality and marketing	Commit to the R&D of safe, high-quality products that meet customer needs	2.6 Product Quality and Marketing
	Customer relationship management	Focus on analyzing customer data, optimize order processing, and provide personalized services	2.5 Customer Relationship Management
	Supply chain management	Coordinate the activities of suppliers, manufacturers, and retailers to optimize costs, shorten delivery times, and improve quality	2.4 Supply Chain Management
	Information security	Ensure the confidentiality, integrity, and availability of information systems through the comprehensive application of technology, strategy, and personnel management	2.7 Information Security Management
 Society	Occupational safety and health	It is the Company's basic responsibility to protect the life and safety of workers and provide a healthy and safe working environment	3.2 Occupational Safety and Health
 Environment	Green products and circular economy	Actively promote green products and minimize the generation of hazardous substances in response to the global industry's trend toward low-carbon and net-zero emissions, meeting customer needs.	4.6 Green Products and Circular Economy
	Climate change response	Reduce carbon emissions, promote green technologies and products, and actively overcome the challenges of climate change in response to regulations and international trends	4.1 Climate Change Response

Preface

1 About the Company

- 1.1 Company Profile
- 1.2 Business Performance
- 1.3 Sustainable Governance
- 1.4 Stakeholder Identification and Engagement
- 1.5 Identification of Material Sustainability Topics

2 Corporate Governance

4 Environmental Sustainability

5 Appendix



Preface

1 About the Company

2 Corporate Governance

- 2.1 Corporate Governance Structure
- 2.2 Risk Management
- 2.3 Legal Compliance and Ethical Management
- 2.4 Supply Chain Management
- 2.5 Customer Relationship Management
- 2.6 Product Quality and Marketing
- 2.7 Information Security Management

4 Environmental Sustainability

5 Appendix



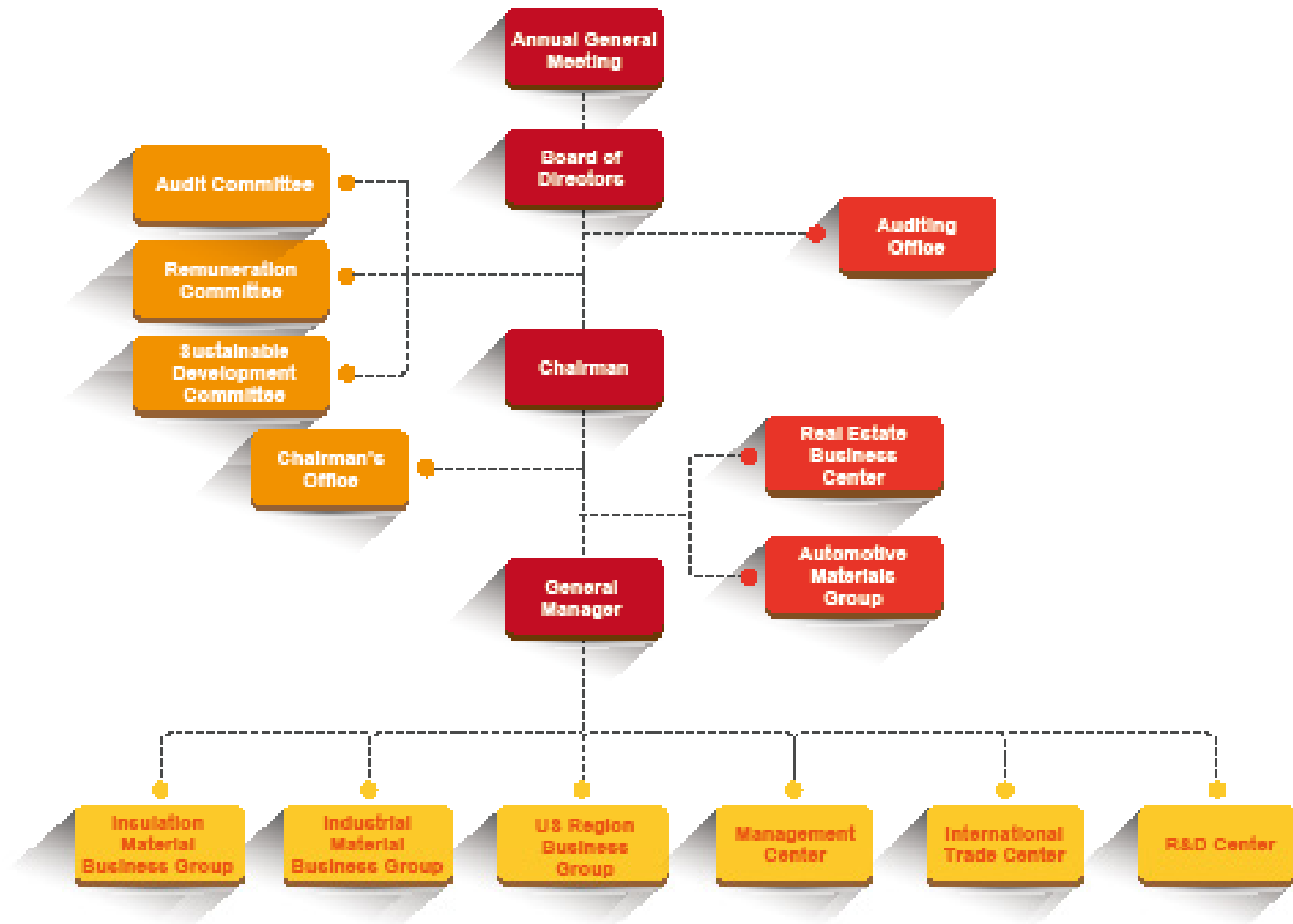
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- 2.1 Corporate Governance Structure
- 2.2 Risk Management
- 2.3 Legal Compliance and Ethical Management

- 2.4 Supply Chain Management
- 2.5 Customer Relationship Management
- 2.6 Product Quality and Marketing
- 2.7 Information Security Management

2.1 Corporate Governance Structure

Organizational Chart and Responsibilities of Each Unit





Preface

1 About the Company

2 Corporate Governance

2.1 Corporate Governance Structure

2.2 Risk Management

2.3 Legal Compliance and Ethical Management

2.4 Supply Chain Management

2.5 Customer Relationship Management

2.6 Product Quality and Marketing

2.7 Information Security Management

4 Environmental Sustainability

5 Appendix

Department	Main Responsibilities
Chairman's Office	Assistance to the Chairman in operation management and project related matters.
Auditing Office	Handling of the soundness, reasonableness, execution effectiveness of internal control system, and execution of internal audit operations, improvement of operation process, and other related matters.
Real Estate Business Center	Revitalization, development, and reuse of the group's assets, land, and idle plants to create non-operating income and increase non-industry value.
Automotive Materials Group	Planning, expansion, building, and management of the automotive parts industry and supply chain.
Insulation Material Business Group	Insulation material product marketing, sales, research and development, quality control and related matters.
Industrial Material Business Group	Industrial material product marketing, sales, research and development, quality control and related matters.
US Region Business Group	Product marketing, sales, research and development, quality control and related matters for the US region.
Management Center	■ Management and coordination of personnel matters, salaries and general affairs. ■ Administrative and general affair planning and handling, property insurance, and other related matters. ■ Planning, establishment, development and management of the Company's system integration and computer information related management affairs. ■ Establishment, assessment and implementation of accounting system, and preparation and analysis of financial statements and budgets related matters. ■ Taxation planning and declaration related matters. ■ Fund management and financing planning and adjustment related matters. ■ Financial service and short-term financial management and long-term investment operation related matters. ■ Stock affairs, announcements, and declaration related matters. ■ Supervision of financial and accounting related matters of all investment locations.
International Trade Center	■ Major purchase related matters of the purchase of large raw materials and machinery, equipment and hardware. ■ Planning, supervision of import, export, transportation and customs, and executing relevant matters. ■ Supplier management, supervision and evaluation. ■ Insulation materials and industrial materials PI business, quality system standard system establishment and quality business execution.
R&D Center	■ Formulate the Company's product and technology development strategies. ■ Development and management of new products (new technologies, new services). ■ Planning and design of industry technology research and new product (new technologies, new services) projects. ■ Development and application of new products (new technologies, new services) and new materials ■ Product (technical, service) improvement and upgrade ■ Research and development technology and engineering technology management. ■ Technical information and data management, and R&D intellectual property management.

The Company's stock affairs unit is responsible for corporate governance-related matters, including convening meetings of the Board of Directors and functional committees, producing minutes of those meetings, assisting directors in taking office and continuing their education, providing directors with the information needed to perform their duties, assisting directors in complying with laws and regulations, handling matters related to the Company's change of registration, convening shareholders' meetings, producing minutes for shareholders' meetings, and addressing other matters stipulated in the Company's Articles of Incorporation or contracts. The 6th Meeting of the 20th Board of Directors, held in March 2023, approved the appointment of Shih, Chung-Nan who has more than three years of experience in the Company's finance and corporate governance-related affairs as supervisors, as the Corporate Governance Officer.

Preface

1 About the Company

2 Corporate Governance

2.1 Corporate Governance Structure

2.2 Risk Management

2.3 Legal Compliance and Ethical Management

2.4 Supply Chain Management

2.5 Customer Relationship Management

2.6 Product Quality and Marketing

2.7 Information Security Management

4 Environmental Sustainability

5 Appendix

Board Composition and Operation

The Board of Directors is the highest governing body and ultimate decision-making authority of Shinih, responsible for guiding the Company's strategies, supervise the management, and be accountable to the Company and shareholders. The operations and arrangements of its corporate governance system should ensure that the board of directors exercises its powers in accordance with laws and regulations, the company's Articles of Incorporation, or the resolutions of shareholders' meetings. Chairman Jui-Jui Chien serves as the head of the highest governing body. In addition to representing the Board of Directors in executing decisions and organizing and coordinating its functions, the chairman is also responsible for formulating the Company's business strategies and clearly defining its development goals. The chairman also serves as the Company's Chief Sustainability Officer, leading and being responsible for the development direction and goal planning of the Company's sustainable operations.

There are seven directors on the 20th Board, including three independent directors. Of these, four are female, representing 57% of the Board; two directors are age 50 or under, one is between 51 and 69 years old, and four are age 70 or older. The Board members have extensive management experience and diverse professional backgrounds. They possess the professional knowledge, skills, and attributes necessary to fulfill their duties. At least one-third of the members possess the capability to execute tasks related to the eight key diversity areas, while over 80% of members demonstrate core competencies in the three critical areas of operational decision-making, business administration, and crisis resolution.

In accordance with Articles 21 and 41 of the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies," the Company has established the "Procedures for Election of Directors." The nomination and selection of the Company's Board members are conducted in accordance with the Articles of Incorporation and the "Regulations Governing the Election of Directors," and a candidate nomination system is employed. The nomination and selection process takes into account the Company's operating model and development plan, ensuring that Board members possess the professional skills and experience necessary to meet the Company's long-term development needs. According to Article 15 of the "Articles of Incorporation," the Board shall consist of seven directors, and the number of directors is authorized to be determined by the Board of Directors. At least two of these directors shall be independent directors, representing no less than 1/5 of the total number of directors, and they shall be elected from the list of director candidates by the shareholders' meeting. Independent directors and non-independent directors shall be nominated separately and elected together, with the number of seats elected for each type calculated independently.

Diversity of Board of Directors

Based on the Company's policy of diversity, strengthening corporate governance, and promoting board formation and sound structural development, the nomination of director candidates adopts a candidate nomination system in accordance with the provisions of the Articles of Incorporation. The qualifications, experience, and professional background of each candidate are assessed, and after the approval and resolution of the board of directors, the nominations are submitted to the shareholders' meeting for election. Regarding the composition of the board of directors, it is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

1

Basic Requirements and Values

Gender, age, nationality, and culture, and the ratio of female directors shall reach one-third of the total number of directors.

2

Professional knowledge and skills

Professional knowledge and skills: A professional background (e.g. law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities: Operational judgment ability, accounting and financial analysis ability, business management ability, crisis handling ability, industry knowledge, international market perspective, leadership, and decision-making ability.



Preface

1 About the Company

2 Corporate Governance

2.1 Corporate Governance Structure

2.2 Risk Management

2.3 Legal Compliance and Ethical Management

2.4 Supply Chain Management

2.5 Customer Relationship Management

2.6 Product Quality and Marketing

2.7 Information Security Management

4 Environmental Sustainability

5 Appendix

Board members

Title	Name	Education and experience	Gender	Age	Whether or not he/she has an employee status.
Chairman	Representative of Li Bang Investment Co., Ltd.: Jui-Jui Chien	Taipei Senior Vocational School	Female	71–80	No
Director	Representative of Li Bang Investment Co., Ltd.: Chia-Chin Chien	Information Management Department, University of California, USA	Female	41–50	Yes
Director	Representative of Xiang Bo International Development Co., Ltd.: Chiu-Chiu Chien	University of California, Los Angeles (UCLA) Stanford Logistics and Supply Chain Management (SLSC)	Female	31–40	Yes
Director	Representative of Ying Hung International Co., Ltd.: Jung-Tsai Chien	Department of International Trade, Tamkang University	Male	81–90	Yes
Independent Director	Shu-Fen Wang	Ph.D. in Finance, University of Houston, USA	Female	71–80	No
Independent Director	Kuang-Wu Lu	Department of Law, National Taiwan University	Male	71–80	No
Independent Director	Tung-Yao Wu	Department of Industrial Engineering, Feng Chia University	Male	61–70	No

Professional Competence of Board members

Director Name	Nationality	Gender	Core items							
			Operational judgment	Accounting and financial analysis skills	Business management skills	Crisis management skills	Industry knowledge	International market perspective	Leadership skills	Decision-making skills
Jui-Jui Chien	Republic of China	Female	✓	✓	✓	✓	✓	✓	✓	✓
Chia-Chin Chien	Republic of China	Female	✓		✓	✓	✓	✓	✓	✓
Chiu-Chiu Chien	Republic of China	Female	✓	✓	✓	✓	✓	✓	✓	✓
Jung-Tsai Chien	Republic of China	Male	✓		✓	✓	✓	✓	✓	✓
Shu-Fen Wang	Republic of China	Female	✓	✓		✓		✓		✓
Kuang-Wu Lu	Republic of China	Male	✓			✓		✓		✓
Tung-Yao Wu	Republic of China	Male	✓		✓	✓	✓	✓		✓

Composition of Board Members

Age	Male	Female	Total	Other Related Diversity Indicators			
Less than 30 years old	0	0	0	Category	Male	Female	Total
30–50 years old (inclusive)	0	2	2	Indigenous person	0	0	0
Over 50 years old	3	2	5	People with disabilities	0	0	0
Total	3	4	7	Total	0	0	0

Continuing Education of Directors

The directors of Shinih Enterprise are required to attend courses on “ESG governance,” “climate governance,” and “risk management,” as stipulated in the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies.” These courses are designed to enhance the directors’ understanding of current trends and the Company’s strategic needs, as well as domestic laws and regulatory adjustments. A total of 39 hours of continuing education for directors was completed in 2024.

Continuing education for directors and independent directors in 2024

Title	Name	Date of continuing education (Start)	Date of continuing education (End)	Organizer	Course name	Hours of education
Representative of Corporate Director	Jui-Jui Chien	2024/03/22	2024/03/22	BCSD	CDP Taiwan Presentation – Launching the New Carbon Era with Sustainable Knowledge	3 hours
Representative of Corporate Director	Jui-Jui Chien	2024/06/14	2024/06/14	Taiwan Corporate Governance Association	Analysis of the Commercial Case Adjudication Act	3 hours
Representative of Corporate Director	Chia-Chin Chien	2024/03/22	2024/03/22	BCSD	CDP Taiwan Presentation – Launching the New Carbon Era with Sustainable Knowledge	3 hours
Representative of Corporate Director	Chia-Chin Chien	2024/06/14	2024/06/14	Taiwan Corporate Governance Association	Analysis of the Commercial Case Adjudication Act	3 hours
Representative of Corporate Director	Chiu-Chiu Chien	2024/06/14	2024/06/14	Taiwan Corporate Governance Association	Analysis of the Commercial Case Adjudication Act	3 hours
Representative of Corporate Director	Chiu-Chiu Chien	2024/09/20	2024/09/20	Securities and Futures Institute	2024 Annual Seminar on Preventing Insider Trading	3 hours
Representative of Corporate Director	Jung-Tsai Chien	2024/11/22	2024/11/22	Securities and Futures Institute	2024 Seminar on Legal Compliance of Internal Shareholder Equity Transactions	3 hours
Independent Director	Shu-Fen Wang	2024/06/03	2024/06/03	Securities and Futures Institute	Institutional Investor Perspectives Forum	3 hours
Independent Director	Shu-Fen Wang	2024/06/14	2024/06/14	Taiwan Corporate Governance Association	Analysis of the Commercial Case Adjudication Act	3 hours
Independent Director	Kuang-Wu Lu	2024/03/22	2024/03/22	BCSD	CDP Taiwan Presentation – Launching the New Carbon Era with Sustainable Knowledge	3 hours
Independent Director	Kuang-Wu Lu	2024/06/14	2024/06/14	Taiwan Corporate Governance Association	Analysis of the Commercial Case Adjudication Act	3 hours
Independent Director	Tung-Yao Wu	2024/06/14	2024/06/14	Taiwan Corporate Governance Association	Analysis of the Commercial Case Adjudication Act	3 hours
Independent Director	Tung-Yao Wu	2024/09/20	2024/09/20	Securities and Futures Institute	2024 Annual Seminar on Preventing Insider Trading	3 hours
Total Training Hours						39 hours

Recusal from Conflict of Interest

The “Rules of Procedure for Board Meetings” of the Company already stipulates the rules for directors regarding the avoidance of conflicts of interest. If a director or a legal entity they represent has interests that could be detrimental to the Company’s interests, they may state their views and answer questions, but must not participate in discussions or voting, must recuse themselves during discussions and voting, and may not exercise voting rights on behalf of other directors. Directors should also exercise self-discipline and provide appropriate mutual support.

Directors who have a conflict of interest with the agenda items under discussion, or whose legal representatives have a conflict of interest, shall explain the significant details of such conflicts at the meeting. If there is a risk of harm to the Company’s interests, they may not participate in the discussion or voting. They shall be recused from the discussion and voting and are not allowed to act as proxies for other directors to exercise their voting rights. Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item. Resolutions of the Board of Directors shall be handled in accordance with Article 206, Paragraph 2 of the Company Act, applying Article 180, Paragraph 4, as to directors who are not entitled to exercise voting rights under the preceding two paragraphs. In 2024, the Company did not experience any material conflicts of interest.

Preface

1 About the Company

2 Corporate Governance

- 2.1 Corporate Governance Structure
- 2.2 Risk Management
- 2.3 Legal Compliance and Ethical Management
- 2.4 Supply Chain Management
- 2.5 Customer Relationship Management
- 2.6 Product Quality and Marketing
- 2.7 Information Security Management

4 Environmental Sustainability

5 Appendix

Preface

1 About the Company

2 Corporate Governance

- 2.1 Corporate Governance Structure
- 2.2 Risk Management
- 2.3 Legal Compliance and Ethical Management
- 2.4 Supply Chain Management
- 2.5 Customer Relationship Management
- 2.6 Product Quality and Marketing
- 2.7 Information Security Management

4 Environmental Sustainability

5 Appendix

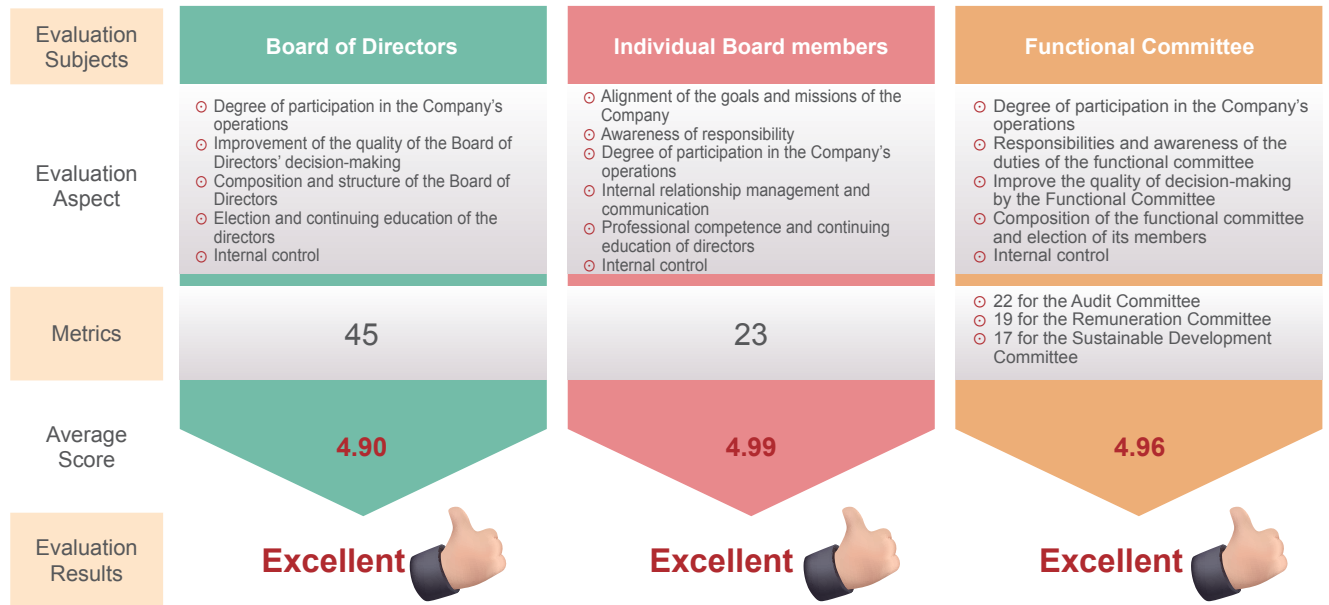
Board Performance Evaluation

To implement corporate governance and enhance the functions of the Board, performance goals were established to strengthen the efficiency of its operations. In accordance with Article 37 of the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies,” the Board of Directors approved the amendment to the “Board Performance Evaluation Guidelines” at its 11th meeting of the 19th Board on December 18, 2020. An internal performance evaluation is conducted annually, and an independent external professional institution or a team of external experts and scholars shall conduct an evaluation at least once every three years. Internal performance evaluation is completed by all directors through the completion of the “Board Performance Self-evaluation Questionnaire” and “Director Performance Self-evaluation Questionnaire.” All members of the functional committees conduct evaluations via the functional committee performance self-evaluation questionnaire.

Based on the self-evaluation results of each director for 2024, the Board of Directors and all functional committees received a rating of “Above Standard.” This demonstrates sound overall operation and compliance with corporate governance requirements, effectively enhancing the Board’s functions. The 2024 Board performance evaluation results were reviewed and approved at the 9th meeting of the 5th Remuneration Committee on March 7, 2025, and submitted to the 17th meeting of the 20th Board on March 7, 2025, as required.

The Board’s performance evaluation was completed in 2024 by the external evaluation body, Taiwan Investor Relations Institute.

Note: For detailed information on the Board’s performance evaluation report, please refer to the Company’s official website – Board Performance Evaluation.



(Strongly agree – 5 points; Agree – 4 points; Neutral – 3 points; Disagree – 2 points; Strongly disagree – 1 point)

Board of Directors		
Self-evaluation of five key areas	Questions	Average score
A. Degree of participation in the Company's operations	12	4.99
B. Improvement of the quality of the Board of Directors' decision-making	12	4.99
C. Composition and structure of the Board of Directors	7	5.00
D. Election and Ongoing Training of Directors	7	4.51
E. Internal control	7	5.00
Total/average score	45	4.90

Individual Board members		
Self-evaluation of six key areas	Questions	Average score
A. Alignment of the Goals and Missions of the Company	3	5.00
B. Awareness of Responsibility	3	5.00
C. Degree of Participation in the Company's Operations	8	4.98
D. Internal Relationship Management and Communication	3	5.00
E. Professional Competence and Continuing Education of Directors	3	4.95
F. Internal Control	3	5.00
Total/average score	23	4.99

Functional Committee						
Self-evaluation of five key areas	Audit Committee		Remuneration Committee		Sustainable Development Committee	
	Questions	Average score	Questions	Average score	Questions	Average score
A. Degree of participation in the Company's operations	4	5.00	4	5.00	4	4.82
B. Responsibilities and Awareness of the Duties of the Functional Committee	5	5.00	5	5.00	3	4.92
C. Improve the Quality of Decision-Making by the Functional Committee	7	5.00	7	5.00	7	4.88
D. Composition of the Functional Committee and Election of Its Members	3	5.00	3	5.00	3	4.86
E. Internal Control	3	5.00	-	-	-	-
Total/average score	22	5.00	19	5.00	17	4.87

Functional Committee

★ Audit Committee

The Audit Committee shall be composed of all independent directors of the Company and will be responsible for assisting the Board of Directors in overseeing and evaluating the fair presentation of the Company's financial statements, the selection (and dismissal) of certified public accountants, their independence and performance, the effective implementation of the internal control system, compliance with applicable laws and regulations, and the management of existing or potential risks to the Company. In doing so, we can ensure that the Company's operations comply with relevant government laws, regulations, and established practices. The Committee holds a meeting at least once per quarter, holding a total of five meetings in 2024 with an average attendance rate of 100%.

	Title	Name	Number of actual attendances	Attendance rate
Convener	Independent Director	Shu-Fen Wang	Five times	100%
Committee member	Independent Director	Kuang-Wu Lu	Five times	100%
Committee member	Independent Director	Tung-Yao Wu	Five times	100%

(For detailed information, please refer to pages 18–19 of the 2024 Annual Report.)

★ Remuneration Committee

The convener and members of the Remuneration Committee shall consist of the Company's three independent directors, all of whom possess more than five years of work experience and relevant qualifications to ensure independence, professionalism, and impartiality. The Committee is primarily responsible for reviewing the selection of directors and senior management, remuneration policies, and performance evaluation standards, as well as submitting recommendations to enhance the nomination process for directors (including independent directors) and foster a diverse and professional board of directors. The Committee holds at least two meetings each year, and held two meetings in 2024, with an average attendance rate of 100%.

	Title	Name	Number of actual attendances	Attendance rate
Convener		Kuang-Wu Lu	Twice	100%
Committee member		Shu-Fen Wang	Twice	100%
Committee member		Tung-Yao Wu	Twice	100%

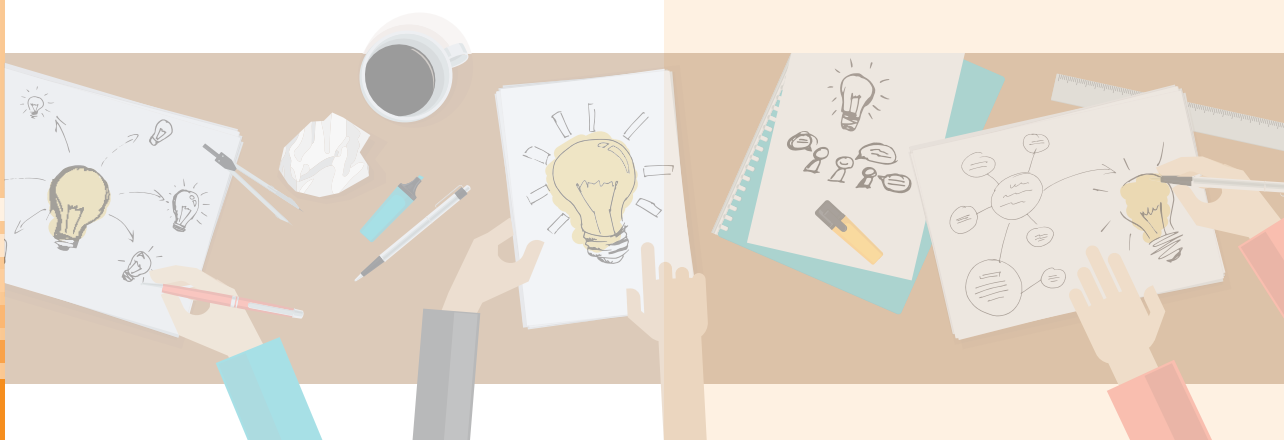
(For detailed information, please refer to page 26 of the 2024 Annual Report.)

★ Sustainable Development Committee

The Sustainable Development Committee consists of all of the Company's directors, totaling seven members, and is responsible for decision-making and oversight of the Company's sustainability initiatives. Under the Committee, the Environmental Sustainability Team, the Corporate Social Responsibility Team, and the Corporate Governance Team have been set up. The sustainability officer assigns heads of relevant units to oversee the responsibilities and execute the work plans of each unit, and submits the work plan and results of implementation to the Committee annually. The Committee holds at least two meetings per year, holding a total of two meetings in 2024 with an average attendance rate of 100%.

	Title	Name	Number of actual attendances	Attendance rate
Convener		Jui-Jui Chien	Twice	100%
Committee member		Chia-Chin Chien	Twice	100%
Committee member		Chiu-Chiu Chien	Twice	100%
Committee member		Jung-Tsai Chien	Twice	100%
Committee member		Shu-Fen Wang	Twice	100%
Committee member		Kuang-Wu Lu	Twice	100%
Committee member		Tung-Yao Wu	Twice	100%

(For detailed information, please refer to pages 27–28 of the 2024 Annual Report.)



2.2 Risk Management

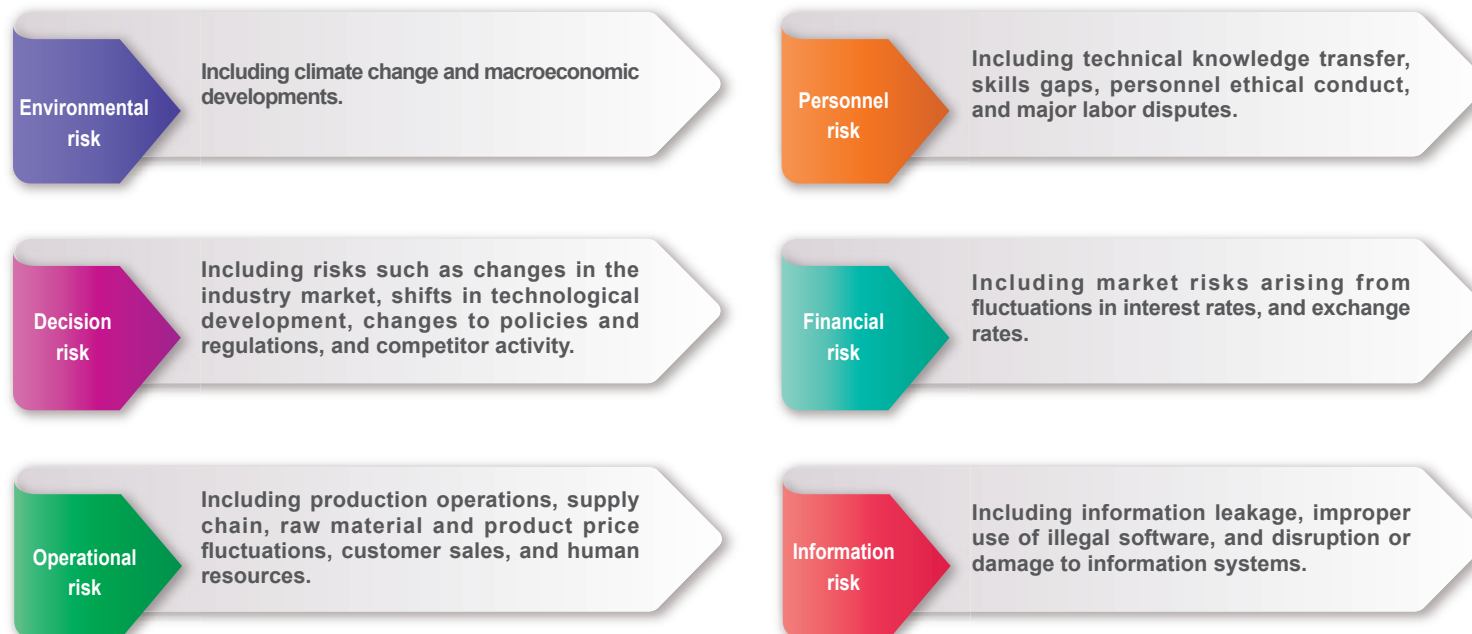
Risk Management Policies and Procedures

The Company is committed to assisting management in formulating strategies and setting goals, effectively allocating resources, strengthening risk response decision-making, and reducing unexpected operational risks and losses. To achieve its operational goals, the Company has established the “Risk Management Policy and Procedures” (last revised on December 19, 2023) as the highest guiding principle for risk management. This policy applies to the Company and all of its subsidiaries. This policy aims to establish a comprehensive risk assessment and management mechanism to identify and evaluate the risks the Company may face in its daily operations, and to develop risk mitigation strategies and related monitoring activities. This enables management to gain a deeper understanding of and control over the potential impact of these risks.

Risk Management Scope

The Company and its subsidiaries define various risks based on the Company’s overall business policy. Any events with the potential to jeopardize the Company’s sustainable operations are considered risks, which are systematically processed and addressed within a tolerable range. The Company continuously reviews and adjusts its risk management measures to protect the interests of employees, shareholders, customers, and partners, thereby increasing company value and achieving sustainable operations.

According to the Company’s “Risk Management Policy and Procedures,” the main risks covered include, but are not limited to, the following:

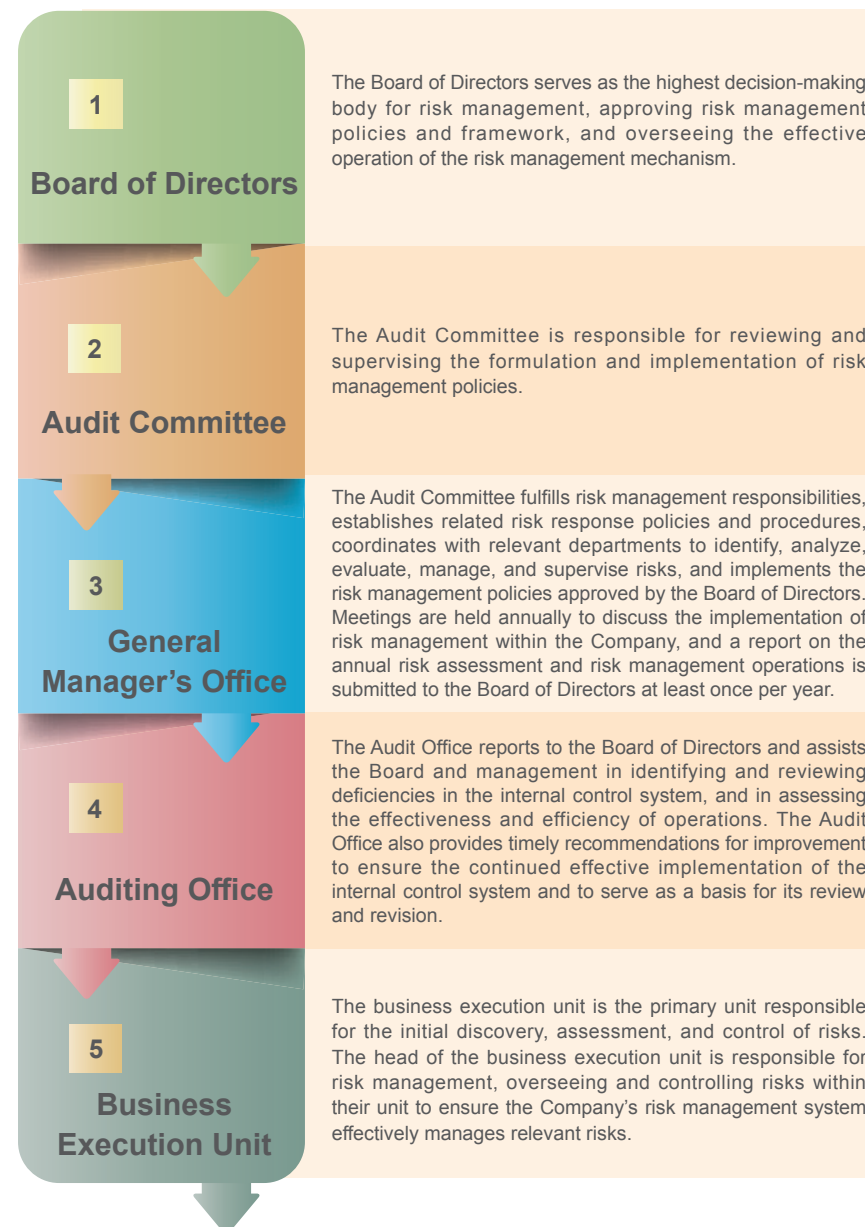


Risk Management Culture

The Company organizes risk management education and training courses from time to time to promote its risk management policies, procedures, and requirements, enhancing employees' awareness of and efforts in risk management implementation. Furthermore, the Company aims to achieve the following goals by integrating risk management into its business activities and daily management processes:



Risk Management Organizational Structure



Risk Management Operations

Preface

1 About the Company

2 Corporate Governance

- 2.1 Corporate Governance Structure
- 2.2 Risk Management
- 2.3 Legal Compliance and Ethical Management
- 2.4 Supply Chain Management
- 2.5 Customer Relationship Management
- 2.6 Product Quality and Marketing
- 2.7 Information Security Management

4 Environmental Sustainability

5 Appendix

Corporate governance risk	To provide a reference for directors, managers, and all employees, the Company has established internal regulations such as the "Ethical Corporate Management Best-Practice Principles" and "Code of Ethics for Directors and Managers." The Company has also formulated the "Procedures for Ethical Management and Guidelines for Conduct" to specifically define the precautions all personnel should observe when performing their duties. Additionally, to ensure the implementation of our ethical management policy, all directors, members of management, and employees must sign a "Commitment to Integrity and Honesty," and meetings will continuously be used to reinforce ethical principles and prohibit unethical conduct. Members of the Board of Directors shall recuse themselves from discussion of motions that involve a conflict of interest to prevent unethical conduct. The Company also insures its directors to reduce the potential liability risks arising from the performance of their duties.
Operational risk	Shinih's major shareholders maintain stable shareholdings. No significant transfer or replacement of shares occurred among directors and shareholders holding more than 10% of the shares in 2024. The Group's headquarters, the Board of Directors, the general manager, major shareholders, and overseas subsidiaries are not involved in any significant litigation, non-litigious disputes, or administrative proceedings. In addition, there were no significant matters – such as mergers and acquisitions, corporate restructuring, changes in ownership, or material changes to business operations – that could affect shareholders' rights or the Company.
Human resources risk	The Company has established human rights policies, remuneration policies, and internal rules – including work rules, employee performance management procedures, and training procedures – and updates them to align with relevant legislative amendments. The Company also periodically inventories relevant forms and documents and reviews the legality of all operating procedures. To facilitate communication, regular labor-management meetings, occupational safety committee meetings, and welfare committee meetings are held at each plant. Employees may raise issues through the employee grievance and reporting procedures. To address the needs of industry development, we regularly review manpower allocation and implement personnel replenishment and professional development initiatives.
Financing risk	The Finance and Accounting Department is responsible for assessing the capital flows generated by operations and implementing financing strategies based on future changes and surplus projections. The Department also negotiates financing options with domestic and international financial institutions, diversifying financing counterparties to avoid overconcentration of credit lines. All financing activities are conducted within the limits authorized by the Board of Directors.
Financial risk	Due to the rapid changes in global financial markets and the international situation, volatile exchange rates and raw material prices will affect the Group's long-term profitability. Therefore, Shinih closely monitors market conditions and enhances the Group's operating revenue and profit margin through appropriate financial hedging, flexible procurement strategies, and continuous improvements in production quality, efficiency, and cost control. Shinih does not engage in high-risk, high-leverage investments or trade in derivative financial instruments.
Regulatory compliance risk	Ethical management and compliance with all applicable laws and regulations are the fundamental principles guiding the Company's operations. The Management Department and the Stock Affairs Office continuously monitor labor, operational, and financial laws and regulations as amended by the relevant authorities. All plants' responsible units conduct monthly legal compliance audits of safety, health, and environmental practices. Any instances of non-compliance will be promptly addressed through revisions or the development of relevant operating procedures to mitigate legal risks.
Information security risk	To implement information security management, the Company has formulated the "Information Security Operating Procedures" and related guidelines, and has implemented the information work plan. We have established firewalls, electronic file encryption systems, and an electronic personal information storage platform to control personnel access rights and maintain access records. At the same time, server endpoint protection and privileged account management are strengthened to prevent information security incidents within the Company. The Company has established a systematic backup mechanism and conducts disaster recovery drills annually to ensure system restoration to normal operation and data integrity, minimizing the risk of system interruption from unexpected natural disasters or human error.
Climate change risk	Shinih takes into account regulatory, substantive, and other aspects to identify the risks posed by climate change and establishes relevant management measures to address the impact of climate change. In the future, we will continue to monitor climate change trends and evolving responses from international and domestic governments, and further refine our management measures.

2.3 Legal Compliance and Ethical Management

Current Regulatory Compliance Policy

Shinih strives to comply with all applicable laws and regulations in its business operations. To ensure robust regulatory compliance, Shinih continuously monitors domestic and international policies and laws that may impact its operations, and fosters a corporate culture that prioritizes compliance, deeply embedded in all locations where it operates.

The Company's governance officer and legal compliance department assist the directors in complying with laws and regulations and supervise the legal compliance of all subsidiaries, ensuring that all related operating activities are in compliance. The legal compliance system – encompassing legal inventory, updates, and identification, and culminating in compliance review – is central to the Company's legal compliance procedures. Implementing this system allows for the ongoing and effective execution of compliance measures and the introduction of risk control mechanisms to assess potential legal and regulatory risks associated with business operations. In addition, the Company requires its subsidiaries to immediately report all cases subject to penalties from competent authorities and to submit a corrective action plan, overseen by the Legal Compliance and Audit Departments, to ensure improvement.

Current Ethical Management Policy

Shinih is committed to treating all stakeholders with fairness, integrity, and honesty, and has established the "Code of Business Conduct and Guidelines" to implement its ethical management policy and proactively prevent unethical conduct. The "Code of Business Conduct and Guidelines" details the matters employees should pay attention to when performing their duties. (The implementation of ethical corporate management will be reported to the Board of Directors on May 9, 2025)

Complaint Channels Provided by the Company

Processing Procedure:

- Upon receiving a complaint and verifying its validity, we will immediately request the accused to cease the relevant behavior and take appropriate disciplinary action in accordance with applicable laws and company regulations.
- The acceptance, investigation process, and investigation results are all retained in written documents or electronically for five years.
- For the alleged incidents proven to be substantiated, the relevant unit shall review its internal control system and operating procedures and propose improvement measures to prevent recurrence of the same behavior.

Grievance Channel

Legal Compliance Email: inquiries@shinih.com

2024 Complaint Cases

No related reports or complaints were received in 2024.

2024 Major Violations of Laws and Regulations

No major violations of laws and regulations in 2024.

Criteria for Material Major Violations of Laws and Regulations

Penalties resulting in NTD 1 million or higher.

2024 Compliance and Integrity Awareness and Training

Training sessions on legal compliance and integrity are conducted with senior management during the business management meeting. The materials are then made available on the company intranet for employee review.

Internal Audit Organization and Management Procedures

Internal Audit Organization:

The Company's Audit Office reports directly to the chairman of the Board and operates as an independent unit.

The appointment and dismissal of the chief internal auditor shall be subject to the approval of the Audit Committee and resolution by the Board of Directors. If the Audit Committee's approval is not obtained, the appointment and dismissal of the chief internal auditor may be approved by a two-thirds majority of all directors. Any dissenting opinions or reservations of the independent directors shall be recorded in the minutes of the board meeting.

The daily management of the establishment, rank, attendance, and performance evaluation of auditors shall be determined by the chairman. The organization shall appoint a sufficient number of full-time internal auditors with appropriate qualifications and assign a deputy to perform audit duties in accordance with the "Regulations Governing the Establishment of Internal Control Systems for Publicly Issuing Companies." The number of internal auditors shall be commensurate with the scale of operations, the nature of the business, management needs, and other applicable laws and regulations.

Preface

1 About the Company

2 Corporate Governance

- 2.1 Corporate Governance Structure
- 2.2 Risk Management
- 2.3 Legal Compliance and Ethical Management
- 2.4 Supply Chain Management
- 2.5 Customer Relationship Management
- 2.6 Product Quality and Marketing
- 2.7 Information Security Management

4 Environmental Sustainability

5 Appendix

Responsibilities of Auditors



The Company's internal audit unit shall prepare an annual audit plan based on the results of risk assessment, including the items to be audited each month, and shall implement the annual audit plan to assess the Company's internal control system and prepare an audit report with supporting documentation. The Company shall include at least the audit items listed in Article 13 of the Regulations Governing the Establishment of Internal Control Systems for Publicly Issuing Companies in its annual audit plan each year, and the audit plan shall be approved by the Board of Directors; the same applies to any amendments. The Company has established independent directors, and when submitting the annual audit plan to the Board of Directors for discussion as stipulated in the preceding paragraph, the opinions of all independent directors must be fully considered and included in the Board of Directors' meeting minutes. The audit reports, work records, and related documents mentioned above shall be retained for at least five years.



Internal auditors shall communicate the results of the annual audit to the audited unit. Any deficiencies or anomalies identified in the internal control system during the audit must be disclosed in the audit report and tracked after the report is approved. A follow-up report shall be prepared at least quarterly until the relevant unit has implemented appropriate corrective measures. The Company shall include the deficiencies, anomalies, and improvements to the internal control system identified in the preceding paragraph as key items in each department's performance evaluation. The deficiencies and anomalies in the above internal control system shall include those identified by the Financial Supervisory Commission's inspection, internal audits, those listed in the internal control system statement, and those found through self-inspection and special audits by CPAs.



The Company shall submit the audit report and follow-up report to the independent directors for review after approval of the audit report. The audit items shall be delivered to the independent directors for review by the end of the month following their completion. Upon discovery of any major violations or if the Company is at risk of significant damage, the internal auditors shall immediately submit a report to the independent directors.



The Company shall submit the audit plan for the next fiscal year and the implementation status of the previous fiscal year's audit plan to the FSC for record within two months after the end of the current fiscal year, using the prescribed format via the online information system.



The Company conducts self-inspections of its internal control system, requiring each unit and subsidiary to perform at least one self-inspection annually. The internal audit unit then reviews the self-inspection reports of each unit and subsidiary, as well as the remediation of internal control deficiencies and anomalies identified by the audit unit. This information serves as the primary basis for the Board of Directors and the general manager to evaluate the overall effectiveness of the internal control system and issue a Statement of Internal Control System. The work records of the self-inspection shall be prepared and kept for at least five years, along with the self-inspection report and related documents.



The internal control system statement must be approved by the Board of Directors; the same applies to any amendments. The statement shall be publicly announced and filed on the FSC's designated website within three months of the end of each fiscal year.



The Company shall report to the FSC within five months after the end of each fiscal year the improvement of internal control system deficiencies and abnormal matters identified in the previous year's internal audit, using the prescribed format via the online information system.

Vision and Strategies

Preface

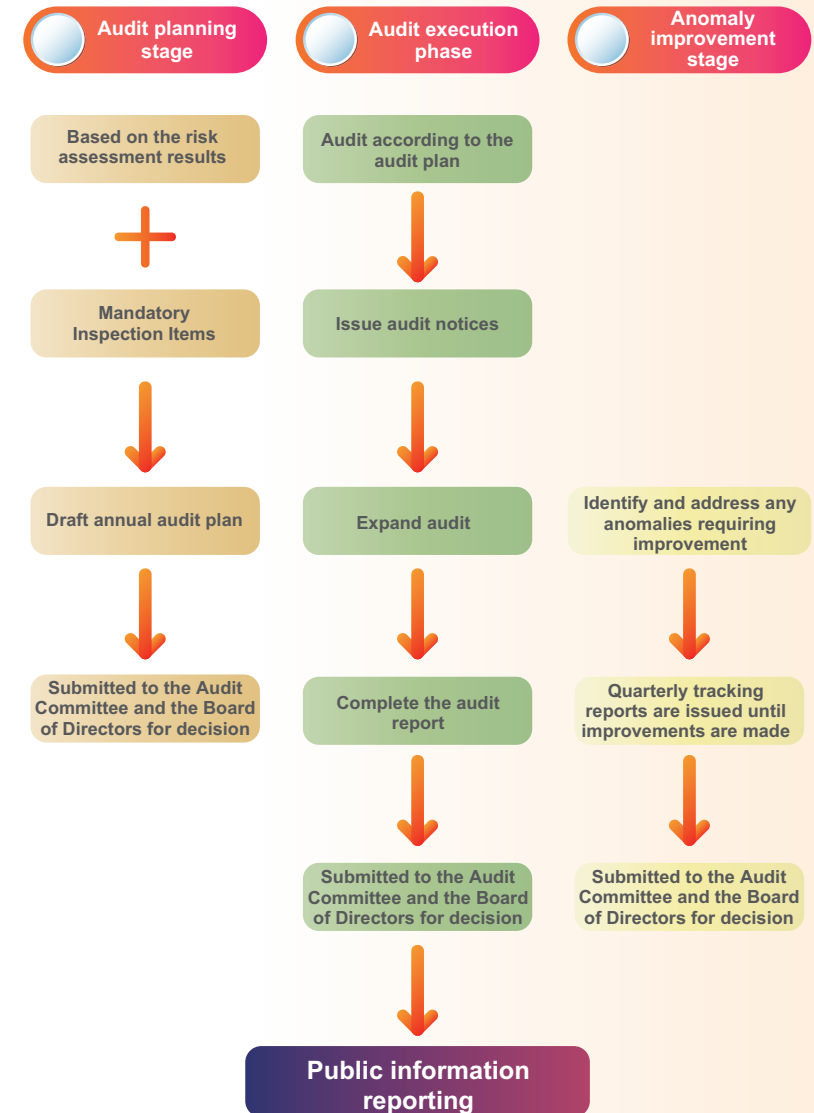
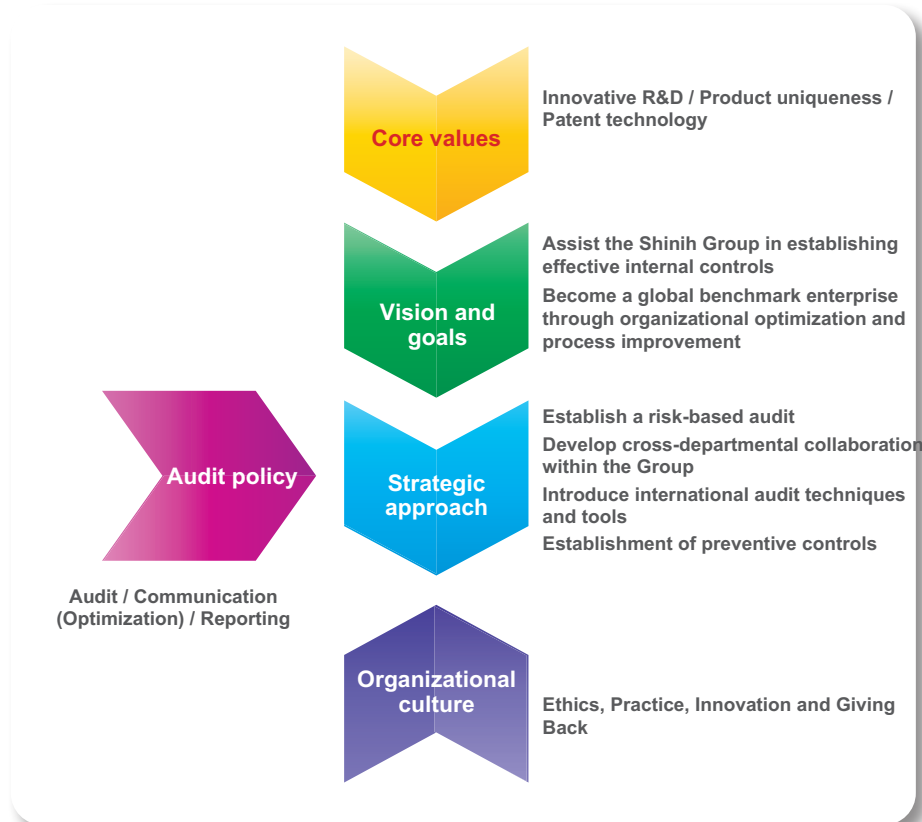
1 About the Company

2 Corporate Governance

- 2.1 Corporate Governance Structure
- 2.2 Risk Management
- 2.3 Legal Compliance and Ethical Management
- 2.4 Supply Chain Management
- 2.5 Customer Relationship Management
- 2.6 Product Quality and Marketing
- 2.7 Information Security Management

4 Environmental Sustainability

5 Appendix



2.4 Supply Chain Management

Impact

Suppliers should avoid neglecting ESG risks, which could lead to quality issues, delivery delays, environmental pollution, operational vulnerabilities, and ultimately impact the entire value chain.

Policy Commitment

- Create win-win situations with suppliers by cooperating from the development stage, ensuring compliance with ethical and environmental standards. Suppliers must follow the Code of Conduct, green product procurement, and environmental certification, and undergo annual evaluation and qualification training.
- Regularly evaluate the quality, on-time delivery rate, industrial safety management, and ESG management of suppliers, while maintaining ongoing communication to integrate corporate social responsibility and supply chain sustainability into the evaluation criteria, and collaborate to create high-quality products and sustainable value.

Actions Taken

1. Suppliers are required to sign the Code of Conduct agreement, which is included in the annual supplier evaluation criteria.
2. Continuously develop new suppliers and alternative raw materials.
3. Regular meetings and visits with suppliers.

Goals

Short-term goals

1. By 2025, all new suppliers will be required to complete the "Supplier Code of Conduct."
2. By 2025, corporate ESG performance will be incorporated into new supplier evaluations as a bonus criterion.
3. Promote the importance of corporate social responsibility to suppliers.

Mid- and long-term goals

1. Develop waste fabric recycling fiber procurement items.
2. Establish a green supply chain.
3. Gradually incorporate ESG data from overseas plants to expand the Group's sustainability business philosophy.

Evaluation Mechanism

The materials unit is responsible for confirming achievement every year.

Evaluation Results

Completed the 2024 annual evaluation of key suppliers. The evaluation was based on the top ten suppliers by purchase volume and those with quality issues, assessed through sampling. Completion rate: 100%.

Stakeholder Engagement

1. Annual supplier audit and visit
2. Manufacturer lead time and quality meeting.
3. Meetings with manufacturers regarding new product development.

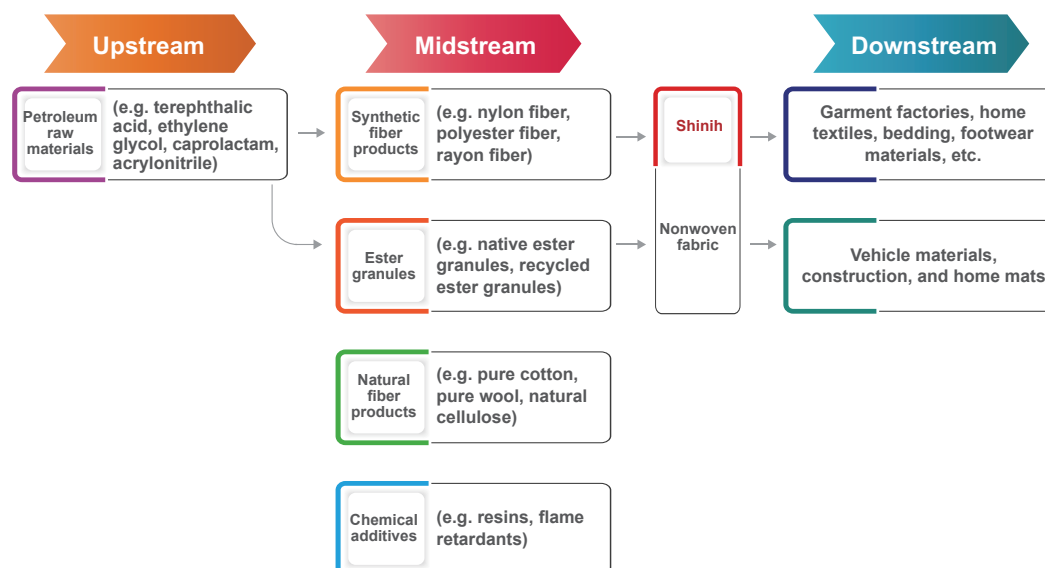
Supply chain management

The concept of our supplier management is to create a win-win situation for both suppliers and customers. We collaborate with suppliers on R&D during the development stage and consistently ensure our supply chain and manufacturing principles align with ethical and environmental standards. Whether existing or new, all suppliers must comply with Shinih's Supplier Code of Conduct, green product procurement standards, environmental certification requirements, annual supplier evaluations, supplier personnel qualification training, and supplier training and management. This will ensure that suppliers possess basic sustainability capabilities and remain long-term partners of Shinih.

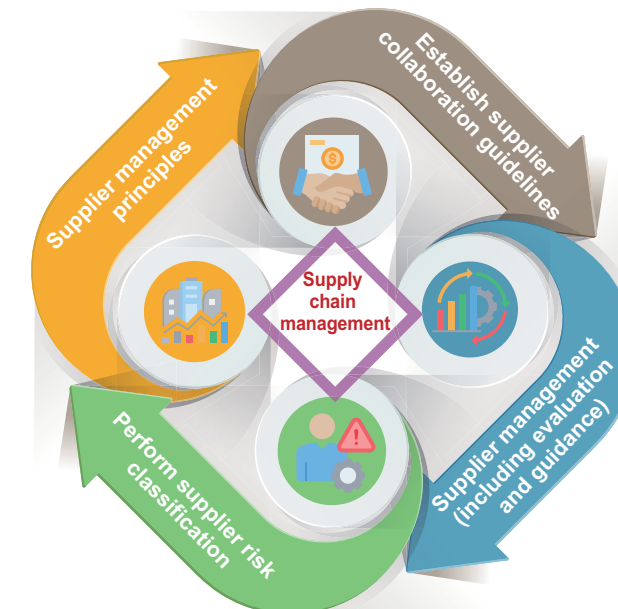
In addition to regularly assessing suppliers' product quality, on-time delivery rate, responsiveness, industrial safety management, and ESG management, we also maintain open communication with them to ensure the concept of "corporate social responsibility and supply chain sustainability management" is integrated into our supply chain evaluation standards. We collaborate with suppliers to create high-quality products and services and generate sustainable value.

As a nonwoven fabric manufacturer, Shinih Enterprise's role in the supply chain is to gradually transition from using upstream petrochemical raw materials to utilizing downstream recycled or natural raw materials, embodying sustainable practices and a circular economy. Our product design and structure prioritize recycling and reuse, and our downstream nonwoven fabric application customers are located both domestically and internationally. These manufacturers include garment factories, home textiles, bedding, footwear materials, automotive component factories, and furniture and appliances, among others. Shinih works with manufacturers that meet ESG requirements and implement energy-saving and carbon reduction initiatives. We conduct regular evaluations, share information, hold exchange meetings, and participate in exhibitions to promote our products and concepts, creating a sustainable and regenerative supply chain.

★Industry Value Chain Overview



★Supply Chain Management Policy



Preface

1 About the Company

2 Corporate Governance

- 2.1 Corporate Governance Structure
- 2.2 Risk Management
- 2.3 Legal Compliance and Ethical Management
- 2.4 Supply Chain Management
- 2.5 Customer Relationship Management
- 2.6 Product Quality and Marketing
- 2.7 Information Security Management

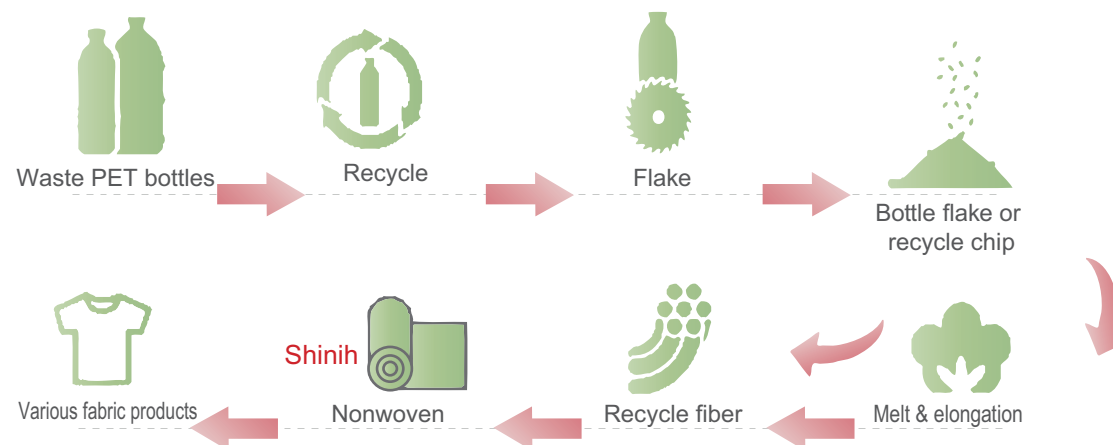
4 Environmental Sustainability

5 Appendix

Recycling and Re-manufacturing of PET Bottles

Shinih is a professional nonwoven fabric manufacturer. Originally using fibers produced by the petrochemical industry, the Company has gradually transitioned to using fibers made from recycled PET bottles. Shinih's nonwoven fabrics are GRS certified. Currently, 59% of the materials used are made from recycled PET bottles. New Leaf will work with customers to gradually increase the proportion of recycled fibers each year, aiming to ultimately use 100% recycled raw materials.

Recycle fiber manufacturing procedure



New supplier screening policy

- When selecting suppliers, we require suppliers to prioritize environmental/ social impacts, human rights, and personnel safety and health.
- Environment: Comply with relevant environmental protection laws and regulations, reduce the use of non-renewable resources, efficiently utilize resources, and minimize environmental impacts.
- Safety and health: Provide a safe working environment, appropriate education and training, protection for hazardous equipment, and compliance with occupational safety and health regulations.

Standards

Ensure quality

Through supplier interviews, on-site assessments, and market data collection, we assess supplier product quality.

Price

More flexible procurement skills and the ability to quickly respond to market price fluctuations are needed to reduce costs without compromising quality standards.

Risk diversification

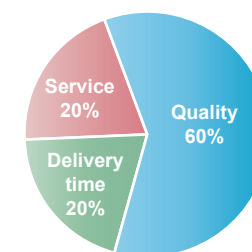
Raw materials are supplied by multiple vendors to maintain supply flexibility and ensure quantity stability.

Shorten lead time

Select local and reputable suppliers to ensure timely delivery and shorten lead times.

Supplier Performance Evaluation System

The initial screening of new suppliers includes consideration of capital, operational status, production capacity, and performance. On-site inspections and evaluations are conducted as needed. Qualified suppliers are selected based on three key elements – quality, schedule, and cost – to ensure a stable supply and quality assurance. In 2025, ESG factors will be included as part of the scoring criteria.



Preface

1 About the Company

2 Corporate Governance

- 2.1 Corporate Governance Structure
- 2.2 Risk Management
- 2.3 Legal Compliance and Ethical Management
- 2.4 Supply Chain Management
- 2.5 Customer Relationship Management
- 2.6 Product Quality and Marketing
- 2.7 Information Security Management

4 Environmental Sustainability

5 Appendix

Supplier Evaluation

Suppliers that meet ISO, OEKO-TEX, REACH, RSL, and GRS standards will have a higher procurement rate during annual supplier evaluations. If suppliers offer the same services, we prioritize those with competitive pricing and closer proximity to minimize personnel travel distance and air pollution from goods transportation. In 2024, labor law regulations, human rights issues, and ESG were incorporated as key assessment items.

The annual evaluation is based on a sample of cases drawn from daily inventory checks, with evaluation vendors selected according to transaction status, including transaction amount and key suppliers. Suppliers are divided into three tiers: A, B, and C. Level B suppliers will receive guidance and are requested to submit improvement plans with the goal of future advancement to tier A. Level C suppliers, without improvement shown, despite previous guidance, will be removed from future transactions.

Selection System

Evaluation team decision-making mechanism is in place for supplier selection, eliminating weaker options and retaining stronger ones.



Evaluation Mechanism

Through the objective evaluation of suppliers' performance using quantitative indicators, we regularly track performance in six areas: quality, cost, delivery, service, innovation & R&D, and sustainability, and assign corresponding levels.



Coaching and communication

- Provide quality guidance, environmental protection certification guidance, RSL guidance, and assistance in obtaining ISO and GRS certifications.
- Assist suppliers in complying with local environmental, safety, health, and fire safety laws and regulations, and promoting energy conservation and waste reduction initiatives.
- Group policy promotion and communication

Supplier development

- Regular supplier evaluation
- Supply competitive products and prioritize them for brand/factory selection.
- Construct a sustainable supply chain system



Preface

1 About the Company

2 Corporate Governance

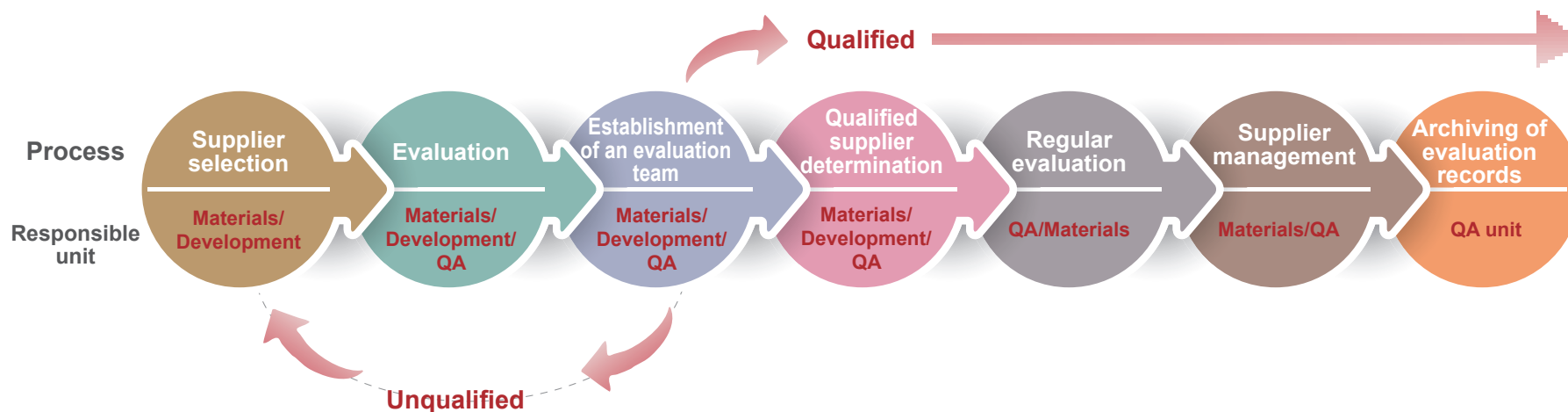
- 2.1 Corporate Governance Structure
- 2.2 Risk Management
- 2.3 Legal Compliance and Ethical Management
- 2.4 Supply Chain Management
- 2.5 Customer Relationship Management
- 2.6 Product Quality and Marketing
- 2.7 Information Security Management

4 Environmental Sustainability

5 Appendix

Supplier Commitment Highlights		Supplier Commitment Highlights
Labor and human rights	Prohibition of child labor	Ensure that all employees have reached the age of compulsory education or the legal working age as stipulated by local laws.
	Salary and benefits	Ensure that employee wages are no lower than the locally mandated minimum wage.
	Respect and non-discrimination	Ensure that employees are not discriminated against in recruitment, hiring, compensation, promotion, education and training, disciplinary action, contract termination, retirement, and other matters concerning employee rights and benefits based on gender, sexual orientation, race, religion, age, disability, marital status, pregnancy, nationality, political affiliation, socioeconomic background, and other characteristics.
Health and safety	Occupational safety	Control the safety of the workplace to avoid endangering employees through appropriate design, engineering controls, administrative controls, protective maintenance, safe operating procedures, and continuous safety training.
	Occupational injuries and diseases	Formulate procedures and management systems to prevent, manage, and track the reporting of work injuries and occupational diseases.
	Medical services and first aid	Formulate and implement emergency procedures, including but not limited to training first-aid personnel, providing appropriate first-aid kits and equipment, and maintaining first-aid and medical records.
Environment	Environmental permits and reporting	Obtain all legally required environmental permits, approvals, and registrations, maintain and regularly update the associated information as required, and comply with the operating and reporting requirements stipulated in the permits.
	Prevention of pollution and resource conservation	Minimize resource consumption and waste generation through improved production, maintenance, and facility procedures, material substitution, natural resource conservation, material recycling and reuse, and other feasible approaches.
	Energy, resource consumption, GHG emissions	Minimize energy, resource consumption, and GHG emissions.
Code of Ethics	Ethical management	Uphold the highest standards of integrity in all business interactions. Prohibition of bribery, corruption, extortion, theft, abuse of power, and improper benefits, including any form of money, gifts, commissions, positions, services, preferential treatment, and kickbacks.
	Information disclosure, transparency, and cooperation	○ Disclose information on engagement with labor, health and safety, business activities, organizational structure, financial condition, and cost analysis in accordance with applicable laws and industry practices. ○ Allow the Company or its third-party verification units to audit compliance with the commitments.
	Avoid conflicts of interest	○ Avoid any possible conflicts of interest in the course of the Company's business dealings. ○ Any potential conflicts of interest shall be reported to the Company immediately, with appropriate measures shall be taken to prevent any resulting inappropriate conduct.

Supplier Evaluation Process



Note: The evaluation is conducted through sampling, and is not performed on all suppliers. The QA Department selects suppliers for audit based on either the top 10 suppliers by annual procurement volume or those with quality issues in the current year.

2024 Percentage of Local Procurement

Local supplier procurement amount	Total procurement amount	Local procurement ratio
39,820,318	80,417,057	50%

Preface

1 About the Company

2 Corporate Governance

2.1 Corporate Governance Structure

2.2 Risk Management

2.3 Legal Compliance and Ethical Management

2.4 Supply Chain Management

2.5 Customer Relationship Management

2.6 Product Quality and Marketing

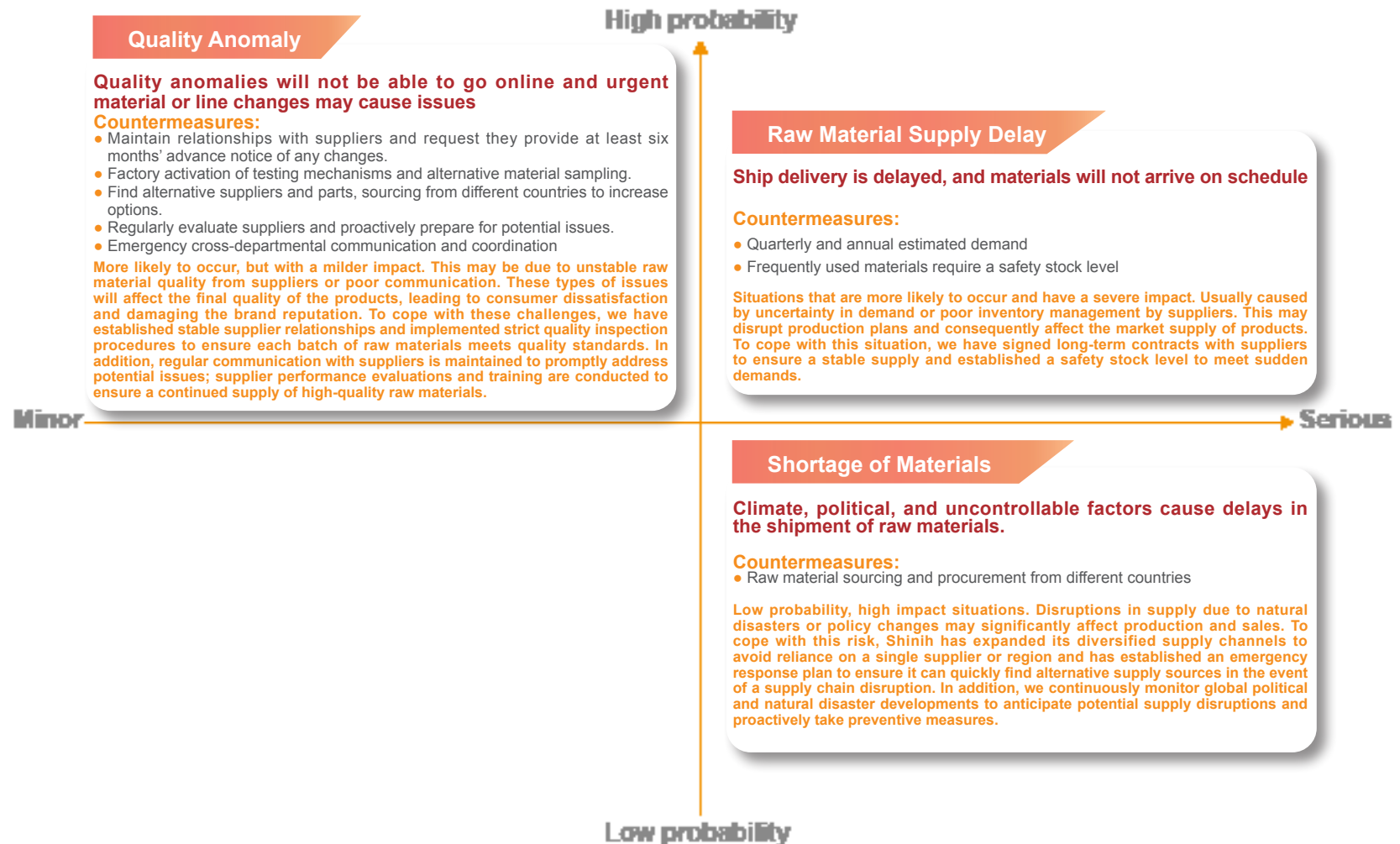
2.7 Information Security Management

4 Environmental Sustainability

5 Appendix

Raw Material Management

In supply chain management, environmental and social factors significantly impact the procurement of key raw materials. Shinih has formulated corresponding risk management strategies for different situations to ensure the stability and continuous operation of the supply chain.



In light of these situations, Shinih develops corresponding management strategies to effectively mitigate business risks and seize opportunities when facing various environmental and social factors, ensuring the stability and continued operation of the supply chain. By making these efforts, we will enhance our competitiveness, achieve sustainable development, and contribute to the protection of society and the environment.

2.5 Customer Relationship Management

Impact

Failing to resolve customer issues promptly could lead to decreased customer satisfaction, which, in turn, could impact our market competitiveness and revenue, and potentially cause customers to turn to our competitors. In addition, unresolved customer complaints can damage the brand's reputation and influence potential customers' buying decisions, ultimately impacting our market image. In the long run, the above will weaken our relationship with customers, increase customer churn, and hinder the Company's sustainable development. Maintaining high-quality customer relations is crucial for enhancing market competitiveness and ensuring sustainable business development.

Policy Commitment

- Customer feedback is valued: We value customer opinions and feedback, and consider them important references for improvement. We actively collect customer opinions to ensure our products and services continuously meet customer expectations and needs, and enhance customer experience.
- Appropriate service response: We provide appropriate service responses based on customer needs, including fast after-sales service, regular product updates and improvements, and immediate problem solving. We will set customer satisfaction as our top priority and continuously improve our service level and quality.

Actions Taken

- Establish a sound customer service process and communication mechanism to ensure customers can smoothly resolve issues when purchasing products or services and improve customer satisfaction.
- Enhance internal training to raise employees' service awareness and professional skills to address various customer issues.
- Strengthen market research and customer feedback collection to promptly understand customer needs and market changes, and adjust product and service strategies to enhance market competitiveness.
- Optimize market promotion and product promotion to enhance the Company's awareness and reputation.
- Establish good relationships with stakeholders and promote the sustainable development of the enterprise and society through close cooperation and communication with suppliers, employees, and other stakeholders to gain positive social evaluations and support.

Goals

Short-term goals

- Customer satisfaction at a score of 90 or above.
- Build trust with customers.

Mid- and long-term goals

- Maintain customer satisfaction at a score of 90 or above.
- Obtain high customer recognition and build a loyal relationship.

Evaluation Mechanism

The Sales Department conducts statistical analysis regularly to confirm the status of customer satisfaction surveys.

Evaluation Results

The 2024 customer satisfaction survey results scored 95 points.

Stakeholder Engagement

In 2024, we received a customer inquiry regarding product shipment length. After communication, it was found that the root cause of the problem was that the customer not using the correct method to measure the product. To resolve this issue, we reached a resolution with customers through education and training. Meanwhile, the QC Department has also produced the "Product Storage and Length Measurement Guidelines" to address and improve this types of issues, preventing similar situations from recurring.

Customer Service System

Shinih is a leading global nonwoven fabric manufacturer. Leveraging a production network spanning seven countries, the Company has steadily built a strong customer service system and strategy in a highly competitive market. Shinih possesses rich industry experience and outstanding production capabilities. Backed by our professional production team and exceptional manufacturing expertise, we are committed to providing high-quality products and services. At the same time, we leverage our strengths in supply chain management and a global market perspective to stay abreast of market dynamics and swiftly adjust our production plans to meet customer needs.

Based on our strengths and capabilities, Shinih Enterprise is committed to establishing a robust customer service system and strategy while strengthening internal training to enhance employee service awareness and professional skills. By doing this, we ensure that our customers receive the best possible experience when purchasing products or services. We will focus on establishing professional customer service processes and communication mechanisms to effectively resolve customer issues and improve customer satisfaction. At the same time, we will establish a robust customer complaint handling mechanism to collect, analyze, and promptly resolve customer complaints, proactively address customer needs, and minimize the negative impact on the Company.

- Formulate sales strategies, including market research and target customer identification.
- Observe the industry dynamics, understand the needs and behavioral characteristics of potential customers.
- Increase product visibility among target customers and conduct promotional activities.

Discovering Customers

Product Sale

- Share the features and advantages of the product, and address customer concerns and questions.
- Provide innovative product solutions to meet customers' personalized needs.
- Establish long-term cooperative relationships to increase customer loyalty and satisfaction.

- Conduct customer satisfaction surveys to understand customer evaluations of products and services.
- Provide after-sales service based on customer feedback to address customer issues and concerns.
- Continuously optimize product value and after-sales service to increase customer satisfaction and loyalty.

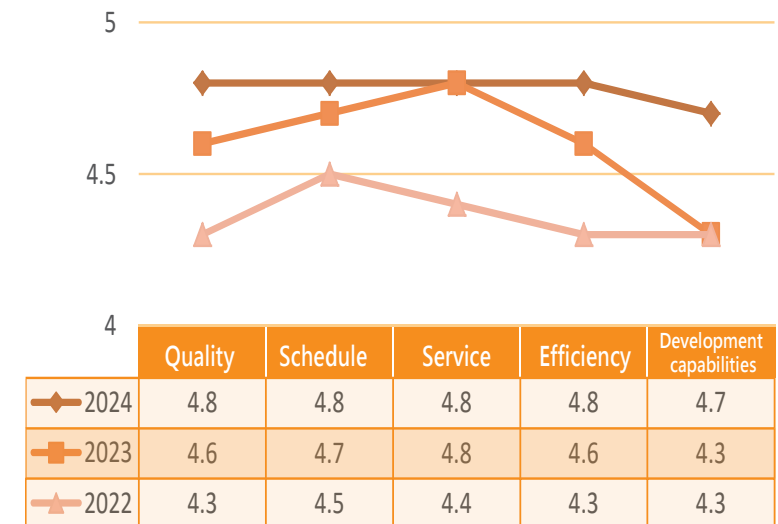
After-sales Service

Customer Satisfaction Survey

To maintain close cooperation with customers, Shinih has consistently valued customer opinions and feedback. Each year, the Sales Department conducts customer satisfaction surveys via questionnaires, covering aspects such as quality, delivery, service, efficiency, and development capabilities. By analyzing the survey results, the Company gains insights into customer needs and will continuously improve its products and services based on this feedback to ensure customer satisfaction.

In 2024, we received 100 questionnaire responses, and the overall satisfaction score reached 95, a significant improvement over the 92 achieved in 2023. The results of customer satisfaction surveys over the past three years demonstrate a consistent improvement in satisfaction with all aspects of our company. This indicates that we are meeting customer needs in terms of quality, service, and efficiency. We will continue our efforts to ensure ongoing improvement in customer satisfaction.

Results of Satisfaction Surveys Over the Past Three Years:



Note: Overall Satisfaction = (Sum of all scores ÷ 5) × 100%

Diverse and Highly Efficient Communication Channels

We are committed to maintaining strong customer relationships. The Company has established a robust customer service process and communication channels to address a variety of customer issues. Customers can provide feedback and report issues through these channels, allowing the Company to promptly understand their needs and market changes, and adjust its product and service strategies accordingly.

Communication Channels

Regular Consultation

Regular face-to-face meetings with customers and suppliers are held to discuss cooperation, jointly formulate development strategies, understand customer needs and opinions, and propose solutions immediately.

Participation in Domestic and International Exhibitions

We actively participate in domestic and international industry exhibitions to showcase our products and innovative technologies, engage in in-depth discussions with customers, and expand our business.

In-depth interview

We conduct in-depth visits with key customers to understand their business needs and development plans, and provide personalized solutions.

Customer Visits

Customers are welcome to visit our factories and offices to gain a firsthand insight into our production capabilities and management standards, and to strengthen our partnership.

- Address of Shinih Head Office: (33452) No. 41, Lienhua Street, Bade District, Taoyuan City
- Address of Shinih Taipei Office: (105) 15F-2, No. 369, Fuxing North Road, Songshan District, Taipei City

Online Customer Service

We provide real-time customer service via email, phone, and online meetings, enabling customers to communicate with us anytime, anywhere.

- Tel. of Shinih Head Office: (03) 365-9903
- Insulation Materials Insulation.info@shinih.com
- Industrial Materials Industrial.info@shinih.com
- Bedding Bedding.info@shinih.com
- Furniture Furniture.info@shinih.com

Social Media

Customers can obtain product information, contact the Company, and submit feedback through the Company's official website and contact details.

- Official website of Shinih: <http://www.shinih.com>

Customer Complaint Handling Process

In today's highly competitive market environment, excellent customer service is one of the key factors for corporate success. Customer satisfaction and trust are the cornerstones of an enterprise's long-term stable development. To this end, the Company has established and implemented an effective customer complaint handling process to quickly and appropriately resolve customer issues, ensuring that customer needs are fully met, and continuously improving the quality of products and services. In 2024, the Company received customer complaints regarding product shipment length. After communication, it was found that the root cause of the problem was that the customer not using the correct method to measure the product. To resolve this issue, we reached a resolution with customers through education and training. Meanwhile, the QC Department has also produced the "Product Storage and Length Measurement Guidelines" to address and improve this types of issues, preventing similar situations from recurring.



2.6 Product Quality and Marketing

Impact

Poor product quality can lead to increased customer complaints, decreased customer satisfaction, and damage to brand reputation, ultimately reducing the Company's market competitiveness. In addition, to meet customer needs and adapt to market trends, companies need to constantly update their products and comply with social and legal regulations.

Policy Commitment

To achieve customer satisfaction, and to ensure that customer needs and expectations are identified and translated into requirements for the Company's products and services, we have established the following quality policy: Quality first, customer satisfaction, and continuous improvement. To achieve the Company's quality policy, annual quality goals are set and broken down for each department, and then transformed into specific departmental work objectives to ensure the realization of the Company's overall goals. To ensure the implementation of company quality goals and related objectives, the Company utilizes review, implementation, supervision, and timely revision to achieve its overall development goals.

Actions Taken

Quality improvement
Product certification
Concentrated production
Equipment update and maintenance

Goals

Short-term goals

1. Enhance employee quality awareness through various training sessions and audits.
2. Improve quality system-related files: Streamline technology transfer procedures, finalize case-related files, and standardize product formula planning.
3. The number of customers reached through marketing promotion to grow steadily.

Mid- and long-term goals

1. Achieve zero customer complaints
2. Achieve compliance with the comprehensive restricted substance list and material restricted substance list requirements to ensure product quality and health and safety.
3. Continue to introduce ISO 9001 quality management system certification, maintain Bluesign and GRS global recycled standard certifications, and comply with various brand requirements.
4. Improve equipment performance and increase yield.
5. Continuously increase the number of customers reached through marketing and promotion.

Evaluation Mechanism

The quality review is conducted by the QA Department, with assistance from other departments, on a regular basis to address quality-related matters, periodically check the progress and results of technology transfer, and track the validity of certifications. Marketing and promotion efforts are conducted annually by the marketing department to confirm implementation status and results.

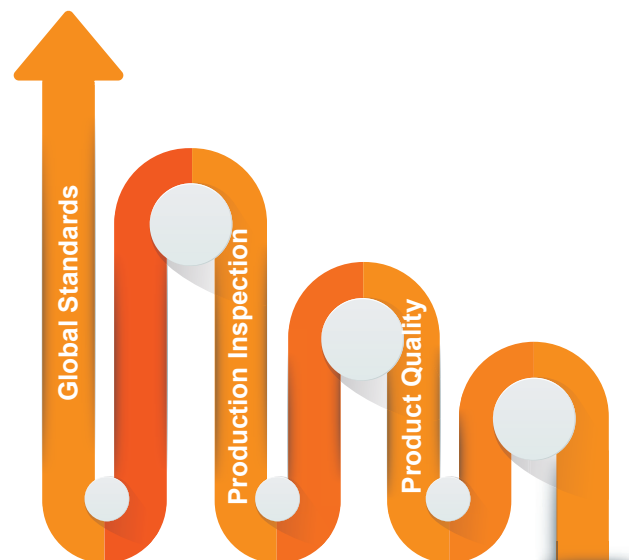
Evaluation Results

- Completed certification items: 126 Bluesign certifications and 63 GRS certifications. All types of items are certified to meet marketing requirements.
- Complete at least 20 hours of employee training each year.
- Reached 350 customers through marketing and promotion in 2024.
- Participated in domestic and international textile exhibitions, created product specifications, price lists, and user guides to support sales efforts in 2024.

Stakeholder Engagement

- The QA Department holds quality meetings to discuss quality-related issues and improvement items with the Production Department; regular supplier evaluations are conducted and major suppliers visited.
- The marketing unit organizes product education and training for key customers.

Quality Management Policy



The Company's main products include nonwoven fabrics, bedding, automotive interior materials, filter materials, and fireproof and fire-retardant materials, among others. Future product development plans include spunbond, meltblown, and filter-related applications, as well as consumer functional fiber products such as medical and hygiene materials, filter media, and agricultural materials.

To achieve our core goal of customer satisfaction, we focus on accurately identifying and fully understanding customer needs and expectations, and incorporating them into the development of our products and services. The Company has formulated a quality policy based on "quality first, customer satisfaction, and continuous improvement" to comprehensively enhance the quality of our products and services and exceed customer expectations. To ensure the implementation of our quality policy, we establish specific quality goals annually and cascade them down to each department, translating them into actionable work objectives to further guarantee the achievement of our overall goals.

Through the process, the Company continuously improves its quality management level through strict review, effective implementation, continuous monitoring, and timely revision. The above measures ensure the effective implementation of quality objectives and related indicators, and drive the Company's long-term development. The Company has always adhered to the principle of continuous improvement and is committed to achieving sustained development and progress through ongoing optimization of its quality management system in order to maintain a leading position in the market. The Company plans to implement comprehensive restrictions on substances and materials as required in the future, to ensure product quality and health and safety. To maintain compliance with Bluesign, the Global Recycled Standard (GRS), and various brand requirements, the Company will continue to adopt the ISO 9001 Quality Management System certification.

Quality Policy and Goals

01

To achieve customer satisfaction, and to ensure that customer needs and expectations are identified and translated into requirements for the Company's products and services, we have established the following quality policy:

Quality Assurance

Quality First

Customer Satisfaction

Continuous Improvement

02

To achieve the Company's quality policy, annual quality goals are set and broken down into departmental goals to ensure the realization of the Company's overall objectives.

03

To ensure the implementation of the Company's quality objectives and related goals, the Company will achieve its overall development objectives through evaluation, implementation, supervision, and timely revision.

Quality Inspection and Management Mechanism

To ensure the excellent product quality and customer satisfaction of Shinih Enterprise, we have formulated an internal “Audit Record Sheet” for regular inspection. It is required that auditors accurately record compliance with regulations, operating procedures, raw material formulations, and equipment usage during production, ensuring that each standard is met to improve product quality and customer satisfaction.

★ The quality inspection process is as follows:



Quality KPI indicators

To implement the Company’s quality management policy, we formulate a series of specific key performance indicators (KPIs) each year, including key areas such as technology transfer and product certification. At the same time, to enhance customer satisfaction, we have also established key performance indicators (KPIs) for handling customer complaints. These goals and indicators are broken down by department and translated into specific work objectives for each department, ensuring the achievement of the company’s overall goals. We monitor the achievement of our goals through strict evaluation, inspection, and improvement measures, adjusting our strategies in a timely manner based on market changes and customer feedback. By doing so, we continuously improve the quality of our products and services while enhancing our competitiveness in the market.

★ 2024 KPI Achievement Status:

Item	2023 Targets	2023 Status	2024 Targets	2024 Status
Customer complaint	5	6	4	4
Product transfer and production technology certifications	100%	91.4%	100%	100%
Certifications	100%	100%	100%	100%

Preface

1 About the Company

2 Corporate Governance

- 2.1 Corporate Governance Structure
- 2.2 Risk Management
- 2.3 Legal Compliance and Ethical Management
- 2.4 Supply Chain Management
- 2.5 Customer Relationship Management
- 2.6 Product Quality and Marketing
- 2.7 Information Security Management

4 Environmental Sustainability

5 Appendix

Product certification

In today's competitive market environment, product certificates have become an important way to ensure product quality and compliance. A certificate is not only a symbol of products reaching international standards, but also a commitment to providing high-quality, sustainable products. By obtaining product certifications, companies can enhance their market competitiveness, strengthen customer trust, and demonstrate their commitment to environmental and social responsibility, thereby expanding both domestic and international markets. Such certifications demonstrate a company's commitment to fulfilling its social responsibility by actively pursuing sustainable development alongside economic benefits. The Company has passed the IOS 9001 quality management system certification, OEKO-TEX®, Bluesign®, Global Recycled Standard (GRS), Recycled Claim Standard (RCS), and Higg Index certifications in 2024.

★ The Global Recycled Standard (GRS) is an international voluntary standard for products, specifying third-party certification requirements for recycled inputs and the monitoring chain. The goal of GRS is to increase the use of recycled materials and to reduce and eliminate pollution in the production process.



▲ Global Recycled Standard (GRS) certification

★ Bluesign® is a complete system that helps industries and brands provide sustainable processing and manufacturing solutions. The product label represents the highest level of assurance for consumers, ensuring that products are manufactured responsibly and with minimal impact on people and the environment.



▲ Bluesign certification

▼ ISO 9001



★ OEKO-TEX is one of the world's most famous textile industry labels, used to test for harmful substances in textiles and garments that may affect human health, serving as a reference for consumers purchasing environmentally friendly products.



▲ Oeko-TEX certification

★ The Higg Index is an innovative self-assessment tool developed by the Sustainable Apparel Coalition (SAC) to help brands and manufacturers of all sizes in the apparel, footwear, and retail industries assess the impact of their products on the environment, society, and labor performance throughout the product life cycle and identify opportunities for improvement.



▲ Higg-Index certification

Preface

1 About the Company

2 Corporate Governance

- 2.1 Corporate Governance Structure
- 2.2 Risk Management
- 2.3 Legal Compliance and Ethical Management
- 2.4 Supply Chain Management
- 2.5 Customer Relationship Management
- 2.6 Product Quality and Marketing
- 2.7 Information Security Management

4 Environmental Sustainability

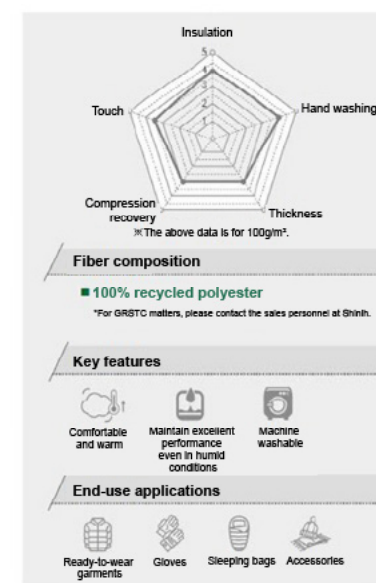
5 Appendix

The Company currently sells 274 products, including 126 with Bluesign certification and 63 with GRS certification. We partner with 44 brands including: NIKE, ADIDAS, VF, lululemon, and other renowned brands. To comply with customer brand requirements and the Restricted Substances List (RSL) list, we strictly require supplier quality and regularly test product safety. The Company's products meet the requirements and specifications of the affiliated brands. No violations of health and safety laws, regulations, and voluntary standards related to products and services occurred in 2024.



Product certification

According to the requirements of the ISO 9001 quality management system and other regulations, our products have corresponding traceability systems, compliance specifications, and labeling, and they comply with the Global Recycling Standard (GRS) certification and relevant legal regulations. Product information includes its key characteristics, features, product ingredients, and detailed specifications. Different tags are used to help customers clearly understand the product's performance. No violations of the laws and regulations governing product and service information and labeling, or voluntary codes of conduct relating to marketing and communication (including advertising, promotion, and sponsorship) occurred in 2024.



Product specifications

Gram weight g/m²	Thermal value CLO	(ASTM D5118)	0	1	2	3	4
40	0.6~0.8						
60	1.0~1.2						
80	1.4~1.6						
100	1.8~2.0						
120	2.1~2.3						
140	2.4~2.6						
160	2.7~2.9						
180	3.0~3.2						
200	3.3~3.5						

Standard width: 60 inch / 152 cm

※Based on our internal test results.



For apparel



For glove accessories



Marketing Strategy

We continue to improve product innovation and diversity by analyzing sales data, monitoring market response, evaluating changes in brand awareness, and conducting customer satisfaction surveys. The evaluation results not only guide us in optimizing customer experience but also drive us to improve our marketing strategies and action plans. By taking these approaches, we ensure that our marketing activities achieve their intended goals and continuously enhance the Company's competitiveness. In the future, we will continue to expand our customer base through marketing efforts, effectively enhancing brand awareness and strengthening our influence and visibility in the market.

Preface

1 About the Company

2 Corporate Governance

2.1 Corporate Governance Structure

2.2 Risk Management

2.3 Legal Compliance and Ethical Management

2.4 Supply Chain Management

2.5 Customer Relationship Management

2.6 Product Quality and Marketing

2.7 Information Security Management

4 Environmental Sustainability

5 Appendix

Product Sales Performance Over the Past Three Years.

★Sales Amount

Unit: NTD thousand

Sales Amount	2022		2023		2024	
	Domestic sales	Export sales	Domestic sales	Export sales	Domestic sales	Export sales
Nonwoven Fabric	176,002	2,407,074	134,728	1,941,769	125,443	2,156,622
Bedding	18,874	-	-	-	-	-
Others	28,303	-	38,409	-	31,033	-
Total	223,179	2,407,074	173,137	1,941,769	156,476	2,156,622

★Major Sales Regions

Unit: NTD thousand

Sales region	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
China	691,365	26%	585,577	28%	563,099	24%
USA	696,610	27%	589,412	28%	498,334	22%
Taiwan	557,213	21%	386,978	18%	514,828	22%
Other regions	685,065	26%	552,939	26%	736,837	32%
Total	2,630,253	100%	2,114,906	100%	2,313,098	100%

Domestic and International Exhibitions

Shinih actively participates in industry-related exhibitions to increase company product awareness and attract both domestic and international customers. In 2024, we participated in domestic and international textile exhibitions and trade shows, and created promotional materials including product specifications, price lists, and user manuals to support our sales team's efforts.



▲ May 2024: ANEX Asia Nonwovens Exhibition And Conference



▲ August 2024: Intertextile Shanghai Apparel Fabrics (Autumn/Winter)



▲ October 2024: Taipei Innovative Textile Application Show (TITAS)



▲ October 2024: European Performance Days



▲ November 2024: US PERFORMANCE DAYS Functional Fabric Fair

Preface

1 About the Company

2 Corporate Governance

- 2.1 Corporate Governance Structure
- 2.2 Risk Management
- 2.3 Legal Compliance and Ethical Management
- 2.4 Supply Chain Management
- 2.5 Customer Relationship Management
- 2.6 Product Quality and Marketing
- 2.7 Information Security Management

4 Environmental Sustainability

5 Appendix

2.7 Information Security Management

Impact

As the digital age dawns, information security management is becoming increasingly important for businesses. The Company believes that information security management has a significant impact on enterprises, including risk management, cost-effectiveness, business continuity, and brand image. Information security management is not only about a company's internal operations, but also its long-term development and competitiveness.

Policy Commitment

As digitalization and networkization accelerate, information security management has become a critical issue for businesses. The Company is committed to taking action to manage information security, including formulating policies and procedures, strengthening technical protections, and enhancing employee training. This effectively protects information assets and maintains the stability and security of business operations.

Actions Taken

Provide information security awareness emails periodically to raise employee awareness.

Goals

Short-term goals

Enhance information security awareness, build a security culture, and continuously strengthen technical defenses.

Mid- and long-term goals

Continue to strengthen technical protection and establish a complete safety management system.

Evaluation Mechanism

The Information Department supervisor confirms the achievement annually.

Evaluation Results

No major information security incidents occurred in 2024.

Stakeholder Engagement

The Company discloses its information security risk policy and management mechanism on the stakeholder section of its official website and in its annual report each year.

Information Security Management Policy

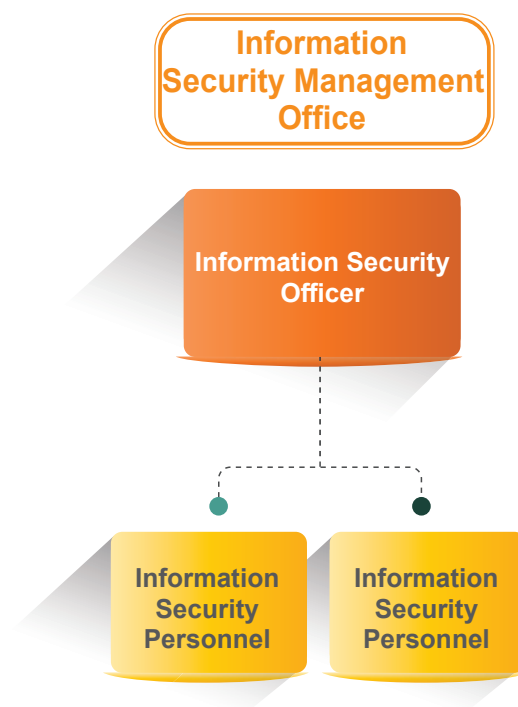
To implement information security management, the Company has established the internal control system "Information Circulation and Information Machine Room Management Measures" and "Information Security Inspection Control" to achieve the following policy goals through the joint efforts of all employees.

1	2	3	4	5
Ensure the confidentiality and integrity of information assets.	Ensure that specification data can be accessed according to the department function.	Ensure the continuous operation of information system.	Prevent unauthorized modification or use of data and system.	Perform information security audit operation periodically, and ensure through execution of information security.

Information Security Management Framework

To strengthen information security management, the Company has established an Information Security Management Office as its dedicated security unit. The Office comprises an information security officer and at least one information security specialist. Together, they are responsible for planning and executing information security measures to enhance the Company's information security defenses and ensure the security of its internal and customer data, systems, and networks.

★Information Security Management Office Structure



Information Security Management Mechanism

Firewall Protection	★ Connection rules are set through a firewall ★ If a special connection is required, a separate application must be submitted. ★ Establish a system log to track abnormal situations.
Data Access Control	★ Computer equipment shall be under the custody of dedicated personnel, and account and password shall be set up ★ Different access authorities are granted according to job functions ★ Cancel the original privileges of transferred personnel ★ Prior to scrap of equipment, confidential and sensitive data and licensed software shall be removed or overwritten ★ Remote login management information system must be appropriately authorized.
Operating System Update	★ OS are automatically updated to reduce system vulnerabilities
Response and Recovery Mechanism	★ Inspect emergency response plan periodically ★ Perform periodic system recovery drill annually ★ Establish system backup mechanism and implement remote backup ★ Periodically review computer network security control measures
Promotion and Review	★ Promote and educate information security information at all time, in order to increase the information security awareness among employees ★ Perform cybersecurity inspection on an unscheduled basis each year

Information Security Education and Training

The Company's information unit regularly holds information security awareness sessions and periodically sends email reminders to all employees based on current events, such as phishing emails. This helps enhance employee awareness of information security.

Response Measures for Information Security Incidents

To maintain information security, the Company has established a response procedure for information security incidents, as follows. No major information security incidents occurred in 2024.

★Information Security Incident Response and Handling Process



Privacy Protection

★Customer Privacy Protection Commitment

- 1 We are committed to strictly protecting the personal information provided by our customers and to taking all reasonable technical and organizational measures to ensure the security and confidentiality of that information.
- 2 We are committed to strictly complying with all applicable laws and regulations regarding the collection, use, and processing of customer information, and to ensuring its legality, reasonableness, and necessity.
- 3 We respect our customers' privacy choices and rights. If a customer requests to inquire about, correct, or delete their personal information, we will accommodate their request as soon as possible.
- 4 We are committed to continuously improving our privacy protection measures and staying abreast of the latest technological and legal developments to safeguard the privacy rights of our customers.

The Company did not receive any complaints regarding violations of customer privacy or loss of customer data in 2024.



Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

3.1 Talent Development and Happy Workplace

3.2 Occupational Safety and Health

3.3 Human Rights Protection

3.4 Social Prosperity

4 Environmental Sustainability

5 Appendix



3

3.1 Talent Development and Happy Workplace

3.2 Occupational Safety and Health

3.3 Human Rights Protection

3.4 Social Prosperity

3.1 Talent Development and Happy Workplace

Diverse Human Resources

Shinih Enterprise considers employees to be valuable assets and is committed to creating a safe working environment that is diverse, equitable, fair, and protective of legal rights.

As of the end of 2024, the total number of Shinih Enterprise's employees in Taiwan (including the head office, Bade Plant, Tainan Plant, Puzi Plant, and Guantian Plant) was 219, comprising 58 supervisors and 161 general employees. All employees in Taiwan are full-time staff, and there are 160 non-employee workers (instances), with no temporary, contract, foreign, or overseas workers. In terms of gender, 67.58% of the employees are male and 32.42% are female. Additionally, 39.66% of all managers are female. Regarding age distribution, the majority of our employees are between 30 and 50 years old (inclusive), representing 60.73% of the total workforce.

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

3.1 Talent Development and Happy Workplace

3.2 Occupational Safety and Health

3.3 Human Rights Protection

3.4 Social Prosperity

4 Environmental Sustainability

5 Appendix

★Employee Count

Category	Taiwan		Total
	Male	Female	
Senior executives	18	11	29
Middle-level managers	17	12	29
General employees	113	48	161
Total	148	71	219
Permanent employees Note 1	148	71	219
Temporary employees Note 2	0	0	0
Total	148	71	219
Full-time employees Note 3	148	71	219
Part-time employees Note 4	0	0	0
Employees without guaranteed hours Note 5	0	0	0
Total	148	71	219
Less than 30 years old	32	8	40
30-50 years old (inclusive)	85	48	133
Over 50 years old	31	15	46
Total	148	71	219

Category	Taiwan		Total
	Male	Female	
Indigenous person	1	0	1
People with disabilities	1	0	1
Others	0	0	0
Total	2	0	2

Note: 1. Permanent employees: Full-time or part-time workers with contracts of indefinite duration (i.e. unlimited term).

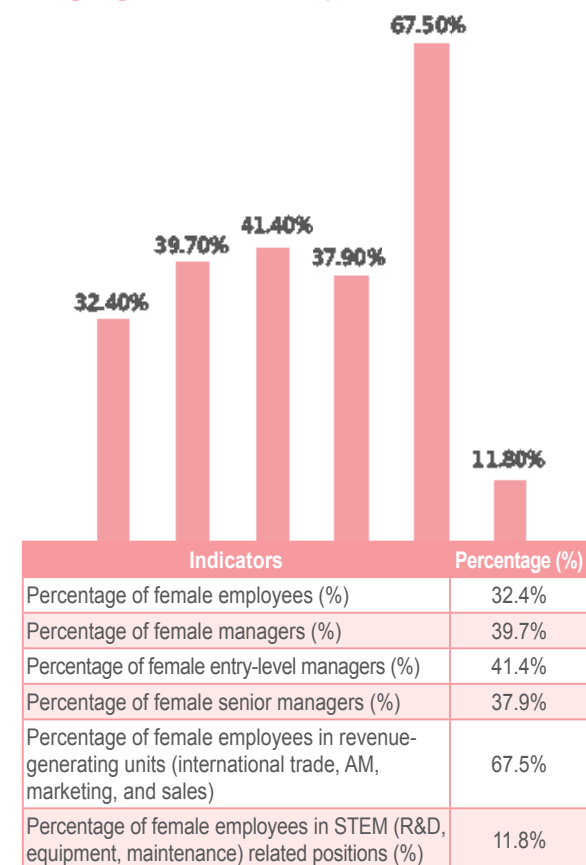
2. Temporary employees: Employees who are hired under a fixed-term contract. The contract expires at a specified time or ends upon completion of a specific task or event with a defined evaluation timeframe (e.g. completion of a work project or the employee returns to their original position).

3. Full-time employees: Employees whose working hours are determined on a weekly, monthly, or annual basis, as defined by national laws and prevailing practices regarding working hours.

4. Part-time employees: Employees whose weekly, monthly, or annual working hours are less than those of full-time employees.

5. Employees without guaranteed hours: Employees who are not guaranteed a minimum number of working hours per day, week, or month, but may be required to be available as needed.

※Highlights: Female Empowerment



Note: (CEO ≤ two levels) Based on the number of managers at or above the manager level

New Hires and Departing Employees

Shinih Enterprise adheres to all applicable laws and regulations in its hiring practices and does not discriminate based on race, religion, gender, age, marital status, or other legally protected characteristics. We are committed to providing equal and fair employment opportunities and conditions that are competitive within the market and mutually beneficial for both the company and its employees. The Company actively recruits talent through diverse channels, including platforms such as 104 Job Bank, 1111 Job Bank, and the Company's official website. We also collaborate with government employment agencies, employee referrals, and recruitment agencies to communicate our corporate culture, operational performance, and core values, attracting outstanding individuals from all fields.

In 2024, Shinih welcomed 28 new hires, representing a new hire rate of 12.79%. A total of 64 employees left the Company, with an annual turnover rate of 29.22%, including 63 voluntary resignations (228.77% voluntary turnover rate). To attract and retain top talent, the Company continuously optimizes its compensation and incentive system, offering competitive salaries and benefits and establishing a retention bonus to ensure employees are fully motivated and protected in their roles.

★ 2024 New Hires and Employee Resignations:

Taiwan			
Category	Age	New Hires	Resigned Employees
Female	Less than 30 years old	1	5
	30–50 years old (inclusive)	10	24
	Over 50 years old	0	1
	Total	11	30
Male	Less than 30 years old	3	10
	30–50 years old (inclusive)	14	21
	Over 50 years old	0	3
	Total	17	34
Total Number of New Hires/Resigned Employees		28	64

Note:

Annual new hire rate = Total number of new hires during the year divided by the total number of employees at the end of 2024.

Annual turnover rate = total number of employees who resigned during the year divided by the total number of employees at the end of 2024.

★ Minimum Notice Period for Employee Resignation

The employees' work rights at the Company may be affected by significant operational changes. When it becomes necessary to terminate an employment contract, the Company will provide advance notice and severance pay as required by national labor laws and government regulations within the stipulated timeframe. All employment contracts at our overseas facilities will be managed in accordance with local labor laws, ensuring full compliance with all applicable regulations.

Termination of labor contracts in Shinih's Taiwan plants will be conducted in accordance with Articles 11 and 15 of the Labor Standards Act, and with the notice periods stipulated in Articles 15 and 16.

- I. Employees who have worked continuously for more than three months and less than one year must provide 10 days' advance notice.
- II. Employees who have worked continuously for more than one year and less than three years must provide 20 days' advance notice.
- III. Employees who have worked continuously or more than three years must provide 30 days' advance notice.

Employees may take time off during working hours to seek other employment after receiving the aforementioned notice. The number of leave days shall not exceed two working days per week, and full salary will be paid during the leave period.

The Company shall pay the employee wages for the notice period if it terminates the contract without providing the notice required under Paragraph 1.

When an employee resigns, they shall provide a notice according to the terms of Paragraph 1.

Talent Development

Talent Cultivation and Employee Training

At Shinh Enterprise, we firmly believe that the continuous learning and professional development of our employees are key to the Company's success. Therefore, we are committed to providing comprehensive and practical training programs to enhance the skills of each employee, expand their professional horizons, and maintain a competitive advantage in a constantly changing market environment.

All employees are entitled to a lifelong, unrestricted education and training system, including e-learning and in-person courses, as well as external training subsidies. Through the establishment of the e-learning platform, various internal education and training courses are implemented. In addition, by establishing a management window mechanism, the mutual coordination among the Group's departments can operate to cultivate outstanding seed personnel as reserve candidates for future management staff, thereby facilitating the establishment of a corporate internal structure evaluation system. Based on field experience in recruiting outstanding talent and the application of system platforms, the ultimate objective of education and training can be sufficiently reflected in corporate competitiveness and management performance.

In the future, each department will propose general knowledge courses during the weekly meeting to integrate professional knowledge into the daily operating system, thereby continuously expanding the corporate learning functions and aspects. In addition, the Company provides irregular subsidies to employees for their participation in various external professional training courses and learning opportunities, thereby enhancing their professional knowledge and skills outside the workplace. Such employees may apply the knowledge and skills learned at work to develop and maximize their potential.

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

3.1 Talent Development and Happy Workplace

3.2 Occupational Safety and Health

3.3 Human Rights Protection

3.4 Social Prosperity

4 Environmental Sustainability

5 Appendix

★The main methods adopted are as follows:



★2024 Education and Training Hours and Number of People:

Taiwan	Male		Female		Total	
	Hours	Number of people	Hours	Number of people	Hours	Number of people
Senior Executives	8	2	4	1	12	3
Middle-level Managers	20	5	8	2	28	7
General Employees	120	155	40	38	160	193
Total training hours / number of employees	148	162	52	41	200	203

Unit: hours/person

Note: 16 employees who did not receive training were not included in training plans due to units not identifying training needs. Currently, training focuses primarily on production units and process/equipment engineers, with fewer plans raised by indirect units.

★ Average Training Hours Received by Employees in 2024 Are as Follows:

Average training hours per employee	0.99 hours	Average training hours of senior managers	4.00 hours
Average training hours for male employees	0.91 hours	Average training hours for middle-level managers	4.00 hours
Average training hours for female employees	1.05 hours	Average training hours for general employees	0.83 hours

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

- 3.1 Talent Development and Happy Workplace
- 3.2 Occupational Safety and Health
- 3.3 Human Rights Protection
- 3.4 Social Prosperity

4 Environmental Sustainability

5 Appendix

Employee Appraisal Evaluation

To encourage employees to achieve their work goals, improve their work methods, and ultimately enhance the overall effectiveness of the Company's operations, the Company has established the "Employee Performance Evaluation Procedures." For employees in Taiwan who have completed their probationary period, regular performance appraisals are conducted annually at the end of each year. Different evaluation criteria are set based on different levels, and fair, objective, and appropriate assessments are given to employees' work performance and results, serving as a reference for future job adjustments or development, as well as for various rewards and salary considerations. We assist employees in their growth through the performance appraisal process and thereby facilitating the alignment of their personal career planning with the Company's organizational development.

Personnel of each department shall complete at least one year-end performance appraisal per year, and may also conduct mid-year or periodic appraisals as needed. Unit supervisors should track and provide feedback on their subordinates' performance throughout the appraisal period to ensure performance plan goals are met. After the appraisal is completed, the department head must compile all subordinate performance evaluation forms and submit them electronically to the management unit for record-keeping. If the appraisal result of an employee is rated as D for two consecutive years, the supervisor must explain the reasons and establish an "Employee Performance Management Plan" for a maximum of three months, with regular follow-up and guidance. If no improvement is observed, the supervisor shall propose disciplinary actions and submit them to the management unit for approval by an authorized supervisor. In 2024, all 219 employees in Taiwan underwent regular performance appraisals.

★2024 Employee Performance Appraisal Results:

Rating	Excellent	A	B	C	D
Appraisal Score	100 and above	100–90	89–80	79–70	69–60
Number of people	8	119	58	30	4
Percentage	3.65%	54.33%	26.49%	13.70%	1.83%

★Number of employees who underwent regular performance and career development reviews in 2024:

Employee Type	Male	Female	Total
Senior Executives	18	11	29
Middle-level Managers	17	12	29
General Employees	113	48	161
Total number of employees receiving regular performance and career development reviews	148	71	219
Total number of employees	219		

Remuneration Policy

The Company has established the "Procedures for the Remuneration of Directors and Managers" and "Procedures for the Remuneration of Managers" to ensure the remuneration, salary, and compensation of directors and managers are transparent, reasonable, and systematic. Remuneration for directors and managers is reviewed by the Remuneration Committee based on market conditions, job evaluations, and individual contributions, and is then submitted to the Board of Directors for approval. Remuneration of directors and managers, subject to prior review by the Remuneration Committee, is submitted to the Board of Directors for approval.

The Company sets employee salaries based on market conditions, industry standards, and job evaluations, aiming for a level at or above the 50th percentile of the market. In addition to a guaranteed annual income of 13 months and competitive salaries, the Company offers performance-based incentives to motivate employees to generate greater added value.

The Company adjusts its salary policy in January each year to align with the government's minimum wage adjustments, with the goal of maintaining a competitive average salary level.

Remuneration Ratio

★ **Ratio of the annual total remuneration of the highest-paid individual to the median annual total remuneration of other employees (excluding the highest-paid individual):**

FY	Total remuneration of the highest-paid individual for the year	Median annual total remuneration for all employees (excluding the highest-paid individual)	Annual total remuneration ratio
2024	4,596,809	433,000	10.6
2023	3,823,500	432,000	8.85

Note: Annual total remuneration ratio = the annual total remuneration of the highest-paid individual in the organization divided by the median annual total remuneration of all employees (excluding the highest-paid individual)

★ **Percentage increase in the highest-paid individual's annual total remuneration to the median percentage increase in annual total remuneration of all other employees in the organization (excluding the highest-paid individual):**

Percentage increase in total annual remuneration of the highest-paid individual in the organization	Percentage increase in the median annual total remuneration of all employees (excluding the highest-paid individual)	Annual total remuneration change rate
20.23%	0.032%	0.20

★ **Female-to-Male Basic Wage Ratio**

Female-to-Male Basic Wage^{Note 1}
(Female: Male)

Category	Taiwan
Direct employees	1.040
Indirect employees	0.790
General employees	0.800

★ **Female-to-Male Wage Ratio**

Female-to-Male Basic Remuneration^{Note 2}
(Female: Male)

Category	Taiwan
Direct employees	1.065
Indirect employees	1.030
General employees	0.880

Note 1: Basic wage: The minimum fixed amount paid to employees to fulfill their job responsibilities. The median annual total remuneration (Excluding the highest-paid individual).

Note 2: Remuneration: Basic wage plus additional amounts paid to workers. (Additional payments to workers may include service year allowances, bonuses (including cash and stock options such as shares and stock), benefits, overtime pay, compensatory time off, and any other allowances (e.g. transportation, living, and childcare allowances))

Employee Benefits

Shinih Enterprise upholds the principle of prioritizing employees and is committed to creating a people-oriented welfare system. We have established the "Employee Welfare Committee" to provide employees with a wide range of flexible welfare options, including health insurance, paid leave, childcare support, and occupational training, in order to enhance employee satisfaction while promoting personal growth and work-life balance.

Category

Benefits

	Health insurance	Labor and health insurance
		Occupational accident insurance
		Group accident insurance
	Parental care	Maternity, paternity, and parental leave
		Cozy breastfeeding room
		Childbirth subsidy
	Employee benefits	Employee cafeteria and dormitory
		Issuance of annual and holiday bonuses and gifts
		Marriage and funeral subsidies
		Birthday gift money
		Lifelong learning and training mechanism with no boundaries (e-Learning)
		Unscheduled product auctions are held; employees can purchase products at the most favorable prices
	Health management	Employee personal continuing education project application for subsidy
		Regular health checkups are held annually
	Other benefits	Employee club activities are subsidized by the Welfare Committee.
		Annual travel allowance subsidy
		Annual fixed meal allowance
		Year-end party

★ Parental Leave

Category	Taiwan	
	Male	Female
Total number of employees entitled to parental leave in 2024	0	1
Total number of employees who actually used parental leave in 2024	0	1
Total number of employees expected to return to work after parental leave in 2024	0	1
Total number of employees who actually returned to work after parental leave in 2024.	0	1
Total number of employees who returned to work after parental leave in 2023.	0	1
Total number of employees who returned to work after parental leave and had worked for one year or more since 2023.	0	1



★ Retirement System

The Company has established a retirement plan and, in accordance with the law, formed a “Labor Pension Committee” (approved by the Taipei City Government (76) Bei-Fu-She-Si-Zi No. 120827 Letter dated April 17, 1987). Labor pension funds are appropriated to a dedicated account at Taiwan Bank on a monthly basis. Employees who meet the retirement criteria are eligible to retire in accordance with regulations and receive retirement benefits.

In addition, since the implementation of the new labor retirement system, the Company not only appropriates a monthly labor pension reserve for employees choosing the old system, but also appropriates a monthly pension according to the law for employees choosing the new system and for new employees. For the rest of investees, relevant retirement systems are also implemented according to the local laws and regulations.

The Company's Contribution:

Pension system	Old system	New system
Applicable laws and regulations	Labor Standards Act	Labor Pension Act
Allocation	2% of the total monthly salary of employees is allocated and deposited into a special account at the Bank of Taiwan (formerly the Central Trust of China) in the Company's name.	6% of employee contributions are allocated to their individual account at the Bureau of Labor Insurance based on their contribution level.
Allocation amount	The Company's retirement fund accumulated in the Taiwan Bank account totals NTD 11,982 thousand	NTD 9,555 thousand was allocated in 2024

3.2 Occupational Safety and Health

Impact

Failure to properly manage occupational safety and health will have severe impacts on the enterprise and employees. Lack of appropriate safety measures can lead to occupational accidents and health problems, compromising employee safety and potentially resulting in legal action and financial losses. Secondly, frequent safety accidents can lower employee morale and trust, impacting production efficiency. Eventually, the corporate image and brand reputation will also be damaged, leading to a decline in customer and investor confidence and negatively impacting the enterprise's long-term development and operations.

Policy Commitment

We firmly believe that through the thorough implementation of our environmental, safety, and health management system, and by continuously communicating and collaborating with our stakeholders – including employees, customers, contractors, suppliers, subcontractors, and the wider community – we can jointly promote zero incidents and environmental sustainability, ultimately achieving our corporate objectives.

Shinih's commitment to adhering to the following principles and standards is to create a better living environment for employees and the general public:

1. All levels of management commit to providing the necessary resources and implementing daily environmental safety and health management to ensure the suitability, completeness, and effectiveness of the management system.
2. Comply with domestic environmental protection, safety, and health regulations and other relevant international standards.
3. Environmental protection, promotion of physical and mental health, and the control of foreseeable risks and losses are the direct responsibility of all employees.
4. Promote environmental, safety, and health education and awareness to ensure employees understand the impact of their work activities on the environment, safety, and health.
5. Continuously review and improve to enhance the effectiveness of environmental, safety, and health management.

Actions Taken

- Enhance the promotion and implementation of relevant environmental, safety, and health regulations – such as the “Environmental Safety and Health Policy,” “Labor Safety and Health Work Rules,” and “Emergency Response Procedures” – to commit to compliance with the policy and create a better living environment for employees and the general public.
- Promote the “zero accident” policy, regularly conduct occupational safety and health training, and instill safety concepts to enhance employee awareness of safety and health.
- Promote employee health checkups and encourage employees to participate in the health promotion activities organized by the Company.

Goals

Short-term goals

1. Zero major occupational injuries
2. Strengthen promotion and implementation of the Company's occupational safety and health regulations.
3. Continue to conduct self-inspections and occasional audits of machinery, equipment, and their protective facilities.

Mid- and long-term goals

1. Zero major occupational injuries
2. Continue to organize occupational safety and health education and training, and optimize machinery, equipment, and protective measures.

Evaluation Mechanism

- The Labor Safety and Health Committee meets once every six months to confirm goal achievement.
- The management department organizes occupational safety and health education and training regularly.

Evaluation Results

No major occupational injuries occurred in 2024.

Stakeholder Engagement

The 2024 Occupational Safety and Health Committee meetings were held twice, and the discussion topics are as follows:

1st meeting

1. To promote and implement zero occupational injuries and compliance with occupational safety and environmental health and safety regulations as required by government regulations.

Resolution: The plant manager, along with the heads of general affairs and each department, must thoroughly promote and implement relevant environmental, safety, and health regulations to achieve zero work incidents, while ensuring compliance with all applicable government regulations regarding workplace safety and environmental protection.

2. To strengthen education and inspection regarding the use of personal protective equipment.

Resolution: Periodic announcements to reinforce employee awareness of the importance of using earplugs, safety glasses, and other personal protective equipment.

2nd meeting

1. To invite the local fire department to guide a fire drill at the plant in 2025

Resolution: The matter was submitted to the fire safety manager for execution, with an audit carried out by the Environmental Safety team.

2. To review the assessment plan for environmental safety and ergonomic risk at the plant

Resolution: The matter was passed on to the on-site supervisor for execution, with assistance from the Environmental Safety team.

3. To require contractors to sign the Work Safety and Health Notice and Commitment Letter to ensure construction safety.

Resolution: The matter was approved that documents will be signed upon awarding the project to contractors by the Administrative and General Affairs Department.

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

3.1 Talent Development and Happy Workplace

3.2 Occupational Safety and Health

3.3 Human Rights Protection

3.4 Social Prosperity

4 Environmental Sustainability

5 Appendix

Occupational safety and health management

Employees are important assets to Shinih. The Company spares no effort in caring for all its employees, establishing work rules and various personnel management regulations in accordance with the Labor Standards Act and other relevant labor laws, and by handling labor insurance, national health insurance, and pension contributions as required by law. Regular employee health checkups and group medical and accident insurance are provided to protect employees' well-being and allow them to focus on their work without worry.

To improve occupational safety and health and prevent workplace accidents, the Company has established a range of policies and management measures in accordance with the provisions of the "Occupational Safety and Health Act," including the "Occupational Safety and Health Policy," "Management Procedures," "Labor Safety and Health Work Rules," and "Emergency Response Procedures." We are committed to strictly complying with occupational safety laws, regulations, and requirements. We regularly conduct environmental safety and health education, training and awareness campaigns to deepen and enhance employees' safety awareness, further promoting the achievement of zero work injuries and zero occupational illnesses.

We are dedicated to providing a safe and healthy work environment, continuously eliminating hazards and reducing risks related to occupational safety and health, and ensuring the stable operation of the Company. We have made occupational safety and health a key component of our business assessments to drive the Company's sustainable development.

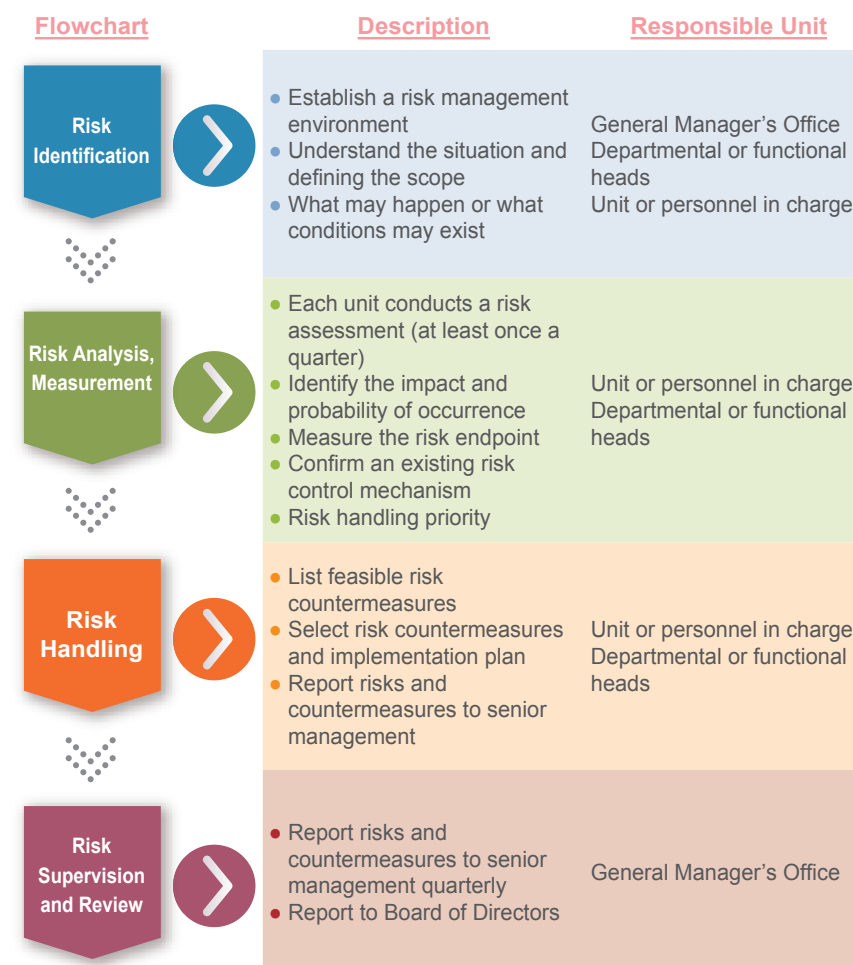
★ The Company's Taiwan occupational safety and health system covers 100% of workers, including 219 Shinih Taiwan employees, 150 contractors, two members catering staff, one cleaning staff member, and seven security personnel.

Workers covered by an occupational health and safety management system

	Number of Employees	Contractors	Catering	Cleaning company	Security personnel
Total number of people	219	150	2	1	7
Number of people	219	150	2	1	7
Percentage (%)	100%	100%	100%	100%	100%

Risk Assessment

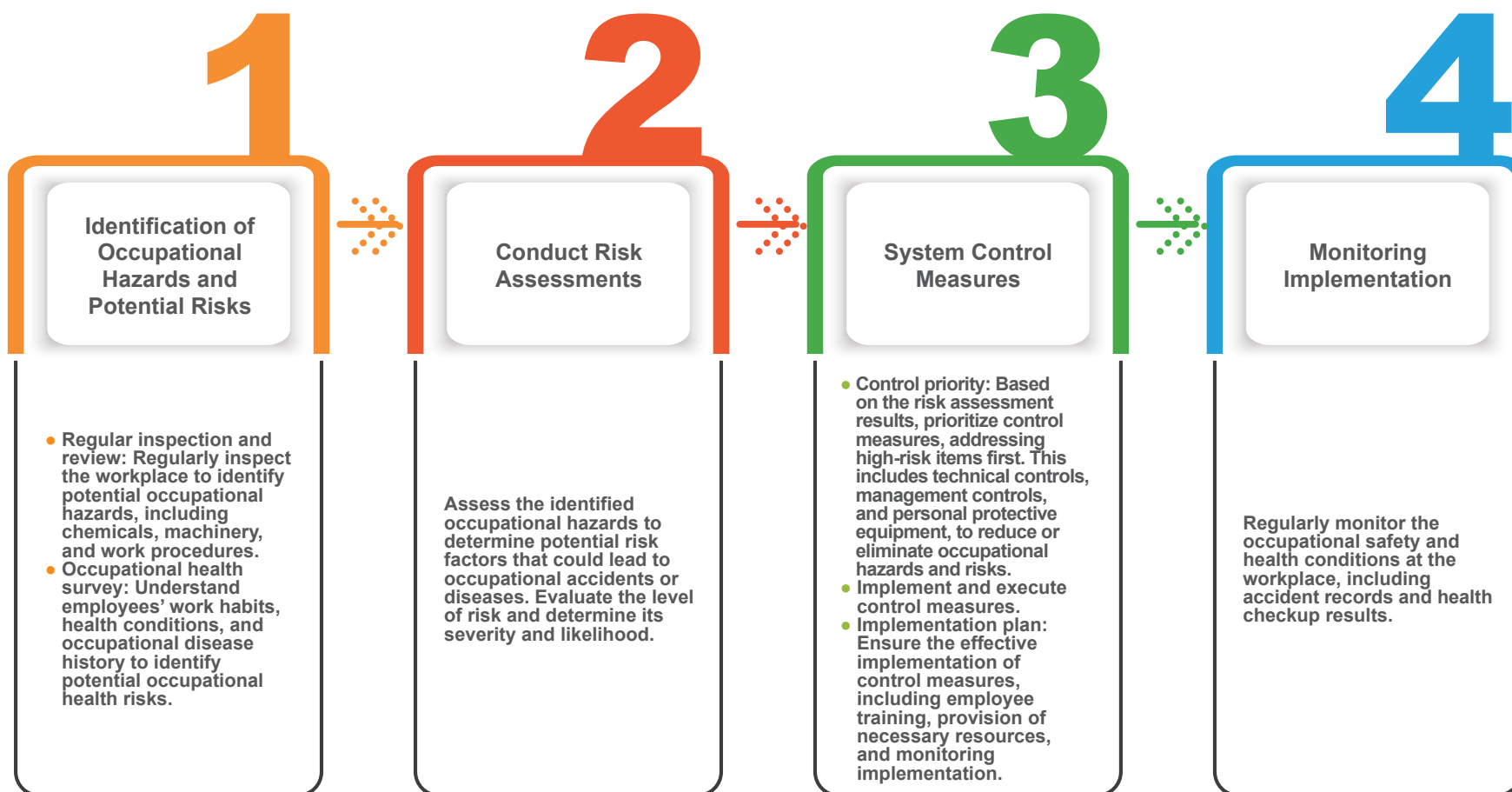
Risk assessment is one of the core components for ensuring the safety and stability of corporate operations. The purpose of a risk assessment is to identify, analyze, and evaluate various potential risks, including personnel health and safety, environmental impact, equipment failure, and business interruption, in order to formulate effective risk control measures. The Company has established a risk assessment process table outlining the content of each stage and the responsible unit, ensuring all potential risks are identified. As well as this, preventive and emergency plans are formulated before they occur, thereby reducing the impact of risks on the Company's operations and employee health.



Hazard identification and accident investigation process

The Company has identified various potential hazards and occupational safety risks, including improper equipment operation, workplace safety risks, natural disaster risks, and labor safety risks. Corresponding response strategies have been formulated for each risk. We conduct risk grading and scoring based on the severity and likelihood of each hazard to ensure targeted risk reduction, protect employee safety, and maintain business stability. The Company will continue to enhance its overall safety level and prevent and reduce the occurrence of all types of accidents.

Hazard identification process:



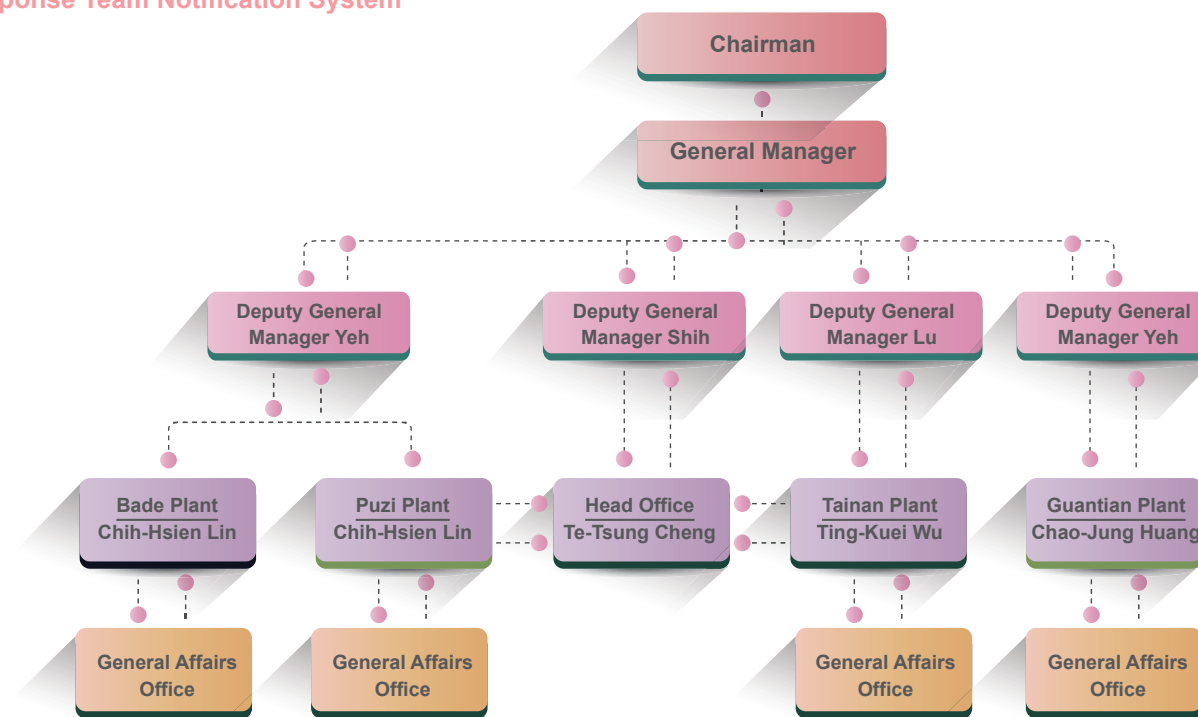
Emergency Response Reporting

To establish disaster prevention and response measures, Shinih has formulated the “Emergency Response Procedures” for Taiwan, which specifies the reporting procedures and handling protocols for disasters. An emergency response team reporting system has also been established to minimize the impact of disasters and prevent a lack of preparedness when a disaster occurs. If employees determine there is an immediate hazard while performing a task, they may stop work and go to a safe location, report the hazard to their supervisor, and assist other workers to avoid danger. The Company’s relevant management regulations guarantee employees will not be penalized for doing so.

★Emergency Response Process/Notification Process/Improvement Process



★Emergency Response Team Notification System



Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

3.1 Talent Development and Happy Workplace

3.2 Occupational Safety and Health

3.3 Human Rights Protection

3.4 Social Prosperity

4 Environmental Sustainability

5 Appendix



Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

3.1 Talent Development and Happy Workplace

3.2 Occupational Safety and Health

3.3 Human Rights Protection

3.4 Social Prosperity

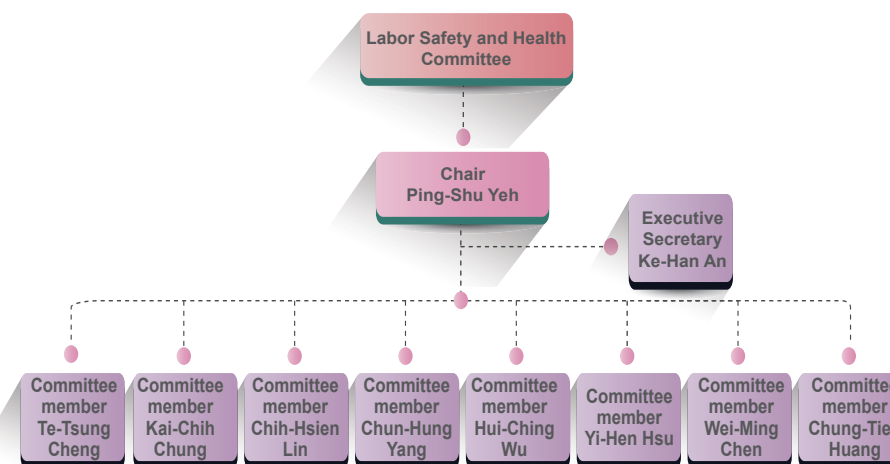
4 Environmental Sustainability

5 Appendix

Participation, Consultation, and Interaction of Occupational Safety and Health Personnel

We are committed to following our occupational safety and health management policy. Through training, awareness campaigns, and open communication, we aim to instill a strong safety culture. We encourage participation, welcome feedback, and promote proper safety and health behaviors and attitudes to reduce and prevent accidents, creating a safe and positive workplace for all employees.

The Company has established the “Occupational Safety and Health Management Office” and the Labor Safety and Health Committee in accordance with relevant laws and regulations to strengthen internal safety and health management. The Committee consists of a chairman, an executive secretary, and eight members, including labor representatives, to ensure that the opinions of all parties are fully reflected. The Committee convenes meetings every six months to focus on discussing and resolving occupational safety and health issues, including hazard identification, risk assessment, and improvement measures. A total of two occupational safety and health meetings were held in 2024 to promote worker safety and ensure compliance with all relevant government regulations. The local fire department was invited to provide guidance on conducting a fire drill at the plant, and a plan was developed to assess environmental, health, and safety risks, including human factors. Furthermore, the Company ensured that all contractors signed a work safety notice and commitment letter to guarantee construction safety.



Prevention and Mitigation of Occupational Safety and Health Impacts From Business Activities

To prevent occupational accidents, the Company has established “Contractor Management Regulations.” When contractors enter the Company premises to perform work, they must follow the management procedures outlined below to protect workplace employees and avoid environmental damage. All contractors having business dealings with the Company must sign the “Contractor Work Safety and Health Commitment” to cooperate with the Company’s corporate social responsibility initiatives.

Supplier Commitment

Contractor Work Safety and Health Commitment



Before Construction

- Contractor Workplace and Hazard Factors Notification Form
- Hazard notification
- Establishment of coordination committee
- Personnel operating hazardous machinery or performing special operations must complete training and certification before commencing work.
- Division of responsibilities
- Confidentiality regulations
- Safety and health facility inspection
- Accident notification
- Illegal reporting



Under Construction

- Hazardous and environmental operations control
- Unscheduled site inspections
- Accident correction and prevention
- Emergency response



After Construction

- Clean the workplace before completion and do not leave until the plant supervisor has confirmed
- Contractors to quickly leave the site

Occupational Safety and Health Education and Training

The Company values “Prevention of occupational accident occurrence,” “Construction of sound workplace safety and health,” “Promotion of occupational safety and health management system,” “Establishment of proper working environment,” and “Implementation of emergency response mechanism and training” as the priority promotion objectives for occupational safety and health affairs. In addition, management leads by example in compliance, conducting fire drills and emergency evacuation drills semi-annually to foster a culture of safety awareness among all employees and achieve a zero-accident, high-quality work environment.

In addition, new hires are provided with pre-employment medical examinations and labor safety and health education and training. Existing employees receive annual physical examinations, and those working in particularly hazardous operations are provided with appropriate safety protective equipment and undergo specific health examinations as part of a comprehensive health management program. Safety and health education and training courses are held every three years (last sessions conducted in December 2024). For example, courses on electrical safety, the use and management of hazardous materials, how to avoid unsafe acts during operations, and regular fire drills.

★2024 Education and Training

Title	Date	Hours (H)	No. of Participants	No. of Training Hours
Self-defense and Fire Prevention Drill Plan – Bade Plant	2024.06.26	4	34	136
RSL Basic Knowledge Training – Bade Plant	2024.07.30	1	26	26
6S Annual Education & Training – Tool and Knife Management Specifications Training – Bade Plant	2024.08.26	2	24	48
Environmental Protection, Energy Conservation Goals, and Waste Classification Promotion – Bade Plant	2024.09.27	1	17	17
Education and Training on Chemicals – Leakage Prevention and Control Drill – Bade Plant	2024.11.03	1	15	15
Education and Training on Chemicals – Chemical Use – Bade Plant	2024.11.04	1	18	18
Production Quality and 5s Promotion & Maintenance/Machine Cleaning and Maintenance Instructions – Bade Plant	2024.11.03	1	15	15
Self-defense and Fire Prevention Drill Plan – Bade Plant	2024.12.06	4	17	68
Chemical Use Education and Training – Puzi Plant	2024.03.14	1	25	25
Leakage Prevention Drill – Puzi Plant	2024.03.15	1	25	25
Emergency Response Description – Puzi Plant	2024.03.15	1	25	25
Self-defense and Fire Prevention Drill Plan – Puzi Plant	2024.05.08	4	25	100
Self-defense and Fire Prevention Drill Plan – Puzi Plant	2024.10.14	4	22	88
Promotion of Equipment Safety – Guantian Plant	2024.01.18	1	5	5
Promotion of Storage of Hazardous Substances in the Plant – Guantian Plant	2024.02.01	1	4	4
Disaster Prevention Drill – Guantian Plant	2024.06.12	1	36	36
Disaster Prevention Drill – Guantian Plant	2024.09.21	1	36	36
Worker Safety Protection Training – Guantian Plant	2024.09.26	0.5	7	3.5
In-house Flammable Chemical Prevention Awareness – Guantian Plant	2024.11.07	0.5	5	2.5

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

3.1 Talent Development and Happy Workplace

3.2 Occupational Safety and Health

3.3 Human Rights Protection

3.4 Social Prosperity

4 Environmental Sustainability

5 Appendix

Occupational Health Services and Health Promotion

★Occupational Health Services

01 The Company is required by law to provide monthly on-site health consultations for employees and health guidance to high-risk personnel, ensuring continued care for employee health. Nurses visit the plant four times a month (once a week), and physicians visit the plant once a quarter.

02 The Company conducts annual health checkups for employees. Medical personnel provide on-site health consultations to help employees understand their physical and mental well-being, prevent health risks, and reduce the risk of labor shortages in the plant.

03 Earplugs are provided on site. Safety goggles, leak-proof gloves, eyewash solution, and emergency shower/eye wash stations are available in the resin mixing area.

★Health Promotion

01 Regular health education is provided to medical staff

02 Annual employee trips are organized to promote employee well-being.

Occupational Injury

The Company's occupational injuries are primarily caused by improper equipment operation, leading to minor personnel injuries. Noise is the primary hazard associated with occupational diseases. To reduce the occurrence of occupational injuries, the Company has established a "Labor Safety and Health Code of Conduct" requiring all employees to strictly comply with the regulations and operating procedures to prevent such injuries. No occupational injuries occurred in 2024.

★2024 Employee Occupational Injury Statistics

Plant		Taiwan
Total Number of Hours Worked (Hours)		436,248
Occupational injury	Number of general occupational injuries (within 180 working days lost)	0
	Number of serious occupational injuries (more than 180 working days lost)	0
	Number of recordable occupational injuries	0
	Occupational fatalities	0
	Number of working days lost ^{Note 1}	0
	Serious occupational injury rate ^{Note 2}	0
	Recordable occupational injury rate ^{Note 3}	0
Occupational disease	Fatality rate resulting from occupational injuries ^{Note 4}	0
	Number of occupational diseases	0
	Occupational disease fatalities	0
	Fatality rate resulting from occupational diseases ^{Note 5}	0
Number of recordable occupational diseases		0

Note 1: Total number of days lost due to all injuries sustained in a single case, calculated from the date of injury or fatality. Number of days the injured person is unable to work, whether temporarily or permanently, shall be counted from the day following the injury and shall not include the day of the injury or the day the person returns to work. This count shall include all days in between, including Sundays, public holidays, and days when the business entity ceases work, as well as any subsequent days of inability to work resulting from the injury.

Note 2: The rate of serious occupational injuries = [Number of serious occupational injuries (excluding fatalities) × 200,000 hours worked] / total hours worked.

Note 3: The rate of recordable occupational injuries = (number of recordable occupational injuries × 200,000 hours worked) / total hours worked.

Note 4: Fatality rate resulting from occupational injuries = (number of fatalities resulting from occupational injuries × 200,000 hours worked) / total hours worked.

Note 5: Fatality rate resulting from occupational diseases = (number of fatalities resulting from occupational diseases × 200,000 hours worked) / total hours worked.



Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

3.1 Talent Development and Happy Workplace

3.2 Occupational Safety and Health

3.3 Human Rights Protection

3.4 Social Prosperity

4 Environmental Sustainability

5 Appendix

★Occupational Injuries of Non-employees

All <u>non-employees</u> whose work and/or workplace is controlled by the organization:		Number	Ratio (Based on 200,000 working hours)	Ratio (Based on 1,000,000 working hours)
i.	Number of fatalities and rate resulting from occupational injuries	0	0.00	0.00
ii.	Number and rate of serious occupational injuries (excluding fatalities)	0	0.00	0.00
iii.	Number and rate of recordable occupational injuries	0	0.00	0.00
iv.	Main types of occupational injuries	Entanglement in equipment, pinches, and crushes		

Hours	Number of non-employee workers this year	Daily working hours	Working days per month
41,868	161	8	2.7

★Occupational Diseases of Non-employees

All <u>non-employees</u> whose work and/or workplace is controlled by the organization:		Number
i.	Number of fatalities resulting from occupational diseases	0
ii.	Number of cases of recordable occupational diseases	0
iii.	Main types of occupational diseases	Noise

3.3 Human Rights Protection

Human Rights Protection Policy

Shinih Enterprise Co., Ltd. complies with the laws and regulations of the locations where it operates and upholds the human rights of all personnel, including regular employees, contract and temporary staff, and interns. We support the ILO Tripartite Declaration of Principles, the OECD Guidelines for Multinational Enterprises, the Universal Declaration of Human Rights, and the UN Global Compact. At the same time, we have taken actions consistent with the Responsible Business Alliance (RBA) to formulate the following implementation policies for our human rights policy.



Basic human rights for employees, customers, and stakeholders are ensured through internal promotion and the establishment of relevant measures, guaranteeing that every employee is treated fairly and with respect. These measures include "Work Rules," "Corporate Social Responsibility Best-Practice Principles," and "Prevention of Sexual Harassment at the Workplace." A complaint mechanism is also available to protect the rights of employees, customers, and stakeholders.

Human Rights Due Diligence

The Company abides by local labor laws and supports the spirit of the “Universal Declaration of Human Rights,” the “UN Global Compact,” and the “Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.” The Company has formulated its human rights policy in accordance with the principles of these international conventions to ensure that all personnel are treated fairly and with dignity. The Company is committed to respecting human rights in employee recruitment, management, and development.

We refer to international human rights conventions, relevant guidelines, and human rights due diligence reports from benchmark companies. After compiling relevant human rights risk issues, we assess potential human rights risks within our value chain and incorporate them into our human rights risk assessment process. This year, the Company conducted an internal human rights risk assessment of its employees via online questionnaires.

The questionnaire assessed the “likelihood of occurrence” and “degree of severity” of each human rights risk issue. Likelihood of occurrence is divided into 0 = unlikely, 1 point = low likelihood (1% - 30%), 2 points = certain probability (31% - 60%), and 3 points = high probability (over 61%). Degree of severity is divided into 0 = no impact, 1 point = minor impact, 2 points = significant impact, and 3 points = very significant impact. The “Human Rights Risk Matrix” is generated based on the survey results, and human rights risks are classified into three levels according to the following criteria:



Probability of occurrence is greater than 1 and degree of severity is greater than 2.

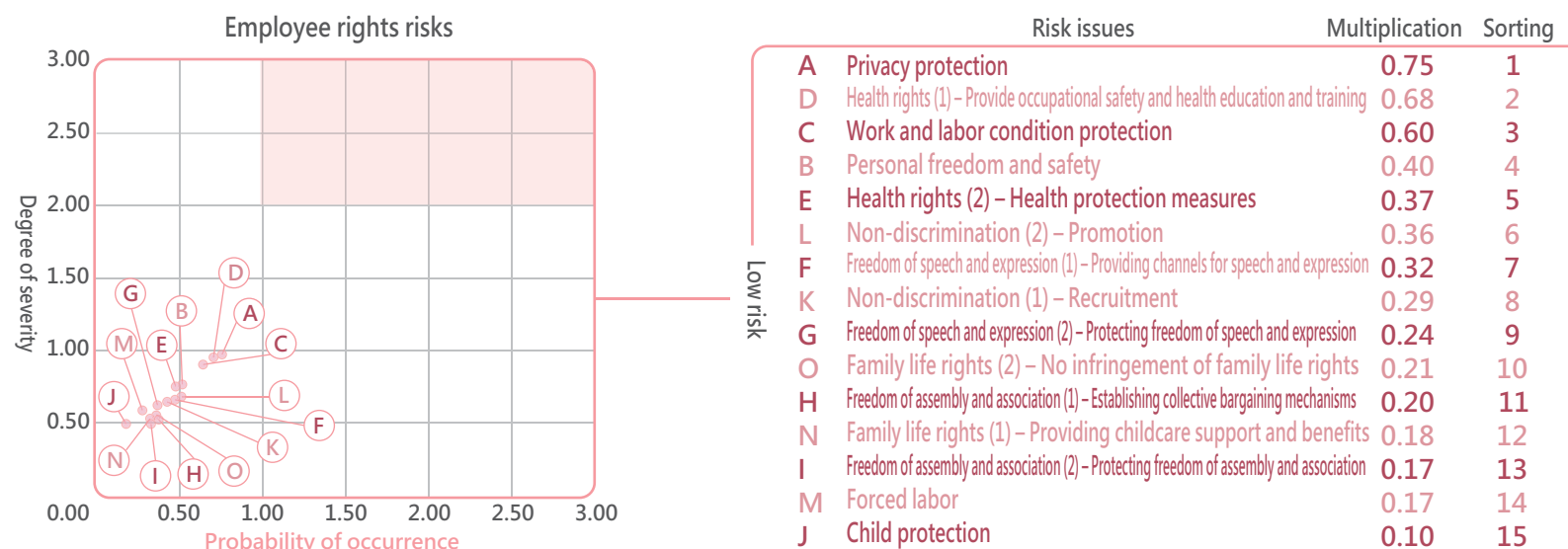


Probability of occurrence is greater than 1 and degree of severity is less than 2.



Probability of occurrence is less than 1%.

Based on the results of the 2023 employee human rights due diligence survey, no human rights issues of moderate or high risk were identified. Shinih will continue to conduct human rights risk assessments and implement preventive and mitigating measures for related risks. A total of 220 questionnaires were collected, and the evaluation results are as follows:



Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

3.1 Talent Development and Happy Workplace

3.2 Occupational Safety and Health

3.3 Human Rights Protection

3.4 Social Prosperity

4 Environmental Sustainability

5 Appendix

3.4 Social Prosperity

Social Welfare Participation

While the global economy is developing, we believe that companies should actively fulfill their social responsibilities and strive for common prosperity with society. We are committed to establishing a sustainable business model that focuses not only on economic benefits but also on environmental protection and social well-being. We firmly believe that only by promoting the overall progress and prosperity of society can enterprises truly achieve long-term success.

Shinih actively practices corporate social responsibility, caring for and supporting disadvantaged groups and local communities. To uphold the “giving back to society” principle – one of the four core values championed by the Company’s late founder, Mr. Tien-Sheng Chien, alongside “integrity,” “pragmatism,” and “innovation” – the Company established the “Tien-Sheng Chien Memorial Foundation” on December 1, 2014, through its affiliate, Li Bang Investment Co., Ltd. The Foundation aims to provide care for society and emergency assistance. Every year, the Foundation donates supplies, provides emergency relief, and awards scholarships to disadvantaged groups.



The details of the beneficiaries, donations, and amounts for 2024 are as follows:

Unit: Piece/NTD

Date	Recipient/Unit	Donation	Number	Amount
January 9	Taiwan Fund for Children and Families – Yilan Office	5*7 winter quilt	100	46,200
January 8	Taiwan Fund for Children and Families – Taoyuan Office	5*7 winter quilt	80	36,960
January 8	Taiwan Fund for Children and Families – Hsinchu Office	5*7 winter quilt	80	36,960
January 9	Taiwan Fund for Children and Families – Nantou Office	5*7 winter quilt	80	36,960
January 9	Taiwan Fund for Children and Families – New Taipei City Office	5*7 winter quilt	80	36,960
January 10	Taiwan Fund for Children and Families – Keelung Office	5*7 winter quilt	80	36,960
January 9	Taiwan Fund for Children and Families – Hualien Office	5*7 winter quilt	100	46,200
January 4	Taiwan Fund for Children and Families – Penghu Office	5*7 winter quilt	100	46,200
January 3	Yilan County Government/Social Assistance Section	5*7 winter quilt	50	23,100
January 9	Hualien County Government/Social Assistance Section	5*7 winter quilt	380	175,560
February 27	New Taipei City Government - Halfway Home for the Homeless	6*7 winter quilt	60	24,000
February 27	New Taipei City Government - Shuangxi District Office	6*7 winter quilt	330	132,000
February 27	Taiwan Fund for Children and Families – Miaoli Office	6*7 winter quilt	100	40,000
February 29	Taiwan Fund for Children and Families – North Kaohsiung Office	6*7 winter quilt	250	100,000
February 29	Taiwan Fund for Children and Families – South Kaohsiung Office	6*7 winter quilt	100	39,999
May 3	Disaster Relief Foundation – 0403 Hualien	Donation of funds		210,000
August 20	Yanshuei District Office, Tainan City	Summer quilt – Single bed	200	42,000
August 20	Yanshuei District Office, Tainan City	Pillows	500	31,500
August 22	Jinying Village, Toucheng Township, Yilan County	Summer quilt – Single bed	30	6,300
August 22	Jinying Village, Toucheng Township, Yilan County	Pillows	30	1,890
September 3	Houbi District Office, Tainan City	Summer quilt – Single bed	100	21,000
September 3	Houbi District Office, Tainan City	Pillows	100	6,300
September 6	Chiayi County Social Welfare Bureau	Summer quilt – Single bed	300	63,000
September 6	Chiayi County Social Welfare Bureau	Pillows	300	18,900
September 6	Chiayi County Social Welfare Bureau	Mattress (91*191*5cm)	20	12,000
December 5	Jiangjun District Office, Tainan City	Winter quilt 5*7 – with additional 1kg filling	84	28,224
December 17	Huashan Foundation – Miaoli	Winter quilt 5*7 – with additional 1kg filling	105	35,280
December 20	New Taipei City Government - Shuangxi District Office	Winter quilt 5*7 – with additional 1kg filling	12	4,032
Subtotal			1,338,485	

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

3.1 Talent Development and Happy Workplace

3.2 Occupational Safety and Health

3.3 Human Rights Protection

3.4 Social Prosperity

4 Environmental Sustainability

5 Appendix



Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

4 Environmental Sustainability

- 4.1 Climate Change Response
- 4.2 Energy Management
- 4.3 Water Resource Management
- 4.4 Waste Management
- 4.5 Chemical Substance Management
- 4.6 Green Products and Circular Economy

5 Appendix



4

4.1 Climate Change Response

4.2 Energy Management

4.3 Water Resource Management

4.4 Waste Management

4.5 Chemical Substance Management

4.6 Green Products and Circular Economy

4.1 Climate Change Response

Climate Risk and Governance (TCFD)

Shinih has followed the Task Force on Climate-related Financial Disclosures (TCFD) framework published by the Financial Stability Board (FSB) in 2015, and disclosed the Company's climate-related governance, strategies, risk management, indicators, and goals. Through this framework, Shinih has conducted a climate change impact assessment, identified related risks and opportunities, and taken measures to mitigate and manage the impact of climate change on the Company's operations.

I. Governance

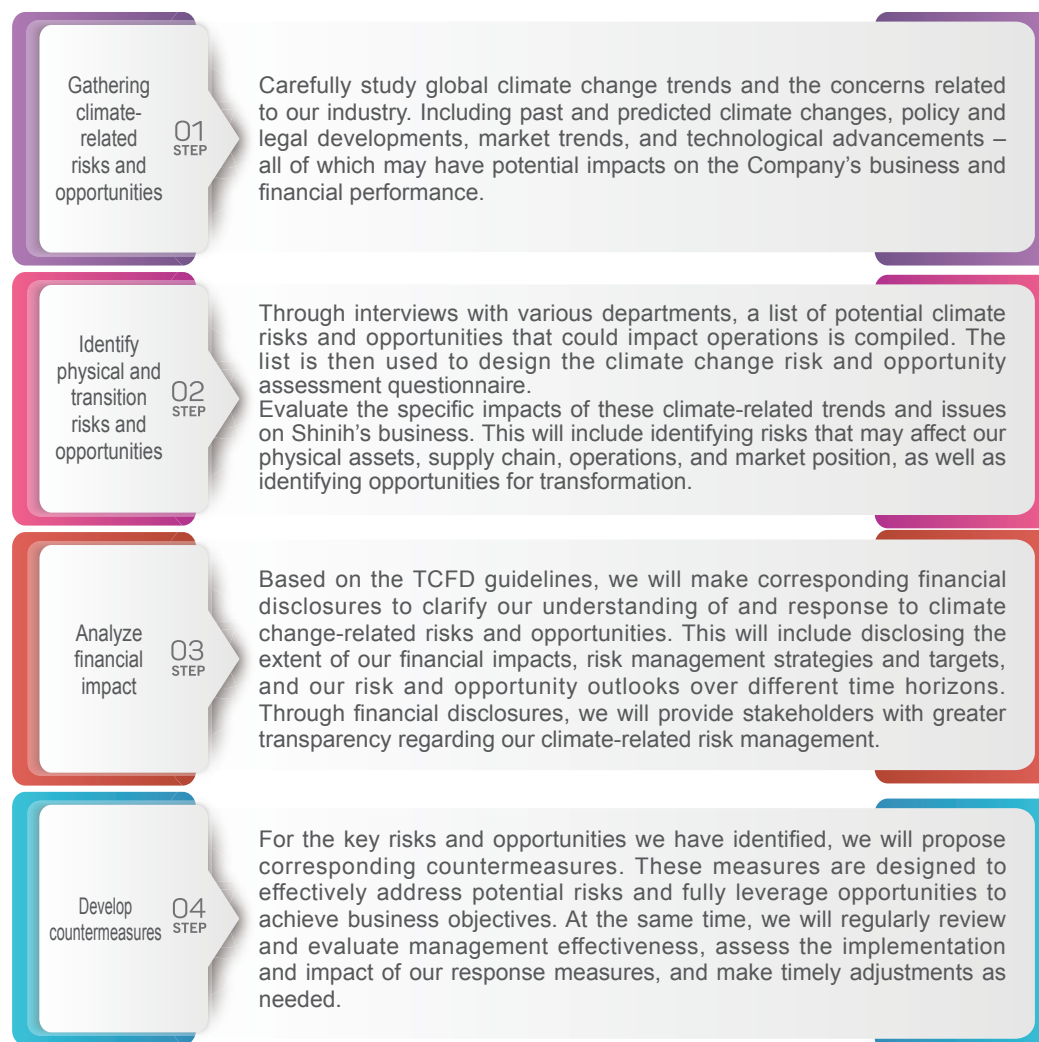
Shinih focuses on managing the risks and opportunities presented by climate change while fulfilling its responsibilities to society, the environment, and its stakeholders. To support this, the Board of Directors established a Sustainability Committee in 2024 to assist in reviewing sustainability and climate change-related issues. Shinih introduced a GHG inventory project in 2022 and reports to the Board of Directors regularly. While climate-related risk assessments are currently conducted by each department and discussed at management meetings, the impact of these risks is tracked regularly until it diminishes.

II. Strategy

The main task of the Sustainable Development Committee is to initially collect relevant information on internal risks and opportunities, considering transition risks (including policy and legal, market, technology, and reputation) and physical risks (slow onset and acute). For potential events, risk descriptions are provided, including the extent of financial impact, the time frame of impact (short term, mid-term, long term), the affected parties within the value chain, and the probability of occurrence, along with corresponding mitigation strategies developed. We are committed to strengthening our resilience to climate risks to ensure that the organization can effectively respond to the challenges brought about by climate change.

Through the analysis of climate-related financial disclosures, international trends, and industry concerns, we have identified both physical and transitional climate-related risks and opportunities. Shinih's implementation of the TCFD process includes the following four steps: (1) gathering climate-related risks and opportunities, (2) identifying material climate risks, (3) analyzing financial impacts, and (4) developing countermeasures. Details are as follows:

★ Risk and Opportunity Assessment Procedure



Financial impact	Risk and Opportunity Likelihood				
	Almost certain (5 points)	Very likely (4 points)	Likely (3 points)	Unlikely (2 points)	Almost impossible (1 point)
	Definitely to occur	Likely to occur multiple times within 10 years	Once or more within 10 years	No occurrence within 10 years	Never occurred
High (5 points)					
Moderate-high (4 points)		① ④			
Moderate (3 points)		②	⑦		
Moderate-low (2 points)			③ ⑤ ⑥		
Low (1 point)					

● 15–25 points: Major risk/opportunity. (red) ● 6–14 points: Moderate risk/opportunity. (Blue) ● 1–5 points: Low risk/opportunity. (Green)

★ Key Climate Risks and Response Measures

Category	Climate Risk Items	Risk Description	Impact Period	Impact Level	Potential Financial Impact	Countermeasures
① Transition Risk	Policies and Regulations	The draft “Climate Change Response Act” is expected to levy carbon fees on enterprises in stages, starting with larger companies and moving to smaller ones, based on their size. In the future, the Company may incur a new operating cost known as a “carbon fee.” In addition, the EU Carbon Border Adjustment Mechanism (CBAM) is expected to be fully implemented on January 1, 2026. Importers will be required to deduct any fees already paid in the exporting country, as well as any free emission allowances received, and surrender the corresponding CBAM certificates purchased from the administering authority. According to CBAM, importers must pay corresponding fees for the direct carbon emissions embedded in their imported products.	Short- and mid-term	Moderate-high	Operating cost	Although the Company is not subject to the carbon fee imposed by the first wave of requirements under the Climate Change Response Act of the Environmental Protection Administration, nor is it included in the first wave of the Carbon Border Adjustment Mechanism (CBAM), it introduced a GHG inventory in 2022 and will continue to evaluate the changes and challenges brought about by domestic and international carbon taxes and fees. By promoting this data inventory, we can understand the current status of GHG emissions and energy consumption, and thereby improve the energy efficiency of our products.
② Transition Risk	Technology	To cope with the low-carbon transition, energy-saving or green energy equipment will need to be introduced in the future, and new technologies may also need to be integrated into product manufacturing and preservation processes to meet low-carbon requirements.	Mid- and long term	Moderate	Capital expenditure	Update existing energy equipment, such as replacing high-efficiency equipment or adopting renewable energy equipment. At the same time, we are also evaluating the introduction of new technologies and innovative approaches to reduce carbon emissions and improve energy efficiency.

Category	Climate Risk Items	Risk Description	Impact Period	Impact Level	Potential Financial Impact	Countermeasures
③ Transition Risk	Reputation	Investors are increasingly concerned about ESG (environmental, social, and corporate governance) performance, and financial institutions are linking loan interest rates to ESG indicators. Therefore, multinational corporations must continue to improve their sustainability performance to attract investors.	Mid-term	Moderate-low	Financing costs	The Company must pay attention to its environmental, social, and corporate governance performance, and continuously improve to meet the expectations of investors. Increase the attractiveness of the Company and enhance investor trust and recognition through continuous sustainability efforts.
④ Physical Risk	Water scarcity	Extreme rainfall events caused by climate change will lead to more extreme wet and dry seasons. Such extreme rainfall and drought will negatively affect the stability of water quality, thereby disrupting production processes and leading to a decline in revenue.	Short-term	Moderate-high	Operating costs, capital expenditures, and other losses	Promote water resource management and water conservation plans to improve water resource utilization efficiency.
⑤ Physical Risk	Increasing frequency and severity of extreme climate events	The risk of raw material supply disruption may increase due to extreme weather events, so it is necessary to diversify raw material sources and increase product inventory levels. In addition, extreme weather events may cause damage to plant equipment, result in water and power outages, or lead to increased transportation difficulties, all of which will affect product production.	Long-term	Moderate-low	Operating costs, capital expenditures, and other losses	Assess the risks of drought and flood in the plant area and formulate corresponding adaptation strategies, including diversifying production sources, increasing inventory levels, and enhancing supply chain resilience to cope with potential disasters. The goal is to ensure that production can be maintained at a stable level and potential impacts are minimized in the face of risks such as floods or droughts.
⑥ Opportunity	Phase out energy-inefficient equipment	Outdated retired equipment may have poor energy efficiency, leading to an abnormal increase in energy consumption per unit of product and increased production costs.	Mid-term	Moderate-low	Operating costs, capital expenditures	Evaluate the energy efficiency of equipment and machinery within the plant, phase out outdated, energy-intensive equipment, and improve overall energy efficiency to reduce energy consumption during production, lower production costs, and decrease carbon emissions.
⑦ Opportunity	Low-carbon product market advantage	As net-zero emissions become a core issue in international policies and industrial development, corporate customers are increasingly inclined to choose products and services with lower environmental impact and suppliers who share their values regarding environmental protection. In addition, corporate customers are gradually incorporating green procurement standards into their order evaluation criteria.	Mid-term	Moderate	Operating revenue	With the trend toward low-carbon transformation, customer demand for low-carbon products has risen significantly. Early focus on the development and marketing of high-efficiency products can help gain a competitive advantage and increase operating revenue.



Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

4 Environmental Sustainability

4.1 Climate Change Response

4.2 Energy Management

4.3 Water Resource Management

4.4 Waste Management

4.5 Chemical Substance Management

4.6 Green Products and Circular Economy

5 Appendix

Risk management

Shinih follows the topics and TCFD framework outlined in the Global Risks Report published by the World Economic Forum (WEF), as well as reports from domestic and international peers. In doing so, we are able to identify climate-related risks and opportunities and assess the likelihood, magnitude, and significance of their potential impacts. We also formulate countermeasures and management goals for each item. In recent years, the Company has faced major impacts from extreme weather events (e.g. heavy rainfall and typhoons). For transformation risk management this year, personnel from each unit conducted assessments and sought external expert consultation as needed. Physical risks were managed through regular drills based on emergency response procedures, with additional equipment added as appropriate. Opportunities were identified through daily interactions with customers to assess potential development opportunities. Related risks and opportunities were regularly discussed and reported to the Sustainable Development Committee at management meetings to enhance cross-departmental collaboration in addressing related impacts and opportunities.

Metrics and Targets

Shinih began implementing ISO 14064-1:2018 in 2022 and completed its first verification in the same year, establishing a complete set of GHG assessment indicators across all locations.

Unit: Metric tons (t)CO ₂ e	2023			2024		
	Scope 1	Scope 2	2023	Scope 1	Scope 2	2024
Bade Plant	872.505	529.667	1,402.172	794.3718	510.024	1,304.3958
Puzi Plant	383.517	282.647	666.164	453.4448	295.833	749.2778
Guantian Plant	124.187	1,086.806	1,210.993	109.9593	1,032.2042	1,142.1635
Tainan Plant	-	-	-	4.3197	6.7886	11.1083
Total	1,380.209	1,899.120	3,279.329	1,362.0956	1,844.8498	3,206.9454

★ GHG Emission Intensity

Item	Unit	2023	2024
Total GHG Emissions	Metric tons (t)CO ₂ e	3,279.329	3,206.9454
Revenue	NTD 1,000,000	297.040	415.773
GHG Emission Intensity	Metric tons (t) of CO ₂ e / NT\$ million	11.04	7.71

Revenue: Parent Company Only

4.2 Energy Management

Energy Management Measures

Shinichi is actively committed to reducing overall energy consumption, thereby lowering carbon dioxide emissions. Shinichi's energy consumption primarily comes from purchased electricity, liquefied petroleum gas (LPG), and natural gas. Heavy oil is not used as an energy source. The electricity system mainly powers the in-house ice water chillers and production equipment, while LPG and natural gas are used for the ovens.

★ GHG Emission Intensity

Energy consumption		
Item (Unit: GJ)		2024
Direct energy	Natural gas energy consumption	7,232.19
	Liquefied petroleum gas energy consumption	7,031.03
	Fuel energy consumption	211.17
	Diesel energy consumption	231.83
	Acetylene energy consumption	1.05
Indirect energy	Electricity consumption	14,011.52
Total energy consumption		28,718.79

Energy intensity		
Item	Unit	2024
Total energy consumption	GJ	28,718.79
Revenue	NTD 1,000,000	2,313.098
Energy intensity	GJ/NTD 1,000,000	12.42

Revenue: Parent Company Only

★ Energy-Saving Measures

Item	Explanation	Participants
Water conservation	1. Turn down the faucet flow or install a spray nozzle to reduce water wastage.	General affairs of each plant
	2. Inspect all toilets, faucets, and water pipes for leaks and repair them immediately if found.	General affairs of each plant
Energy saving	1. All lighting equipment has been replaced with LED lights (saving 50–70% on energy).	General affairs of each plant
	2. Air conditioning: a. Air conditioning may be turned on when the room temperature exceeds 28°C, and the air conditioner temperature should be set to 26°C. If it is not cool enough, a fan is used for additional cooling (increasing the air conditioning temperature by 1°C saves 6% on electricity). b. Turn off the air conditioner 30 minutes before the end of the workday and switch to fan mode (saving 6% on energy). c. Monthly filter cleaning (saving 2–5% energy).	All employees
	3. The water coolers are equipped with timers, saving 26% on electricity – approximately 240 kWh per year.	General affairs of each plant
	4. Unplug appliances when not in use (save 3–11%).	All employees
Reduce waste	Waste sorting: Strictly implement waste sorting, which not only reduces waste volume but also allows recyclable materials such as paper, plastic bottles, and aluminum cans to be sold as recycled resources.	All employees

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

4 Environmental Sustainability

4.1 Climate Change Response

4.2 Energy Management

4.3 Water Resource Management

4.4 Waste Management

4.5 Chemical Substance Management

4.6 Green Products and Circular Economy

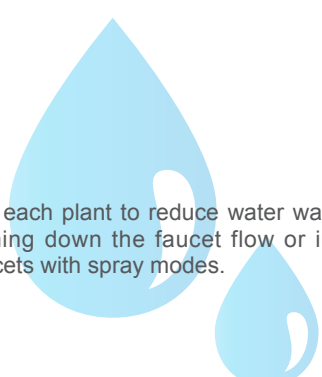
5 Appendix

4.3 Water Resource Management

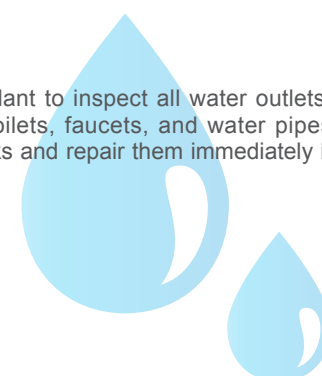
Climate change impacts are becoming increasingly severe, with frequent water shortages occurring, leading to greater stakeholder concern regarding water resources. Water scarcity is a global challenge. Shinih is committed to minimizing its water resource needs and potential impacts through daily water conservation measures. According to the water risk analysis tool Aqueduct developed by the World Resources Institute (WRI), the water risk faced by our plants in Taiwan is low to medium. To reduce the risk of water shortages due to climate change, Shinih Enterprise will continuously check its water usage, monitor potential water shortage risks, and evaluate strategies to improve water use efficiency.

★Water Resource Management

Although no industrial water is used at any of the plants, the Company still requires all plants to conserve general tap water and implement the following measures to achieve water conservation goals.



For each plant to reduce water wastage by turning down the faucet flow or installing faucets with spray modes.

For each plant to inspect all water outlets, including toilets, faucets, and water pipes for any leaks and repair them immediately if found.

★Water Use

Unit: million liters

Water Source	Bade Plant	Puzi Plant	Guantian Plant	Yenshui Plant	Total
Water Withdrawal	3.3	1.9	6	2.3	13.5
Water Consumption	0	0	0	0	0
Discharge Volume	3.3	1.9	6	2.3	13.5

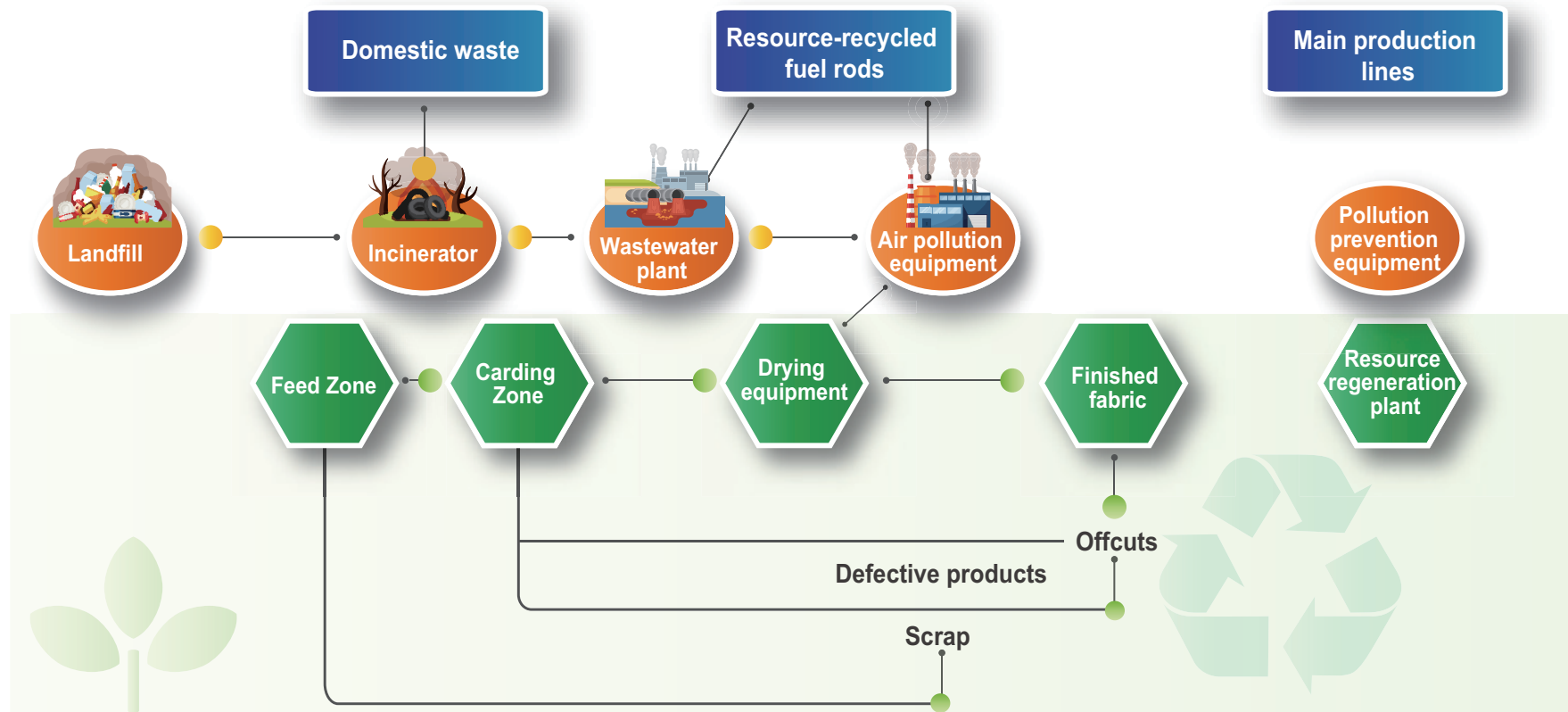
Note: No groundwater or recycled water was used.

4.4 Waste Management

Waste Management in the Value Chain Bade Plant

Waste generated by Bade consists primarily of process waste (PET & TPU) and domestic waste. Business waste is recycled into fuel rods, and household waste is sorted for resource recovery before being transported to an incinerator for disposal. Each waste collection is weighed and recorded, and regular review for opportunities for reduction is conducted. Annual employee training promotes waste disposal (garbage sorting) and energy saving goals.

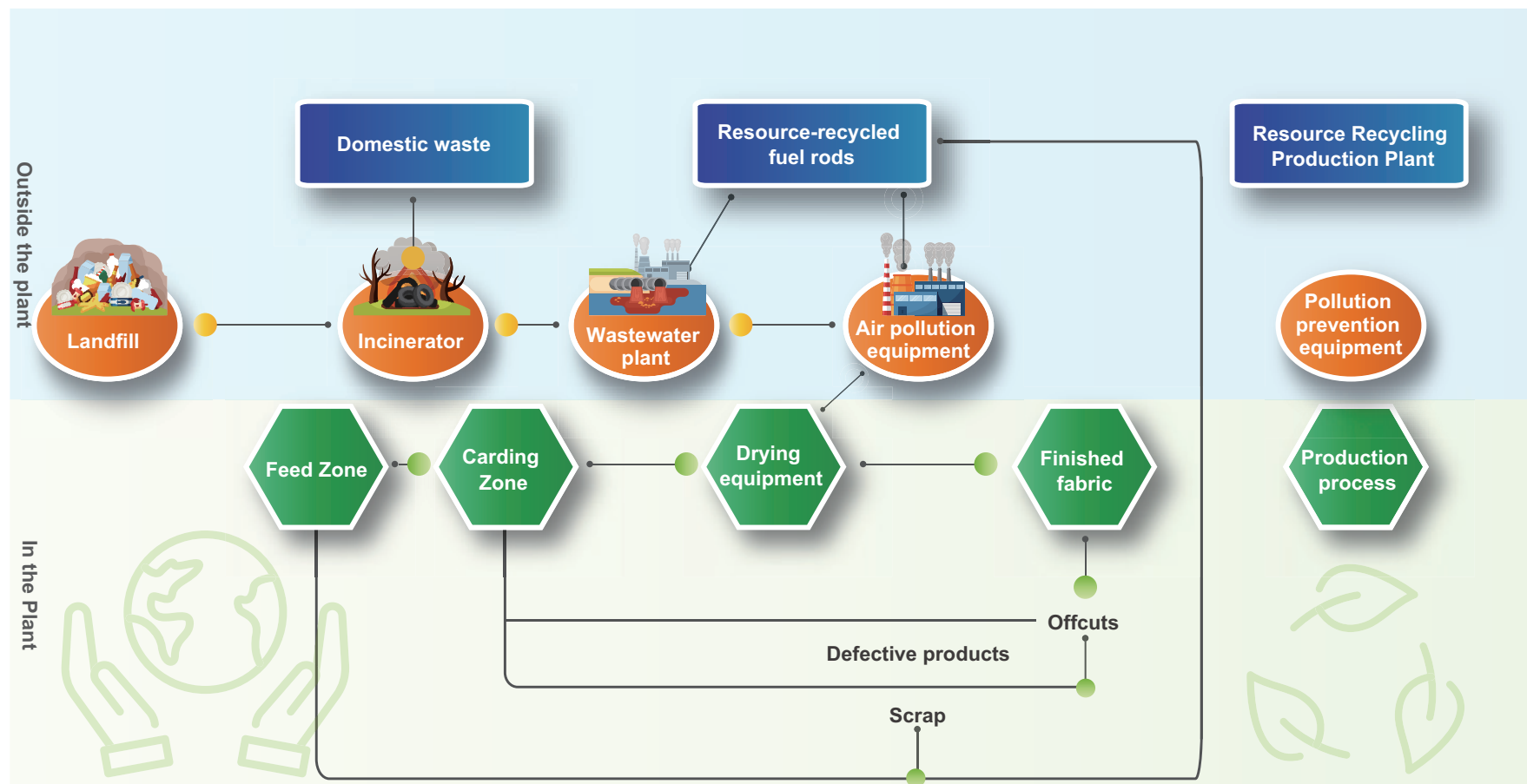
★ According to the Company's waste disposal measures, the plant premises are divided into three designated placement areas for industrial waste, domestic waste, and recyclables.



Puzi Plant

We issue a detailed invoice based on the weighed weight. Plant staff separately record and back up the details of the weighing process. General waste and recyclable materials are disposed of as described above, and are collected monthly by the contractor for processing at the incineration plant. Annual employee training promotes waste disposal (garbage sorting) and energy saving goals. The waste generated by Puzi Plant consists mainly of process waste (PET & TPU) and domestic waste. Waste from business operations includes scrap, offcuts, and defective products, with a small portion recycled in the carding and feeding areas for production purposes. Scrap materials that cannot be recycled or reused will be placed in the industrial waste area and transported to the incineration plant monthly by the contracted vendor for disposal.

★ According to the Company's waste disposal measures, the plant premises are divided into three designated placement areas for industrial waste, domestic waste, and recyclables.

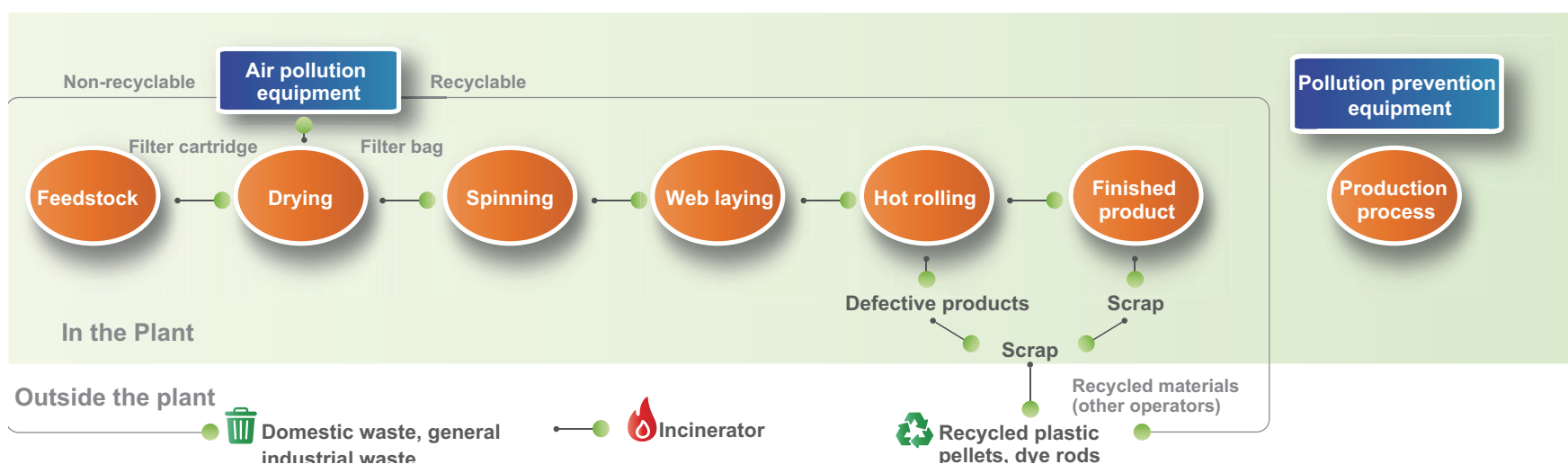


Guantian Plant

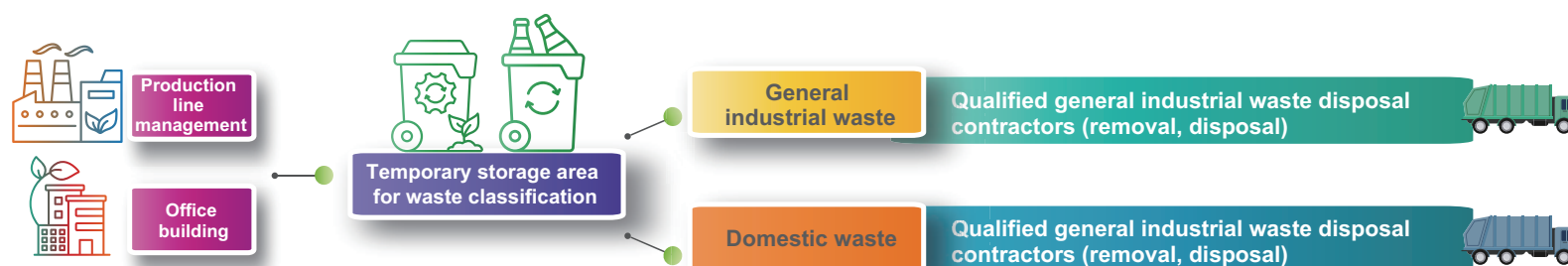
The waste generated by Guantian Plant is mainly process waste (PET, PE, and PP) and domestic waste. Business waste is recycled into fuel rods, and household waste is sorted for resource recovery before being transported to an incinerator for disposal. Each waste collection is weighed and recorded, and regular review for opportunities for reduction is conducted. Annual employee training promotes waste disposal (garbage sorting) and energy saving goals.

According to the Company's waste disposal measures, the plant premises are divided into three designated placement areas for industrial waste, domestic waste, and recyclables. We issue a detailed invoice based on the weighed weight. Plant staff separately record and back up the details of the weighing process. General waste and recyclable materials are disposed of as described above, and are collected monthly by the contractor for processing at the incineration plant. Annual employee training promotes waste disposal (garbage sorting) and energy saving goals. Industrial waste, including scrap and offcuts, must be disposed of by qualified contractors and processed for uses such as fuel rod production and incineration. We sign contracts with legal waste disposal companies and transport our waste to their facilities for disposal on a monthly basis.

★ According to the Company's waste disposal measures, the plant premises are divided into three designated placement areas for industrial waste, domestic waste, and recyclables.

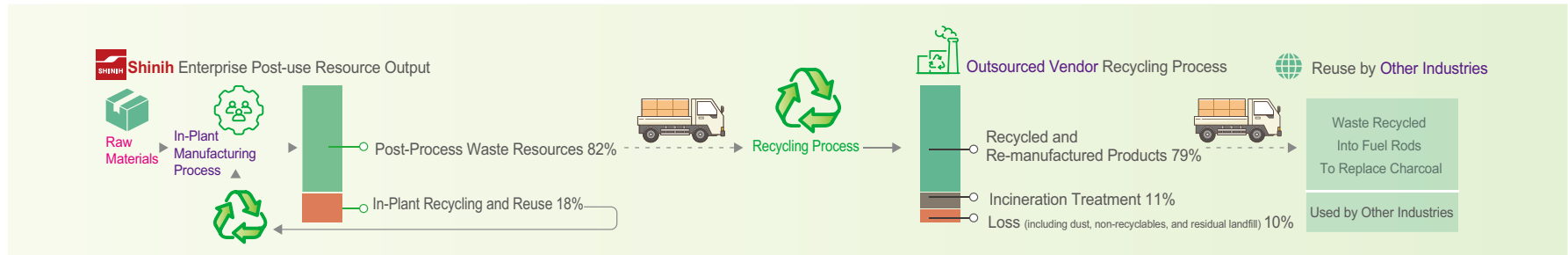


★ Waste Production and Treatment Process

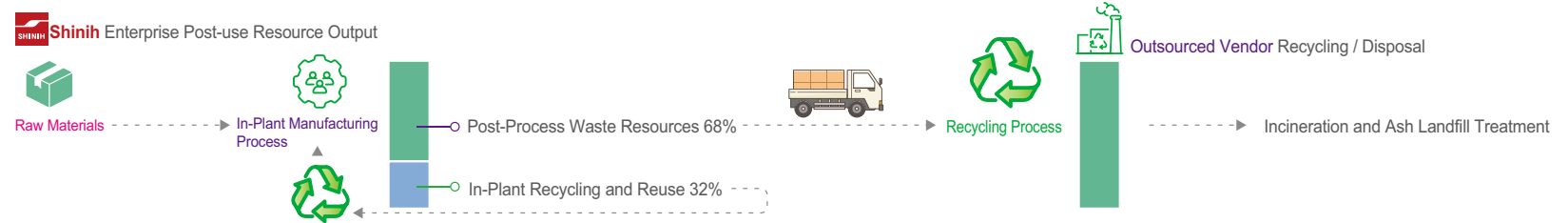


Waste Cycle Management Process

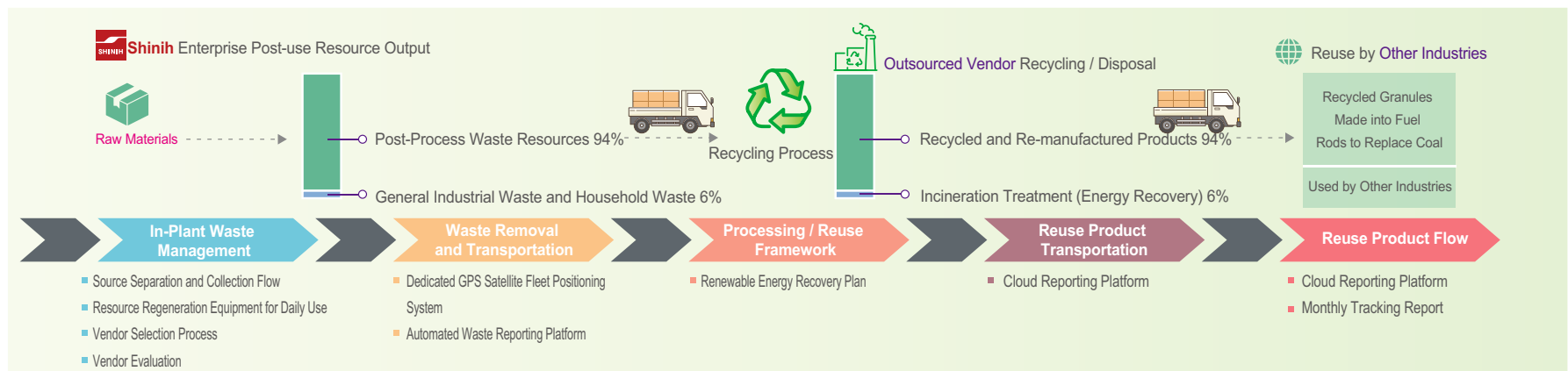
Bade Plant



Puzi Plant



Guantian Plant





Waste Statistics

Unit: Metric tons

Waste Generation		Bade Plant	Puzi Plant	Guantian Plant
Recycling	Polyethylene terephthalate (PET)	12.87	19.71	24.54
	Polypropylene (PP)	0	0	0.72
	Composites	0	0	136.13
	Low-density polyethylene (LDPE)	0	5.80	0
Preparation for reuse	Polyethylene terephthalate (PET)	2.8	39.36	0
Other recycling operations	Domestic waste	16.03	9.6	13.2
Total		31.7	74.47	174.59

Note 1: Recycling: The process of reprocessing a discarded product or component into new materials.

Note 2: Preparation for reuse: Inspection, cleaning, or repair operations that render a product or component ready for reuse for its original purpose as waste.

Waste Disposal

Unit: Metric tons

	In the Plant		Outside the plant		
	Bade Plant	Puzi Plant	Bade Plant	Puzi Plant	Guantian Plant
Incineration (with energy recovery)	0	0	15.76	25.51	13.2
Incineration (without energy recovery)	0	0	0	9.6	0
Other disposal operations	2.8	39.36	13.14	0	161.39
Total	2.8	39.36	28.9	35.11	174.59

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

4 Environmental Sustainability

4.1 Climate Change Response

4.2 Energy Management

4.3 Water Resource Management

4.4 Waste Management

4.5 Chemical Substance Management

4.6 Green Products and Circular Economy

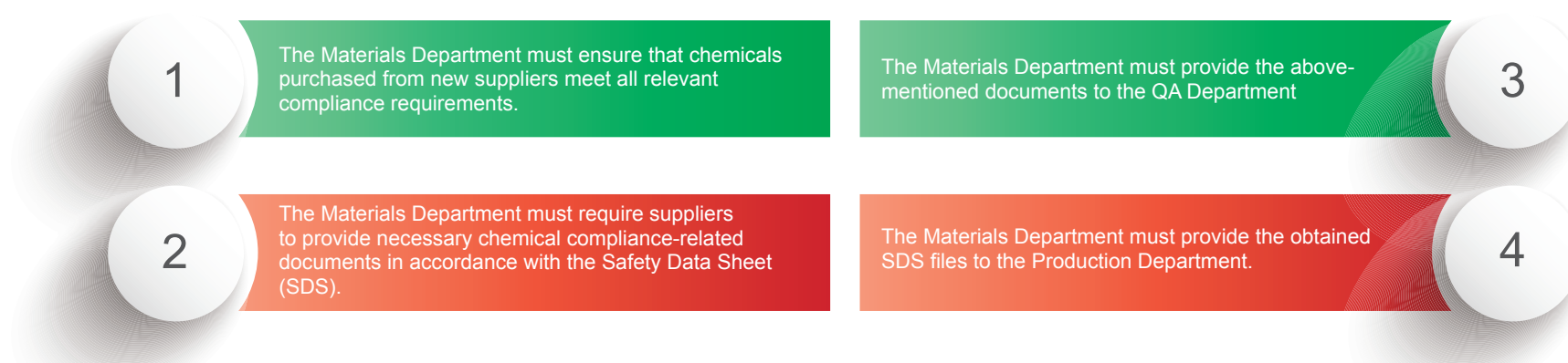
5 Appendix

4.5 Chemical Substance Management

Chemical Management Procedures and Measures

Although the manufacturing process of Shinih Enterprise utilizes only water-based resins that are harmless to humans and environmentally friendly, the Company still places a high priority on chemical management. Given this, Shinih has established the "AO2-008-HQ Chemical Management Specifications for Insulation Material System Manufacturing Plants." They clearly define the compliance and safe use of chemicals throughout the procurement of raw materials, quality management, and production management.

★ Compliance Requirements



★ Safety Data Sheet

	File Type	General Requirements	Bluesign Requirements	GRS Requirement
1	RSL Compliance Statement	√ ^{Note 2}	√ ^{Note 2}	√ ^{Note 2}
2	SDS	√ ^{Note 2}	√ ^{Note 2}	√ ^{Note 2}
3	PSF		√ ^{Note 2}	
4	ZDHC Report ^{Note 1}			√ ^{Note 4}
5	RSL Report ^{Note 1}	√ ^{Note 5}	√ ^{Note 5}	√ ^{Note 5}

Note 1: Must be a test report issued by a third-party laboratory.

Note 2: Documents that must be provided by suppliers under cooperation development.

Note 3: Alternatively, the product can be found in Bluesign's Bluefinder or Blueguide.

Note 4: Alternatively, the product can be found on the ZDHC Gateway.

Note 5: Non-essential documents, but suppliers are encouraged to provide them when available.

★ Compliance Assessment and Sampling

1. The QA Department must assess the compliance of purchased chemicals against relevant chemical compliance documentation, restricted substance lists (RSL), and certification standards, and provide assessment feedback to the relevant departments.
2. The QA Department must sort and evaluate the compliance documentation for chemicals used and retain it for at least five years.

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

4 Environmental Sustainability

4.1 Climate Change Response

4.2 Energy Management

4.3 Water Resource Management

4.4 Waste Management

4.5 Chemical Substance Management

4.6 Green Products and Circular Economy

5 Appendix



★ Production Safety Management

The Production Department must ensure that chemicals are properly labeled, stored, and used during production. The Department must also ensure the safety of the production area, equipment, personnel, and processes, and handle any accidents caused by chemicals correctly.

★ Chemical Labeling

1. The Production Department must prepare a chemical safety management document in a language that is readable by the production site personnel. The document must contain necessary information, such as toxicity descriptions and first aid measures, based on the supplier's chemical substance SDS. This document must be posted in the chemical storage area and at the production site.
2. Warning signs must be displayed in the chemical storage area and the temporary storage area for chemicals at the production unit's production site.

★ Chemical Storage

1. Chemicals should be stored in a designated area. The storage area must be isolated from other raw materials, well-ventilated, and protected from direct sunlight. Smoking is strictly prohibited, and a spill containment facility with a capacity of at least twice the volume of the largest individual chemical container must be available.
2. The chemical storage area must be equipped with necessary firefighting equipment, such as fire extinguishers and smoke alarms, and undergo regular functional inspections.
3. When transporting chemicals, the following precautions must be taken:
 - The operation must be carried out by designated personnel or personnel who have been trained and qualified.
 - Vehicles transporting containers must be equipped with warning signs and fire protection equipment.
 - During transportation, move slowly to avoid overturning or collision, and prevent leakage during filling or handling.
 - When transporting, moving, and placing chemicals, ensure stability and avoid stacking them too high to prevent tipping. Use mechanical assistance whenever possible instead of manual labor.

★ Disposal of Chemicals

1. Waste chemicals or discarded chemical containers must be stored in a designated area and properly labeled.
2. Waste chemicals or discarded chemical containers must be handled by specialized personnel or outsourced professional institutions.

★ Personal Protection

Production units must provide the necessary masks, respirators, eyewash stations, and other personal protective equipment and facilities for personnel on site based on the information in the Safety Data Sheet (SDS).

★ Chemical Accident Handling

If there is a production accident caused by chemical leakage, fire, explosion, etc., the accident must be handled in accordance with local laws and regulations and the "Emergency Response Procedure AM2-006-TW."

★Chemical Management Achievement

For chemical management, we adhere to the requirements outlined in “AO2-008-HQ Chemical Management Specifications for Insulation Material System Manufacturing Plants,” which encompass compliance evaluation and sampling, production safety management, chemical labeling, chemical storage, chemical disposal, personal protection, chemical accident handling, and chemical management training. All plants implement the most stringent controls in all of these areas.

★ Chemical-related Education and Training

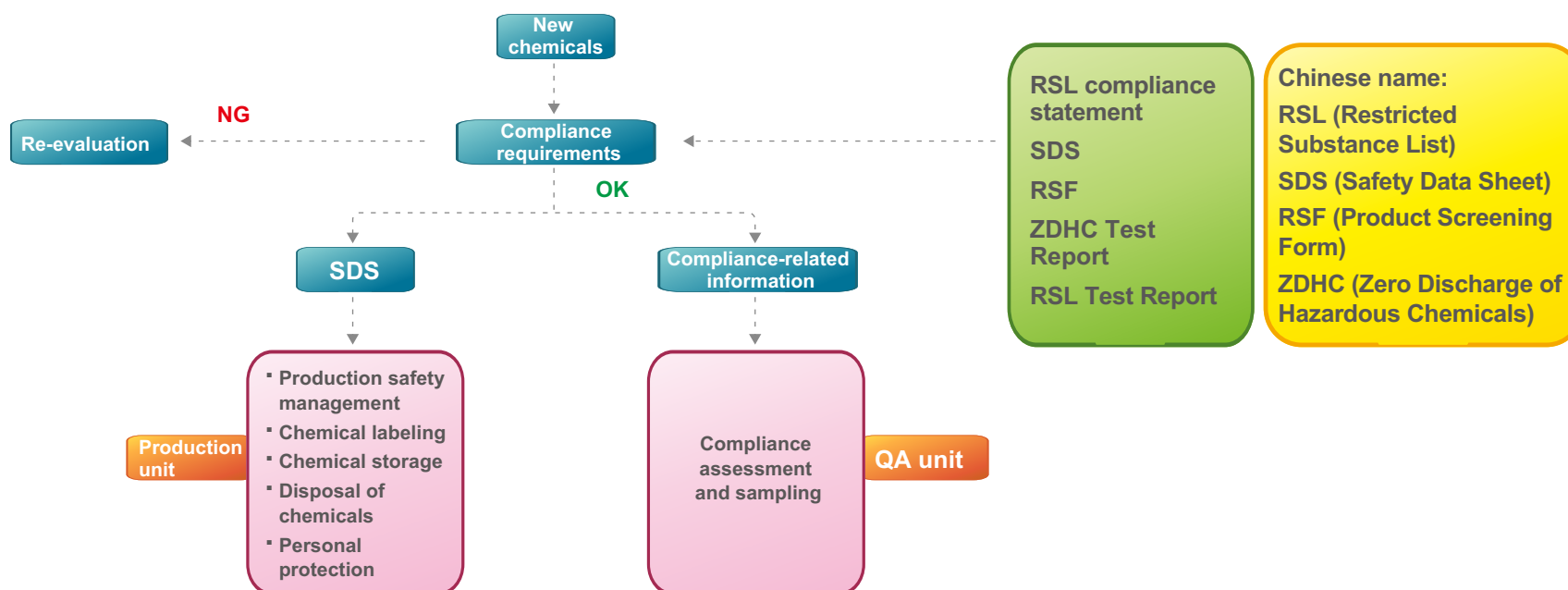
- **Chemical Accident Handling**

If there is a production accident caused by chemical leakage, fire, explosion, etc., the accident must be handled in accordance with local laws and regulations and the “Emergency Response Procedure AM2-006-TW.”

- **Chemical Management Training**

- The QA Department receives annual training on chemical management.
- The Production Department must conduct annual training for production personnel on chemical production safety management and accident handling.

★ Chemical-related Education and Training



4.6 Green Products and Circular Economy

Impact

Brand customers are increasingly demanding greater use of recycled raw materials. Failure to meet these requirements in the future will affect their ability to secure orders.

Policy Commitment

- Continuously increase the proportion of recycled materials in green products.
- Development of a two-component polymer waste material recycling and reuse technology to achieve the goal of zero waste materials in a circular economy.

Actions Taken

1. Set annual development targets and review the progress and results of development at regular development meetings.
2. Participate in international exhibitions and conferences to enhance the professional knowledge of R&D personnel and their ability to collect and analyze information on new raw materials, manufacturing processes, inspection equipment, and other relevant data.
3. Collaborate with research units such as the Institute of Textile, the Plastics Industry Development Center, and universities and colleges to enhance the research and development capabilities of the enterprise.

Goals

Short-term goals

1. To increase the average recycling rate for green products to over 50% in 2025.
2. To complete the preliminary research plan for the "Recycling and Reuse of Multi-component Polymer Waste Materials."

Mid- and long-term goals

1. By 2030, increase the average percentage of green product recycling to over 85%.
2. The recycling and reuse rate of multi-component polymer waste materials reached over 60%.

Evaluation Mechanism

1. Annual statistics of green products with different proportions of recycled raw materials.
2. Statistics on recycled raw materials purchased by the procurement unit.
 - Annual statistics on the weight of multi-component polymer waste and the weight of its development and reuse into green products.

Evaluation Results

1. In 2024, the green product recycling rate was 50%.
2. A preliminary research project on "Recycling and Reuse of Multi-component Polymer Waste Materials" planned in 2024 is expected to be completed in 2025.
3. Executed the "Circular Textile Recycling and Reuse Production Line Construction and Innovative Process Project" of the Industrial Development Administration, Ministry of Economic Affairs.

Stakeholder Engagement

1. Conducted the "Recycling and Reuse of Multi-component Polymer Waste Materials" project with the Plastics Industry Development Center.
2. The second-generation product verification for low-energy consumption, high-recycled-content clothing alternative materials developed with NIKE is underway.
3. The "Circular Textile Recycling and Reuse Production Line Construction and Innovative Process Project" of the Industrial Development Administration, Ministry of Economic Affairs is under implementation.

Green Products



Global Recycled Standard (GRS)

The recycled content of purchased raw materials and manufactured products is systemically controlled under this trademark.



One of the Top Three Global Insulation Material Brands

Shinih's strategic partner, engaging in collaborative development and joint market promotion.



British Wool Brand

Shinih's strategic partner, engaging in joint market promotion.



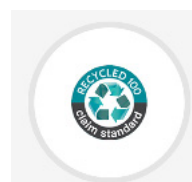
Bluesign

Licensed trademarked textiles meet the latest global environmental, health, and safety standards, and are adopted by brands worldwide.



Plant-Based Polymer Sorona

Applied to the development of functional nonwoven fabrics with cooling, antibacterial, and elastic properties.



Recycled Claim Standard (RCS)

Circular Economy

In textile processing, waste reuse is a key component of achieving a circular economy for an enterprise. By effectively recycling resources and managing waste, production costs can be reduced and the negative impact on the environment minimized. These wastes include waste fibers, fabric scraps, and offcuts. Through our innovative technology, these resources can be transformed and applied to new products, promoting sustainable development within the enterprise and creating greater economic value for companies.

★ A1. Development of Waste Fiber Processing Technology:

Raw materials are nonwoven fabrics such as resin cotton (needle-punching cotton) generated during fiber processing in the spinning and drawing stages.

★ A2. Development of Nonwoven Fabric Production Technology From Waste Offcuts:

Scrap yarn and tube bottom yarn are made from woven fabrics.

★ A3. Development of a Process for Recycling Fabric Scraps:

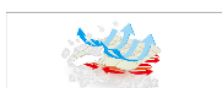
Offcuts from garment cutting and layout.

The above recycled raw materials are used in the design and development of B1–B3 products as insulation and filling materials, garment and shoe fabrics, and sleeping bags and bedding products. Recycling 35% or more of the fibers used in these products not only reduces waste by 5–10% but also provides greater economic benefits to the Company and advances its sustainability goals.

★ B1. Product Design and Development of Footwear Materials and Filling Materials

★ B2. Product Design and Development of Textile Insulation Materials

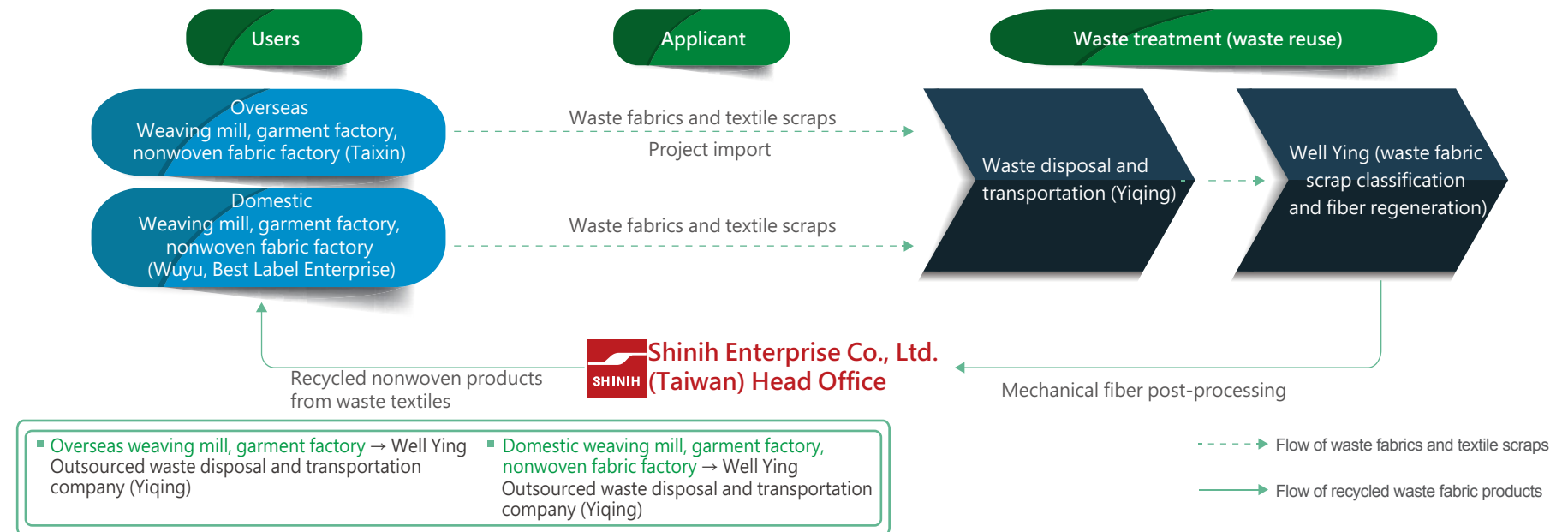
★ B3. Product Design and Development of Sleeping Bags and Synthetic Down



2019

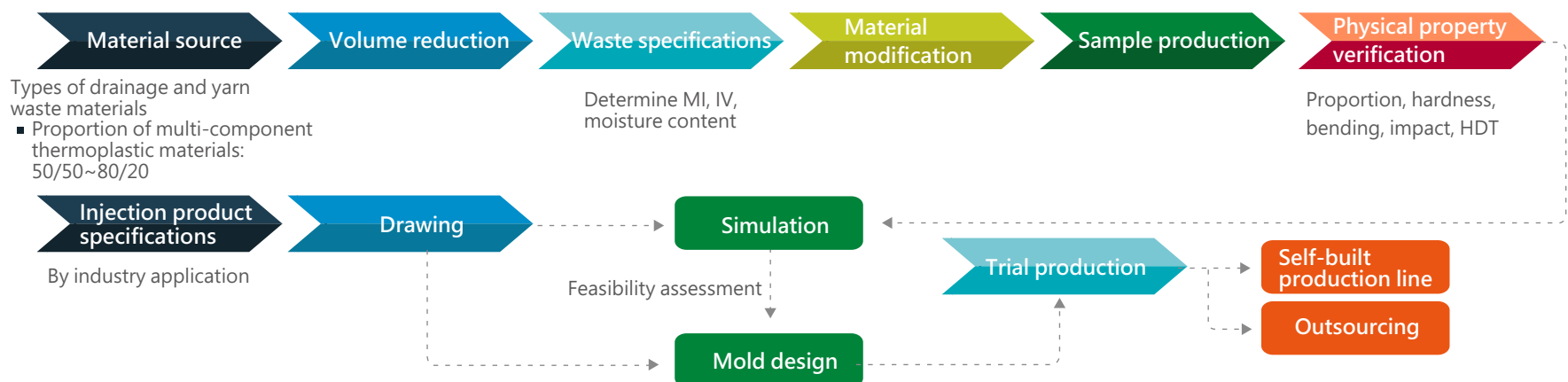
Shinih's products made with
100% recycled fibers

Textile Recycling Diagram



Recycling and Reuse of Multi-component Polymer Waste Materials

Multi-component thermoplastic waste materials are scraps and defective products from spunbond manufacturing, exhibiting different fiber cross-sectional structures. We use multiple components of thermoplastic waste materials to modify and manufacture recycled plastic products for reuse. The recycling process diagram is as follows:



GRI Standards Comparison Table

Statement of Use	Shinih Enterprise Co., Ltd. has reported the content for the period from January 1 to December 31, 2024, in accordance with the GRI Standards.
GRI 1 Use	GRI 1: Foundation 2021
Applicable GRI industry standards	No applicable GRI industry standards

GRI Standards	Disclosure Item	Disclosure Chapter/Note	Page number
GRI 2: General Disclosures 2021			
Organization and Reporting Practices			
GRI 2: General Disclosure 2021	2-1 Organizational details	1.1 Company Profile	4
	2-2 Entities included in the organization’s sustainability reporting	About the Report	1
	2-3 Reporting period, frequency and contact point		1
	2-4 Restatements of information	NA	NA
	2-5 External assurance	Independent Auditor’s Report	91
Activities and Workers			
GRI 2: General Disclosure 2021	2-6 Activities, value chain and other business relationships	1.1 Company Profile 2.4 Supply Chain Management	4 29
	2-7 Employees	3.1 Talent Development and Happy Workplace	50
	2-8 Workers who are not employees		50
Governance			
GRI 2: General Disclosure 2021	2-9 Governance structure and composition	2.1 Corporate Governance Structure	16
	2-10 Nomination and selection of the highest governance body		16
	2-11 Chair of the highest governance body		16

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

4 Environmental Sustainability

5 Appendix

GRI Standards
Comparison Table
SASB Metrics
Independent Auditor's
Report

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

4 Environmental Sustainability

5 Appendix

GRI Standards
Comparison Table
SASB Metrics
Independent Auditor's
Report

GRI Standards	Disclosure Item	Disclosure Chapter/Note	Page number
	2-12 Role of the highest governance body in overseeing the management of impacts	1.3 Sustainable Governance	10
	2-13 Delegation of responsibility for managing impacts		
	2-14 Role of the highest governance body in sustainability reporting		
	2-15 Conflicts of interest	2.1 Corporate Governance Structure	20
	2-16 Communication of critical concerns	1.3 Sustainable Governance	10
	2-17 Collective knowledge of highest governance body	2.1 Corporate Governance Structure	20
	2-18 Evaluating the highest governance body's performance		21
	2-19 Remuneration policies	3.1 Talent Development and Happy Workplace	53
	2-20 Process to determine remuneration		53
	2-21 Annual total compensation ratio		54
Strategy, Policies and Practices			
GRI 2: General Disclosure 2021	2-22 Statement on sustainable development strategy	Chairman's Message	2
	2-23 Policy commitments	3.3 Human Rights Protection	64
	2-24 Embedding policy commitments		
	2-25 Processes to remediate negative impacts	1.4 Stakeholder Identification and Engagement	11
	2-26 Mechanisms for seeking advice and raising concerns		
	2-27 Compliance with laws and regulations	2.3 Legal Compliance and Ethical Management	26
	2-28 Membership of associations	1.1 Company Profile	6
Stakeholder Engagement			
GRI 2: General Disclosure 2021	2-29 Approach to stakeholder engagement	1.4 Stakeholder Identification and Engagement	11
	2-30 Collective bargaining agreements	Shinih did not sign collective bargaining agreements.	NA

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

4 Environmental Sustainability

5 Appendix

GRI Standards
Comparison Table
SASB Metrics
Independent Auditor's
Report

GRI Standards	Disclosure Item	Disclosure Chapter/Note	Page number
GRI 3: Material Topics 2021			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.5 Identification of Material Sustainability Topics	13
	3-2 List of material topics		14
Supply Chain Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	2.4 Supply Chain Management	29
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers		34
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		31
	308-2 Negative environmental impacts in the supply chain and actions taken		32
GRI 414: Supplier Environmental Assessment 2016	414-1 New suppliers that were screened using social criteria		31
	414-2 Negative social impacts in the supply chain and actions taken		32
Customer Relationship Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	2.5 Customer Relationship Management	36
Product Quality and Marketing			
GRI 3: Material Topics 2021	3-3 Management of material topics	2.6 Product Quality and Marketing	39
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		42
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		43
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling		43
	417-2 Incidents of non-compliance concerning product and service information and labeling		43
	417-3 Incidents of non-compliance concerning marketing communications		43
Information Security			
GRI 3: Material Topics 2021	3-3 Management of material topics	2. 7 Information Security Management	46
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.7 Information Security Management	48

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

4 Environmental Sustainability

5 Appendix

GRI Standards
Comparison Table
SASB Metrics
Independent Auditor's
Report

GRI Standards	Disclosure Item	Disclosure Chapter/Note	Page number
Occupational Safety and Health			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.2 Occupational Safety and Health	56
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		57
	403-2 Hazard identification, risk assessment, and incident investigation		58
	403-3 Occupational health services		62
	403-4 Worker participation, consultation, and communication on occupational health and safety		60
	403-5 Worker training on occupational health and safety		61
	403-6 Promotion of worker health		62
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		60
	403-8 Workers covered by an occupational health and safety management system		57
	403-9 Work-related injuries		62
	403-10 Work-related illnesses		62
Climate Change Response			
GRI 3: Material Topics 2021	3-3 Management of material topics	4.1 Climate Change Response	68
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change		69
Green Products and Circular Economy			
GRI 3: Material Topics 2021	3-3 Management of material topics	4.6 Green Products and Circular Economy	82
General Topics			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	4.3 Water Resource Management	73
	303-2 Management of water-discharge-related impacts		73
	303-3 Water withdrawal		73
	303-4 Water discharge		73
	303-5 Water consumption		73

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

4 Environmental Sustainability

5 Appendix

GRI Standards
Comparison Table
SASB Metrics
Independent Auditor's
Report

GRI Standards	Disclosure Item	Disclosure Chapter/Note	Page number
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	4.4 Waste Management	74
	306-2 Management of significant waste-related impacts		77
	306-3 Waste generated		78
	306-4 Waste diverted from disposal		78
	306-5 Waste directed to disposal		78
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	3.1 Talent Development and Happy Workplace	51
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		54
	401-3 Parental leave		55
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		51
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		52
	404-2 Programs for upgrading employee skills and transition assistance programs		52
	404-3 Percentage of employees receiving regular performance and career development reviews		53
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		50
	405-2 Percentage of basic salary and remuneration of females to males		54
Energy Management			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.2 Energy Management	72
	302-3 Energy intensity		72
	302-4 Reduction of energy consumption		72
	302-5 Reductions in energy requirements of products and services		72

SASB Metrics

Industry: Apparel, Accessories & Footwear

Disclosure	Code	Accounting Metric	Corresponding Chapter	Page number
Management of Chemicals in Products	CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulation	4.5 Chemical Substance Management	79
	CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	4.5 Chemical Substance Management	79
Environmental Impacts of the Supply Chain	CG-AA-430a.1	Percentage of: (1) Tier 1 suppliers and (2) suppliers beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreements	In 2024, we required key Tier 1 suppliers to provide wastewater discharge permits. Key Tier 1 suppliers are those whose cumulative transaction amount exceeds 60% of the total within the category. Disclosure was limited to Tier 1 suppliers, with a compliance rate of 85.7% for wastewater discharge.	NA
	CG-AA-430a.2	Percentage of: (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Survey of key Tier 1 suppliers in 2024: 1. 57.1% of key Tier 1 suppliers hold ESG certifications 2. 71.4% of key Tier 1 suppliers hold ISO 14001 or ISO-24001 certifications 3. 85.7% of key Tier 1 raw material suppliers hold GRS or ZDHC certifications	NA
Labor Conditions in the Supply Chain	CG-AA-430b.1	Percentage of: (1) Tier 1 suppliers and (2) suppliers beyond Tier 1 that have been audited to labor code of conduct (3) percentage of total audits conducted by a third-party auditor	In 2024, we required all key Tier 1 suppliers to sign the Supplier Code of Conduct, achieving 100% compliance. 86.7% of suppliers beyond Tier 1 have also signed, and efforts are ongoing to secure signatures from the remaining suppliers. Furthermore, all new suppliers are required to sign the Supplier Code of Conduct. Currently, no audits have been conducted by a third party.	NA
	CG-AA-430b.2	Non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	In 2024, the audit did not identify any non-conformance with the Labor Standards Act among Tier 1 suppliers and suppliers beyond Tier 1. This will also be included as an item in the annual supplier evaluation.	NA
	CG-AA-430b.3	Description of the greatest (1) Labor (2) Environmental, health, and safety risks in the supply chain	In 2024, 71.4% of key Tier 1 suppliers had ISO 14001 and ISO 45001 certifications. In 2024, we assessed whether suppliers had been educated and trained on the prevention of natural disasters and fires, and included this in the annual supplier evaluation.	NA
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	2.4 Supply Chain Management	35
	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.	(1) The total procurement volume of key raw materials – resin, fiber, and paper lining – at the Taiwan facility was 1758 tons. 83% fibers, 15% resins, and 2% paper lining. (2) A. In 2024, 98.3% of the total fiber purchased by Taiwan plants were OEKO-TEX-compliant, 65.06% were ISO 14001-compliant, and 94.91% were GRS-compliant. B. In 2024, 100% of resin purchases were ZDHC-compliant, and 78.38% were ISO-14001-compliant. C. In 2024, 99.85% of paper purchases were OEKO-TEX-compliant, and 99.85% were ISO-14001-compliant.	NA

Code	Activity Metric	Corresponding Chapter	Page number
CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	There are seven Tier 1 suppliers and 15 suppliers beyond Tier 1 in Taiwan.	NA

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

4 Environmental Sustainability

5 Appendix

GRI Standards Comparison Table

SASB Metrics

Independent Auditor's Report

Independent Auditor's Report



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INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

SHINIH ENTERPRISE CO., LTD.,

We have undertaken a limited assurance engagement on the selected performance indicators in the Sustainability Report of SHINIH ENTERPRISE CO., LTD., ("the Company") for the year ended December 31, 2024.

Subject Matter Information and Applicable Criteria

See Appendix 1 for the Company's selected performance indicators ("the Subject Matter Information") and applicable criteria.

Management's Responsibilities

The management of the Company is responsible for the preparation of the Subject Matter Information in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Universal Standards and Topic Standards published by the Global Reporting Initiative (GRI), the Standards published by the Sustainability Accounting Standards Board (SASB), and for such internal control as management determines is necessary to enable the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities

Our responsibility is to plan and perform a limited assurance engagement in accordance with Assurance Standard No. 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" to issue a limited assurance report on whether the Subject Matter Information (see Appendix 1) is free from material misstatement. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance

engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We based on our professional judgment in the planning and conducting of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Inquiring of management and the personnel responsible for the Subject Matter Information to obtain an understanding of the policies, procedures, internal control, and information system relevant to the Subject Matter Information to identify areas where a material misstatement of the Subject Matter Information is likely to arise.
- Selecting sample items from the Subject Matter Information and performing procedures such as inspection, re-calculation, re-performance, observation, and analytical procedures to obtain evidence supporting limited assurance.

Inherent Limitations

The Subject Matter Information involved non-financial information, which was subject to more inherent limitations than financial information. The information may involve significant judgment, assumption and interpretations by the management, and the different stakeholders may have different interpretations of such information.

Independence and Quality Management

We and the affiliated accounting firm have complied with the provisions regarding independence and other ethical standards as stipulated in the Code of Ethics for Professional Accountants and other applicable ethical standards. The fundamental principles of this code include integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the Quality Management Standards No. 1, "Quality Management for Firms that Perform Audits and Reviews of Financial Statements or Other Assurance and Related Services Engagements." This standard requires the firm to design, implement, and operate a system of quality management, including policies and procedures related to

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

4 Environmental Sustainability

5 Appendix

GRI Standards
Comparison Table

SASB Metrics

Independent Auditor's
Report

Independent Auditor's Report

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

4 Environmental Sustainability

5 Appendix

GRI Standards
Comparison Table

SASB Metrics

Independent Auditor's
Report

compliance with ethical requirements, professional standards, and applicable laws and regulations.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the Subject Matter Information or the applicable criteria after the issuance date of this report.

The engagement partner on the assurance resulting in this independent limited assurance report is Shao, Chao Pin.

Crowe (TW) CPAs

Taichung, Taiwan (Republic of China)

July 28, 2025

Notice to Readers

For the convenience of readers and for information purpose only, the independent auditors' limited assurance report has been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report shall prevail.

APPENDIX 1

SUMMARY OF SUBJECT MATTER INFORMATION

#	Subject Matter Information	Corresponding Section	Applicable Criteria
1	Total energy consumption in 2024: 28,718.79 GJ (including natural gas energy consumption: 7,232.19 GJ; LPG energy consumption: 7,031.03 GJ; gasoline energy consumption: 211.17 GJ; diesel energy consumption: 231.83 GJ; acetylene energy consumption: 1.05 GJ; purchased electricity energy consumption: 14,011.52 GJ).	4.2 Energy Management	Total energy consumption and consumption of various energy sources.
2	Total water withdrawn: 13.5 million liters (million L); total water discharge: 13.5 million liters (million L).	4.3 Water Management	Total water withdrawn, total water discharge.
3	Employees' total hours worked: 436,248 hours; non-employees' total hours worked: 41,868 hours; the number of recordable occupational injuries: 0 cases.	3.2 Occupational Safety and Health	Total hours worked, The number of recordable occupational injuries.
4	Disclosure limited to Tier 1 suppliers: 85.7% are compliant with wastewater discharge requirements.	Appendix: SASB Metrics Mapping Table	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits or contractual agreements.
5	100% of key Tier 1 suppliers have signed and returned the Supplier Code of Conduct, while 86.7% of suppliers beyond Tier 1 have done so. Currently, no third-party audits have been conducted.	Appendix: SASB Metrics Mapping Table	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labour code of conduct, (3) percentage of

Independent Auditor's Report

Preface

1 About the Company

2 Corporate Governance

3 Happy Workplace and Social Prosperity

4 Environmental Sustainability

5 Appendix

GRI Standards
Comparison Table

SASB Metrics

Independent Auditor's
Report

#	Subject Matter Information	Corresponding Section	Applicable Criteria
			total audits conducted by a third-party auditor.
6	(1) Key raw materials include resin, fiber, and interlining, with a total procurement volume of 1,758 metric tons at the Taiwan facility. Fiber accounts for 83% of the total material volume, resin 15%, and interlining 2%. (2) A. In 2024, the Taiwan facility's total fiber procurement met the following standards: 98.3% compliant with OEKO-TEX, 65.06% compliant with ISO-14001, and 94.91% compliant with GRS. B. In 2024, resin procurement meeting ZDHC certification standards accounted for 100%, while procurement meeting ISO-14001 standards accounted for 78.38%. C. In 2024, interlining procurement meeting OEKO-TEX certification standards accounted for 99.85%, while procurement meeting ISO-14001 standards accounted for 99.85%.	Appendix: SASB Metrics Mapping Table	(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.
7	(1) 7 primary Tier 1 suppliers and (2) 15 suppliers beyond Tier 1.	Appendix: SASB Metrics Mapping Table	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1.



Shinih Enterprise Co., Ltd.

