

# 2024 Sustainability Report

## Table of Contents

About This Report.....	4
Message from the Chairman.....	6
Performance Overview.....	9
Sustainability Blueprint.....	11
Stakeholder Engagement Overview.....	20
Corporate Governance .....	23
● Integrity and Compliance.....	47
● Risk Management and Internal Control.....	54
Sustainable Production.....	68
● Action Plans.....	79
● Achievements in Promoting Green Products.....	73
● Feature Section: Driving the Mono-Material Revolution – NEOLAST™.....	74
● Certification.....	77
Customer Relationship Management.....	82
Green Procurement.....	84
● Sustainable Procurement Policy Directions.....	85
Sustainable Workforce.....	90
● Talent Recruitment.....	96
● Talent Development.....	102
● Employee Care.....	112
● Labor-Management Communication.....	127
● Workplace Safety.....	139
Sustainable Environment.....	140
● Material Topic: Energy Management.....	140

● Material Topic: Water Resource Management.....	141
● Material Topic: Greenhouse Gas Management.....	142
Green Operations.....	144
● Environmental Data Overview.....	144
● Water Resource Management.....	146
Pollution Prevention.....	148
● Wastewater Discharge Management.....	148
● Air Pollution Emission Management.....	149
Waste Management.....	151
Local Community Engagement.....	155
Appendix GRI Standards Content Index.....	158
Appendix – Third-Party Verification Statement .....	166
Appendix – Greenhouse Gas (GHG) Inventory Verification Statement .....	168

## About This Report

Shinkong Synthetic Fibers Corporation (hereinafter referred to as "Shinkong Synthetic Fibers" or "the Company"), with the vision of being a "sustainable high-tech polyester industry," has consistently upheld the core values of "sustainable development, green energy, and sincere care." The Company is committed to providing customers with high-quality products and services. Guided by the philosophy of "pursuing excellence and continuous improvement," Shinkong Synthetic Fibers will continue to enhance its expertise, launch innovative products, fulfill social responsibilities, and strive to achieve sustainable operations.

## Reporting Period

This report discloses the actions and performance of Shinkong Synthetic Fibers in 2024 (January 1 to December 31, 2024) with respect to corporate governance, environmental sustainability, and social commitments. It is also published on the official Shinkong Synthetic Fibers website under the 'ESG Social Responsibility Section.'

- The previous report was published in August 2024.
- This report is scheduled to be published in August 2025.
- The next report is scheduled to be published in August 2026.

## Reporting Boundary

The scope of this report covers the actions and performance of Shinkong Synthetic Fibers from January 1 to December 31, 2024, with respect to corporate governance, environmental sustainability, and social commitments. It also incorporates issues of concern raised by stakeholders. The reporting boundary is set with Shinkong Synthetic Fibers as the main entity. Financial data are consistent with the certified financial statements audited by independent accountants. Any specific disclosure scope within this report will be noted accordingly. In cases where historical data have been restated, explanations are provided within the text.

## Reporting Principles

This report is prepared with reference to the 2021 version of the Global Reporting Initiative (GRI) Standards. The disclosed information also aligns with the 'Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE/TPEX Listed Companies,' as well as international standards such as the United Nations Sustainable Development Goals ( UN SDGs ), the Task Force on Climate-related Financial Disclosures ( TCFD ) framework, and the Sustainability Accounting Standards Board ( SASB ).

## External Assurance

This report has been verified by an independent third-party organization, AFNOR ASIA LTD., in accordance with the AA1000 AS V3 Assurance Standard, and has obtained a Type I, moderate level of assur-



ance. The assurance statement is provided in the appendix of this report.

## Contact Information

To continuously improve the quality and content of Shinkong Synthetic Fibers' sustainability report, enhance corporate social responsibility performance, and strengthen communication with stakeholders, we welcome any suggestions or feedback through the following contact:

- Company Address: 5F, No. 136, Section 3, Ren'ai Road, Da'an District, Taipei City
- Official Website: <http://www.shinkong.com.tw/>
- ESG Section: <https://esg.shinkong.com.tw/>
- Contact Person: Mr. Chou, Yun-Bin  
Tel: (02) 2507-1259 ext. 7813

## Message from the Chairman

Since its establishment, Shinkong Synthetic Fibers Corporation (hereinafter referred to as "Shinkong Synthetic Fibers") has relied on its profound expertise in polyester core technologies, consistently dedicating itself to product differentiation and the development of high value-added products. Amid the challenges of drastic changes in the global economy and industrial structures, we have upheld our corporate values, continuously driving business transformation and innovation to ensure the Company's sustainable operations.

Looking back, the global economic environment has been full of uncertainties—such as high inflation, elevated interest rates, severe overcapacity in China coupled with dumping across the world, leading to oversupply in international markets and further undermining fair competition in the industry. Continued adjustments in the monetary policies of the U.S. Federal Reserve, slowing economic growth in the Euro-zone, weak recovery in the Chinese economy, geopolitical factors such as the Russia-Ukraine war and conflicts in the Middle East, as well as surging energy costs, have all contributed to persistent market volatility. Such circumstances have posed tremendous challenges to the global man-made fiber and plastics industries.

In this environment, thanks to the concerted efforts of our management team and all employees, the Company achieved significant progress in 2024 compared to 2023. Leveraging our advanced technologies and strategic market positioning, we operated with stability, strengthened our market response strategies, ensured operational resilience, and enhanced competitiveness.

## Business Performance

In terms of operating results, the Company's overall revenue in 2024 grew steadily compared to the previous year, mainly driven by the increasing market demand for eco-friendly and high-performance products. We actively expanded our international markets, particularly in Southeast Asia and North America, to diversify market risks. Furthermore, through lean management practices, we reduced inventories, improved capacity utilization, and enhanced overall operational efficiency.

In recent years, global demand for sustainable products has continued to grow, and ESG (Environmental, Social, and Governance) has become a critical issue in corporate management. Under the supervision of the Board of Directors and the Sustainability Promotion Committee, we have established phased targets to reduce greenhouse gas emissions, with the ultimate goal of achieving net zero emissions by 2050. We actively respond to international carbon reduction regulations, including the European Union's Carbon Border Adjustment Mechanism (CBAM) and the potential implementation of carbon tariffs in the United States. Measures include organizational greenhouse gas inventories, product carbon footprint assessments, low-carbon product manufacturing, improved energy efficiency, and the use of recycled raw materials to reduce emissions and minimize product carbon footprints.

## Circular Economy and Sustainable Materials

## Circular Economy and Sustainable Materials

The Company is deeply committed to environmental material technologies and has launched multiple circular economy initiatives, including:

- **Textile-to-Textile (T2T) Recycling:** Through collaborations with international brands, we have developed technologies for recycling and reusing textile waste. For instance, in partnership with Celanese, a global specialty materials and chemical company, we developed NEOLAST™ fibers—recyclable elastic polyester polymers aimed at realizing the vision of fully recyclable garments. This innovation enhances fiber elasticity and durability while reducing environmental impact during the recycling process. Additionally, we invested in Ambercycle, a U.S.-based advanced material science company, to recycle textile waste into high-quality virgin polyester fibers. Together with Ambercycle, we plan to establish an advanced closed-loop recycling plant in Indonesia with an annual capacity of 30,000 tons, scheduled for production in 2026. The plant will leverage Ambercycle's molecular regeneration technology and our expertise in premium polyester fiber production and market experience to jointly produce recycled cycora® yarns. This initiative will return recycled textiles to the apparel market, reduce raw material dependency, and minimize waste, thereby achieving sustainability goals.
- **Recycled Polyester (r-PET):** In response to environmental and decarbonization trends, we actively promote recycled material usage policies. Beyond providing stable-quality, 100% recycled r-PET resin certified for food and beverage containers, we are also expanding recycled PET bottle pellet capacity. Using advanced Flake to Resin (FTR) technology, we enhance the quality of recycled materials, simplify mixing processes for customers, reduce production costs, and optimize inventory management. We have successfully produced eco-friendly polyester resins with up to 50% recycled content.
- **Bio-based Material Development:** The Company participates in the Taiwan Biomass and Sustainable Materials Association ( TBSM ) to broaden industry collaboration. We have developed bio-based green polyester that reduces reliance on petrochemical materials, successfully obtaining the International Sustainability and Carbon Certification ( ISCC ). This certification highlights our contributions to sustainable development and the green economy, showcasing supply chain transparency, reduced carbon footprints, and sustainable resource utilization in support of the circular economy.
- **Smart Manufacturing:** The Company has been promoting smart manufacturing for nine years, adopting digitalized production technologies to improve efficiency and environmental performance. Efforts include optimizing energy management, strengthening workplace safety, and enhancing occupational health training systems. These measures not only boost product competitiveness but also align with global sustainable development requirements.

## Global Market Expansion

To address geopolitical risks and market changes, the Company actively expanded into global markets:

- **Southeast Asia:** Thai Shinkong Industrial Co., Ltd. expanded its r-PET production capacity to meet lo-

cal as well as U.S., European, and Japanese market demands with high recycled content and certified quality. Our textile business continues to deepen partnerships through operations in Vietnam, while trade companies manage market channels. We are also planning investments in Indonesia, integrating upstream and downstream supply chains to expand textile recycling and diversify raw material sources.

- North America: We collaborate with international brands to provide eco-friendly materials and high value-added products. In addition, we established warehouses and logistics facilities to expand storage and distribution capabilities, strengthening our North American market presence.

- New Energy Applications: To meet domestic demand policies in China, we are expanding engineering plastics capacity and applications in the electric vehicle industry. Developments include materials with high heat resistance and impact strength, capturing niche markets with quality and flexibility strategies.

## Outlook

Looking ahead, the Company will integrate digital technologies such as AI and big data to drive industrial transformation. We will actively participate in net zero initiatives and pursue our 2050 net zero emissions target. In the face of global supply chain restructuring and accelerating technological advancements, we will deepen our ESG-based green operations, enhancing competitiveness through technological innovation and digital transformation. We firmly believe that only through proactive innovation and strategic market deployment can we stand out in a rapidly changing environment. We aspire to navigate volatility, seize opportunities, create greater value, and contribute meaningfully to sustainable social development.

# Performance Overview

## Economic

### [Governance]

- Total revenue of NT\$23.04 billion
- Net income after tax of NT\$1.71 billion
- Zero incidents of business ethics or information security violations
- Corporate Governance Evaluation: 36% to 50%
- Revenue from green products: approximately NT\$4.0 billion
- Products certified by Confidence in Textiles and Global Recycled Standard ( GRS )
- Products verified through product carbon footprint assessments
- Continued certification under ISO 27001 Information Security Management System

## Environmental

### [Energy]

- In 2024, completed 69 energy-saving improvement projects
- Achieved power savings of approximately 9.369 million kWh
- Energy-saving benefits valued at NT\$22.75 million
- Avoided greenhouse gas emissions of 4,630 metric tons CO<sub>2</sub>e

### [Water Resources]

- Water savings of 472,000 tons, equivalent to a 25.2% reduction rate
- Water recycled and reused: 1,207,000 tons
- Water recycling rate: 90.5%

### [Green Procurement]

- Awarded the 'Outstanding Green Procurement Enterprise Award' for 12 consecutive years
- Procured 56,500 tons of eco-friendly raw materials in 2024, representing a 28.5% increase over 2023

### [Supplier Management]

- Completed on-site audits of five suppliers

## Social

### [Employees]

- Average employee training hours: 17.33 hours
- Awarded the Ministry of Labor's Outstanding Training Institution Award
- Received the TTQS Bronze Award
- Zero incidents of labor treatment or human rights violations
- Continued third-party certification under ISO 45001 Occupational Health and Safety Management System

### [Community]

- Supported disaster prevention and safety awareness campaigns
- Participated in Earth Hour initiatives

# Sustainability Blueprint

## Sustainability Promotion Committee

Since 2015, Shinkong Synthetic Fibers has established the 'Corporate Social Responsibility Promotion Committee' as a dedicated organization for advancing the Company's sustainability development. In 2022, in response to climate governance requirements, the 'Carbon Neutrality Promotion Center' was created under the Management Decision Committee to coordinate carbon management and net-zero planning. In 2024, these mechanisms were consolidated into the 'Sustainability Promotion Committee,' which now serves as the Company's highest-level governance body on sustainability.

The committee is composed of three independent directors, with Independent Director Mr. Chiu, Hsien-Te serving as the convener, and the other two independent directors as committee members. Based on the principle of materiality, the committee oversees policies and implementation related to sustainability development and risk management (including formulation and review of management approaches, strategies, and targets). It is also responsible for deliberating and supervising the Company's sustainability strategies and related policies.

To ensure systematic execution and clear accountability, the Committee has established seven task forces: Employee Care, Product Responsibility, Green Environment, Social Welfare, Corporate Governance, Supply Chain Management, and the IFRS Sustainability Disclosure Standards Task Force. The General Manager serves as the Executive Committee Member, responsible for coordinating business promotion and sustainability information disclosure. In accordance with the principle of materiality, the Committee reports at least once annually to the functional committees and the Board of Directors on progress in sustainability policies, risk assessments and responses, and stakeholder engagement.

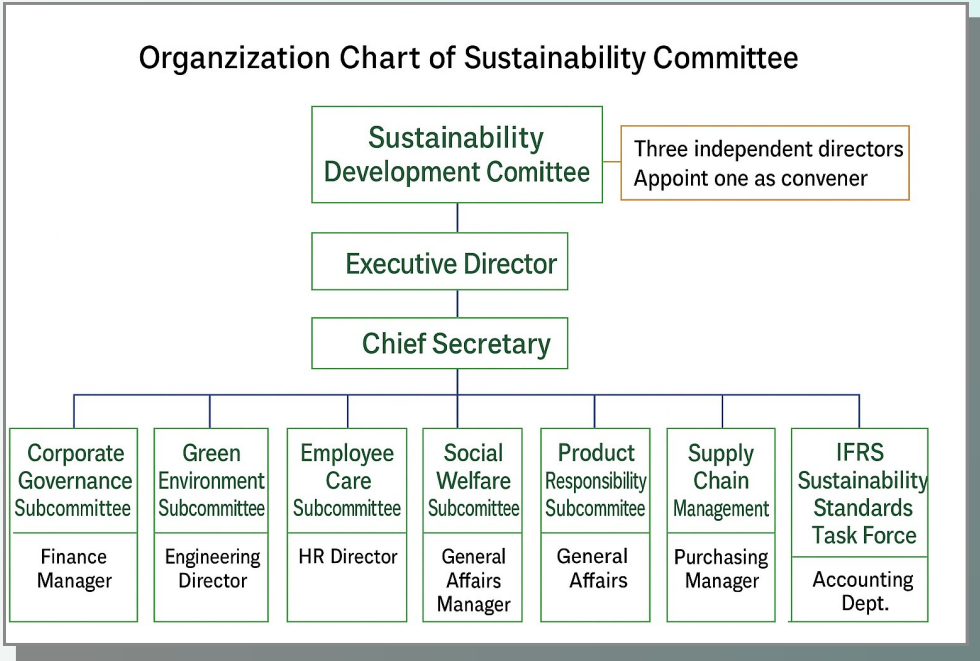
The Committee's main responsibilities include: reviewing corporate sustainability policies, annual plans and strategies, execution status and performance; supervising sustainability information disclosures and deliberating the sustainability report; and overseeing planning and implementation of the Company's sustainability-related initiatives. In 2024, the Committee reviewed the implementation of the Company's sustainability policies on November 11, and incorporated ESG topics such as ethical business conduct, operational performance, net-zero carbon reduction, renewable energy use, and diversity and inclusion into performance indicators for senior management, thereby further strengthening accountability and execution in sustainability governance.



# Sustainability Information Disclosure and Reporting Mechanism

The Sustainability Promotion Committee is responsible for coordinating the Company’s overall sustainability disclosure practices. On issues of concern to stakeholders, Committee members collect and assess materiality through daily communication and annual issue mapping, forming the basis for the themes and content of the sustainability report. Each year, the Committee holds meetings to discuss and confirm the disclosure framework, report themes, and material topics, ensuring that the report responds to external expectations and reflects the Company’s actual practices.

During the preparation process, relevant departments are responsible for providing data and content, which are reviewed and confirmed by department heads before being consolidated and submitted to the Committee for examination. This ensures accuracy and consistency of the information. After the draft is completed, a third-party independent assurance body is engaged to conduct limited assurance procedures, verifying the credibility and quality of disclosure. The final version is consolidated and confirmed by the Committee convener to ensure the content fully reflects the Company’s sustainability initiatives and performance during the reporting year, while meeting stakeholders’ expectations for transparency and accountability.



## Sustainability Policies

- Low-Carbon Transition: Promote carbon inventory, energy-saving and carbon reduction, green innovation, and adoption of clean energy.
- Circular Economy: Drive circular economy development through resource and source management such as waste reduction, recycling and reuse, and promotion of green supply chains.



- Water Resource Management: Actively reduce water consumption, increase recycling and reuse, and reduce wastewater discharge.
- Strengthening Corporate Social Responsibility: Enhance employee awareness of sustainability, ensure workplace safety and health, address environmental issues, and uphold integrity and ethics in business practices.

## Sustainability Policies

### Low Carbon Transition

Conduct initiatives on carbon reduction, energy conservation, and green innovation



### Circular Economy

Promote waste reduction, recycling and green supply chain



### Water Resource Management

Reduce water resource use, increase recycling and decrease wastewater discharge



### Corporate Social Responsibility

Enhance employee awareness of sustainability, ensure worker safety and health, and abide by ethical stan-



# Corporate Sustainability Short-, Medium-, and Long-Term Goals

Direction	Short-Term Goals (2023–2025)	Medium-Term Goals (2026–2030)	Long-Term Goals (2031–2050)
Environment (E)	<ul style="list-style-type: none"> <li>- Achieve 7% carbon reduction by 2025- Promote low-carbon fuels and improve energy efficiency- Raise wastewater recycling rate to 25.2%- Reduce GHG emissions by 100,490 tons</li> </ul>	<ul style="list-style-type: none"> <li>- Achieve 22% carbon reduction by 2030- Develop low-carbon circular products and renewable energy- Achieve 2.7 million tons of cumulative water savings- Establish comprehensive chemical mapping</li> </ul>	<ul style="list-style-type: none"> <li>- Achieve net-zero emissions by 2050- Advance hydrogen and carbon-capture technologies- Maintain zero accidents and injuries- Fully transform the green supply chain</li> </ul>
Social (S)	<ul style="list-style-type: none"> <li>- Reach 29,000 employee training hours- Ensure equal pay and promote diversity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>- Maintain zero-fee recruitment for migrant workers (1,000 beneficiaries)- Continue employee development and welfare programs- Enhance labor–management communication and workplace safety</li> </ul>	<ul style="list-style-type: none"> <li>- Strengthen labor relations and DEI policies- Continue comprehensive health and safety measures- Improve employee satisfaction and corporate culture</li> </ul>
Governance (G)	<ul style="list-style-type: none"> <li>- Obtain ISO 9001 and ISO 14001 certifications- Establish an internal legal compliance platform</li> </ul>	<ul style="list-style-type: none"> <li>- Review compliance and risk policies regularly- Enhance board diversity and governance effectiveness- Strengthen transparency and accountability</li> </ul>	<ul style="list-style-type: none"> <li>- Maintain high governance and compliance standards- Update compliance and legal training regularly- Drive continuous improvement and long-term sustainability</li> </ul>

## Material Topic Management

Corporate sustainability has long been one of Shinkong Synthetic Fibers' core objectives and a driving force for growth. Shinkong believes that in-depth communication with stakeholders facilitates sustainable development. By listening to employees, customers, suppliers, and shareholders, and by monitoring social and environmental issues, we identify key sustainability topics, set goals and countermeasures, and progressively implement improvement plans. In this way, we respond to stakeholder needs, actively fulfill corporate citizenship responsibilities, and pursue a sustainable future together.

The Company follows the GRI Standards and the AA1000 Stakeholder Engagement Standard ( AA1000 SES ) to establish a systematic process for managing material sustainability topics and objectives.

## Assessment Process

### Stakeholder Identification

This report identifies seven major stakeholder groups based on the five principles of the AA1000 SES (Stakeholder Engagement Standard): dependency, responsibility, influence, tension, and diverse perspectives. The seven groups are: employees, customers, investors, suppliers, government, NGOs, and community residents.

### Collecting Sustainability Topics

Based on the GRI Standards, the United Nations Sustainable Development Goals ( SDGs ), internal development objectives, and industry-specific issues, internal and external factors that may affect corporate sustainability are identified. Questionnaires are distributed to internal experts to gather feedback on stakeholder concerns, corporate impacts, and potential benefits.

The Company consolidates these findings into a 'Stakeholder Concern Questionnaire,' which is also made publicly available on the corporate website to collect feedback from employees, customers, investors, and suppliers regarding the importance of sustainability topics.

### Analyzing Operational Impacts

The Sustainability Promotion Committee integrates stakeholder concerns into a 'Sustainability Topic Impact Assessment Table,' which includes 23 sustainability topics. For each topic, external consultants analyze potential positive, negative, actual, and potential impacts on the environment, economy, and people (including human rights).

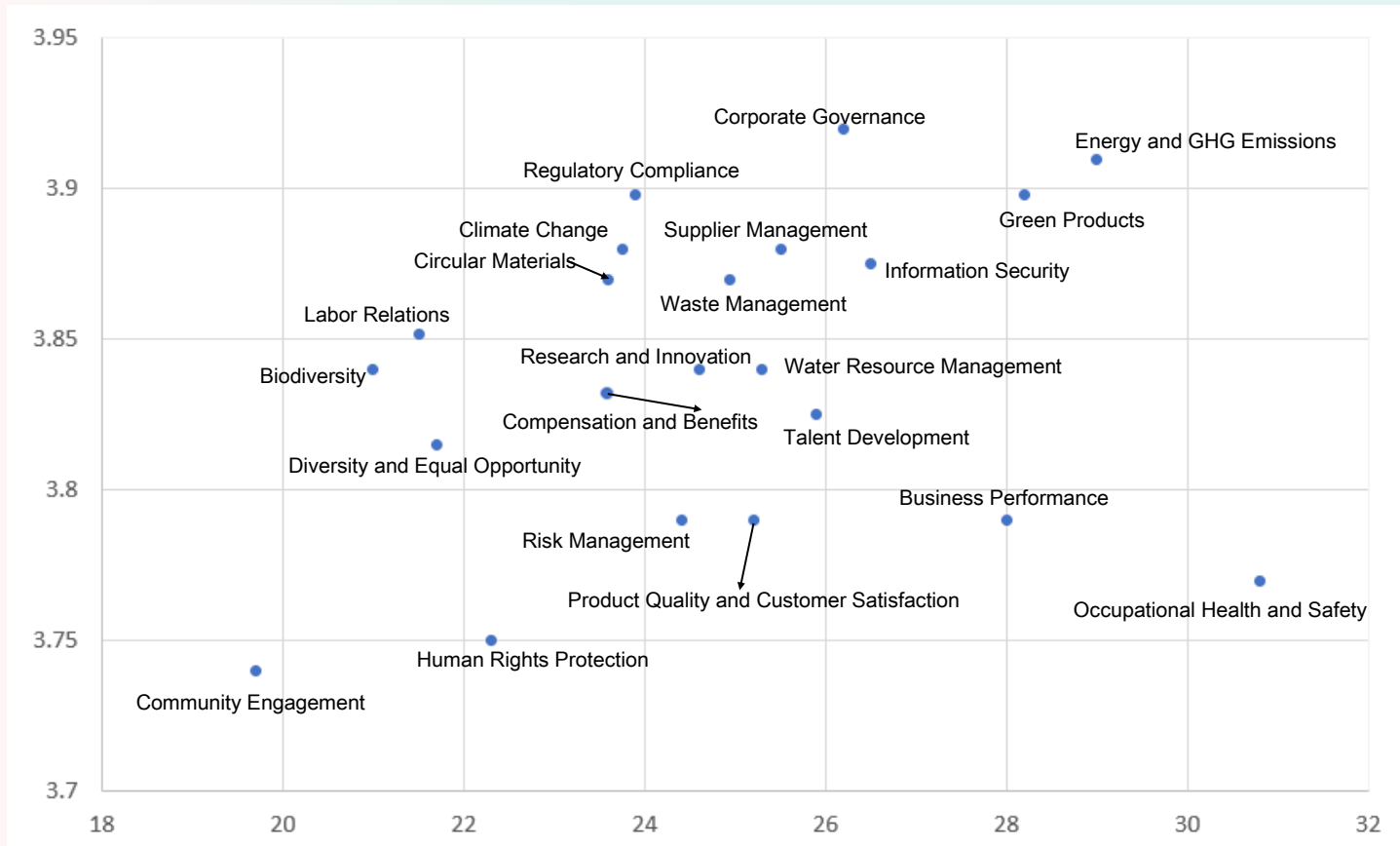
# Material Topic Management

Corporate sustainability has long been one of Shinkong Synthetic Fibers’ core objectives and a driving force for growth. Shinkong believes that in-depth communication with stakeholders facilitates sustainable development. By listening to employees, customers, suppliers, and shareholders, and by monitoring social and environmental issues, we identify key sustainability topics, set goals and countermeasures, and progressively implement improvement plans. In this way, we respond to stakeholder needs, actively fulfill corporate citizenship responsibilities, and pursue a sustainable future together.

The Company follows the GRI Standards and the AA1000 Stakeholder Engagement Standard ( AA1000 SES ) to establish a systematic process for managing material sustainability topics and objectives.

## Assessment Process

### Stakeholder Identification



Fifteen senior managers then review and understand the impact analysis for each topic, and rate them according to the 'degree of impact' and the 'likelihood of occurrence' for both positive and negative impacts. Scores for each material topic are calculated by multiplying the degree of impact by the likelihood of occurrence and adding the positive and negative impact scores.

## Determining Material Topics for Disclosure

The prioritization of material topics is based on the combined results of stakeholder concerns and impact assessments. The Sustainability Promotion Committee task force members and senior managers review and confirm the final list of 10 material topics for 2024.

These 10 material topics form the basis of this report and key communication items with stakeholders. For each topic, the Company discloses management approaches, annual performance, and specific actions to address stakeholder needs and expectations.

## Correspondence of Material Topics

Notes:

1. The value chain core is Shinkong Synthetic Fibers itself, including employees and contractors. Upstream refers to the Company's suppliers, while downstream includes customers, government, NGOs, and community residents.
2. Differences between 2024 and 2023 material topics: Ethical Business Conduct, Pollution Prevention, and Human Rights Protection have been removed; Energy Management and Greenhouse Gas Management have been combined into Energy and Carbon Emissions.

# Correspondence of Material Topics

Material Topic	Significance to SSFC	Value Chain Impact Boundary	SDGs	GRI Topic	Section
		Upstream	SSFC	Downstream	
Business Performance	Eco-friendly product growth boosts performance and stakeholder value.		●		8
Corporate Governance	Strong risk management ensures stable and compliant operations.		●	⊙	12, 13
Green Products	Sustainable product innovation creates long-term environmental benefits.	⊙	●	⊙	12
Information Security	Protects customer and employee data through strict privacy controls.		●	⊙	–
Energy & Carbon Emissions	Comprehensive environmental policies drive energy efficiency and low-carbon operations.		●	⊙	6, 7, 12, 13, 14, 15
Water Resource Management	Ensures responsible and sustainable water use and discharge.		●	⊙	–
Waste Management	Reduces waste through recycling and circular resource practices.	⊙	●		–
Supplier Management	Builds responsible supply chains through systematic supplier evaluation.	⊙	●		–
Talent Development	Enhances competitiveness through talent recruitment, training, and development.		●		–
Occupational Safety & Health	Prevents injuries and promotes a safe, healthy workplace.		●	⊙	8

Notes:

1. The value chain core is Shinkong Synthetic Fibers itself, including employees and contractors. Upstream refers to the Company's suppliers, while downstream includes customers, government, NGOs, and community residents.
2. Differences between 2024 and 2023 material topics: Ethical Business Conduct, Pollution Prevention, and Human Rights Protection have been removed; Energy Management and Greenhouse Gas Management have been combined into Energy and Carbon Emissions.

## Stakeholder Engagement

Shinkong Synthetic Fibers identifies seven major stakeholder groups through the AA1000 SES Stakeholder Engagement Standard. Recognizing the importance of stakeholders to the Company and the responsibilities it bears, Shinkong strengthens stakeholder connections and promptly adjusts corporate policies to meet stakeholder expectations. The Company communicates and engages with stakeholders through various channels, and regularly reports stakeholder communication outcomes to senior management meetings. Feedback is used as a reference for formulating corporate social responsibility policies and related plans. Detailed response actions and plans regarding material topics are described in the respective chapters.

## Stakeholder Engagement Overview

Stakeholder	Significance to Shinkong Synthetic Fibers	Key Issues of Concern	Communication Channels	Communication Frequency
Employees	Shinkong values employees as the cornerstone of sustainable development.	Talent development, Human rights protection, Occupational safety and health	Internal meetings, Labor-management meetings, Performance reviews, Training programs, Employee satisfaction surveys, Employee grievance mailbox	Monthly, Quarterly, Annually, Annually, Annually, As needed
Customers	Customers' recognition and support drive the Company's growth. Shinkong is committed to providing high-quality products and services to meet customer needs and expectations, creating maximum customer value.	Customer privacy and information security, Green and innovative products, Legal compliance	Customer satisfaction surveys, Business and technical reviews, Customer meetings, Information gathering and customer meetings	Annually, Annually, As needed, As needed



Investors	Shareholders and investors are the strongest support for Shinkong. Management must be accountable, adopting stable and transparent strategies to maximize returns.	Business performance, Ethical conduct and legal compliance, Corporate governance and risk management	Shareholders' meetings, Institutional investor conferences, Annual reports, Investor mailbox	Annually, Annually, Annually, As needed
Suppliers	Suppliers are responsible for the upstream of Shinkong's product lifecycle. Their performance directly impacts Shinkong's future operations. Through a rigorous supplier management system, Shinkong reduces risks and costs, fostering mutual growth and win-win relationships.	Supplier management, Green procurement	Supplier meetings, Procurement negotiations	Annually, As needed
Government	By complying with laws and regulations and actively cooperating with government initiatives, Shinkong fosters a compliance culture and fulfills its responsibility as a good corporate citizen.	Business performance, Ethical conduct and legal compliance, Occupational safety and health, Energy management, Water resource management, Waste management, Pollution prevention, GHG management	Seminars and workshops, Official correspondence	As needed, As needed

NGOs	To be a responsible and ethical enterprise, Shinkong recognizes and addresses NGO concerns through effective communication and cooperation, thereby enhancing social welfare.	Water resource management, Waste management, Pollution prevention, GHG management, Circular materials	Social services and project collaborations, Company website, Social media, Press releases	As needed, As needed, As needed, As needed
Community Residents	Shinkong actively participates in local engagement and community care, fulfilling social responsibilities with the aim of creating positive social impact and fostering a caring society.	Community care, Community services and project collaborations	Neighborhood visits	As needed

#### Notes:

The core of the value chain refers to Shinkong Synthetic Fibers itself, including employees and contractors. Upstream refers to the Company's suppliers, while downstream includes customers, government, NGOs, and community residents.

Differences between the 2024 and 2023 material topics: *Ethical Business Conduct*, *Pollution Prevention*, and *Human Rights Protection* have been removed; *Energy Management* and *Greenhouse Gas Management* have been combined into *Energy and Carbon Emissions*.

# Corporate Governance

## Management Policy – Business Performance

### **\*\*Policy Direction\*\***

Enhance total company revenue and net profit to achieve budget goals.

### **\*\*Core Objective\*\***

Company-wide revenue and net profit growth compared with the previous year.

### **\*\*Performance Results\*\***

2023 consolidated annual revenue: NT\$23.04 billion; net profit: NT\$1.71 billion.

### **\*\*Action Plans\*\***

- Monthly business group financial forecast meetings – review and adjust operational targets.
- Semi-annual performance presentation meetings – recognize AO sales staff achieving targets.
- Year-end budget and strategy meetings – review and set next year’s budget and operational strategies.

### **\*\*Resources Invested\*\***

- Business units
- Service units
- Factory production units

### **\*\*Feedback Mechanism\*\***

- Monthly business group meetings
- Performance reward and penalty system

### **\*\*Evaluation Mechanism\*\***

- Annual budget and strategy meeting

### **\*\*2025 Target\*\***

In response to the post-pandemic era, ensure timely adaptation to market, customer, and raw material changes, achieving stable revenue goals.

## Management Policy – Corporate Governance

### **\*\*Policy Direction\*\***

- Reduce potential operational risks, prevent financial and reputational losses, and strengthen corporate management.
- Formulate financial control strategies aligned with business policies to stabilize operations.

### **\*\*Core Objective\*\***

Improve corporate governance evaluation ranking.

### **\*\*Performance Results\*\***

11th Corporate Governance Evaluation: ranked in the 36%– 50% tier.

### **\*\*Action Plans\*\***

- A dedicated task force organizes governance activities, communicating through meetings and awareness sessions.
- Implement systematic mechanisms to effectively identify internal and external risks in operations. Collect and analyze data both qualitatively and quantitatively to assess potential risk factors and their operational impacts.
- Conduct at least one annual internal control self-assessment, with the audit unit reviewing documentation from each department, forming the basis for the Board of Directors and General Manager to evaluate internal control effectiveness and issue the “Internal Control System Statement.”

### **\*\*Resources Invested\*\***

- General Administration, Corporate Governance Task Force, Finance and Accounting Department
- Risk management and internal control systems, information security systems
- Internal and external funding

### **\*\*Feedback Mechanism\*\***

- Whistleblower hotline
- Customer service mailbox
- Investor mailbox

### **\*\*Evaluation Mechanism\*\***

- Corporate governance evaluation

- Internal audits

**\*\*2025 Targets\*\***

- Maintain Corporate Governance Evaluation ranking within the 36%– 50% tier.
- Establish a Risk Management Committee.
- Continue enhancing internal control self-assessment practices.

## 1.1 Corporate Governance

### Origin of Shinkong Synthetic Fibers (Feature Section)

Founder Mr. Wu Huo-Shih, after graduating from elementary school, went to Dihua Street to work for a Japanese trading company specializing in fabric import and wholesale. Due to his outstanding performance, at the young age of twenty, he became the youngest “head of the family” (i.e., general manager) in the textile industry. This experience laid a solid and reliable foundation for his future entrepreneurial endeavors.

After World War II, Mr. Wu Huo-Shih established Shinkong Trading Company on Dihua Street, importing fabrics, sundries, and textile components. In the early 1950s, with government approval, he established Shinkong Silk Weaving Mill, which subsequently rose to prominence as a leader in the textile industry.

By the late 1960s, he foresaw that synthetic fibers would become the future trend of the textile sector, and therefore decided to introduce new “synthetic fiber” technology from Japan. In 1967, in partnership with Japan’s Toray Industries, Inc. and Mitsubishi Corporation, he co-founded Shinkong Synthetic Fibers Corporation, with Mr. Wu Huo-Shih serving as Chairman.

## 1.1 Corporate Governance

### Origin of Shinkong Synthetic Fibers (Feature Section)

Founder Mr. Wu Huo-Shih, after graduating from elementary school, went to Dihua Street to work for a Japanese trading company specializing in fabric import and wholesale. Due to his outstanding performance, at the young age of twenty, he became the youngest “head of the family” (i.e., general manager) in the textile industry. This experience laid a solid and reliable foundation for his future entrepreneurial endeavors.

After World War II, Mr. Wu Huo-Shih established Shinkong Trading Company on Dihua Street, importing fabrics, sundries, and textile components. In the early 1950s, with government approval, he established Shinkong Silk Weaving Mill, which subsequently rose to prominence as a leader in the textile industry.

By the late 1960s, he foresaw that synthetic fibers would become the future trend of the textile sector, and therefore decided to introduce new “synthetic fiber” technology from Japan. In 1967, in partnership with Japan’s Toray Industries, Inc. and Mitsubishi Corporation, he co-founded Shinkong Synthetic Fibers Corporation, with Mr. Wu Huo-Shih serving as Chairman.

### 1.1.1 About Shinkong Synthetic Fibers

Shinkong Synthetic Fibers Corporation is currently listed as a Category I stock company on the Taiwan Stock Exchange. At present, the Company operates two production sites in Zhongli and Guanyin, manufacturing chemical fibers, plastics, and optical film products. These include polyester chips, partially oriented yarn (POY), polyester filament yarn, polyester staple fiber, polyester textured yarn, industrial yarn, bottle-grade chips, engineering plastics, polyester films, and optical films. Its services cover design, manufacturing, and distribution. Through an integrated production and sales system and efficient energy and resource management, the Company achieves its management objectives of “excellent quality” and “comprehensive service,” earning wide recognition from domestic and international customers.

In recent years, the Company has also actively adjusted its product portfolio to expand and increase the share of niche products, focusing on “differentiation” and “enhancement of added value” to strengthen product competitiveness. Meanwhile, through equity investments, the Company pursues diversified operations, developing related industries based on existing businesses, expanding business scope, and continuously promoting transformation and innovation, thereby creating more added value for society and stakeholders.

Beyond fulfilling product responsibility, the Company also serves on the front line as a practitioner of social and environmental responsibility. Since its establishment, the Company has actively promoted and developed environmentally friendly green products and continuously optimized energy and resource management throughout the production process. In terms of social engagement, the Company focuses on two key areas: “community participation” and “industry-academia collaboration.” As a corporate citizen, the Company will continue to create competitiveness and strengthen its management structure on the basis of its existing business, while persistently advancing on the path of shared sustainability.

### About Shinkong Synthetic Fibers

Total Assets: NT\$53.4 billion

Paid-in Capital: NT\$28.0 billion

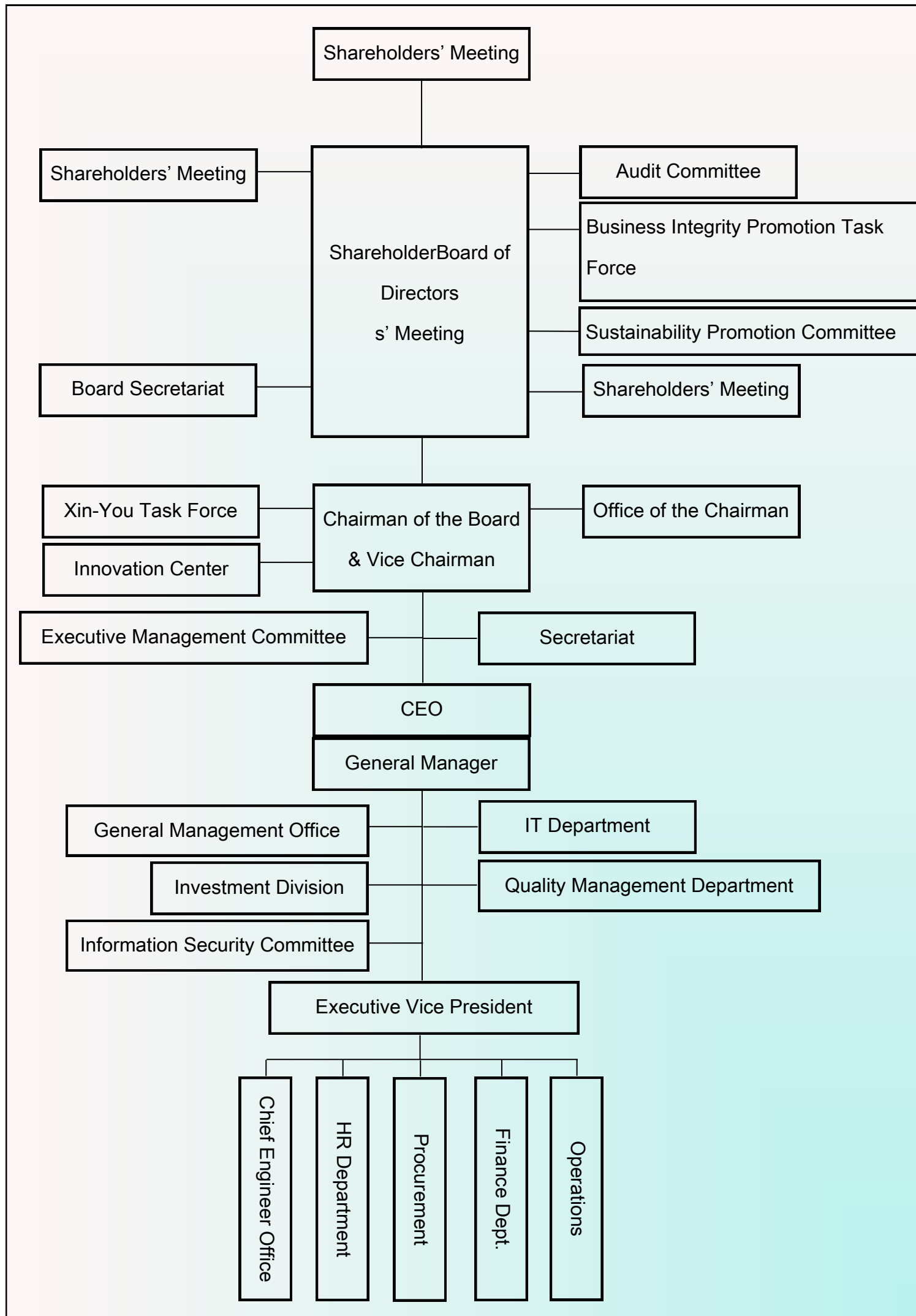
Category I stock listed on the Taiwan Stock Exchange

Employees: 1,891

Shareholders: 148,576

Specialization: chemical fibers, plastics, and optical film product series





## Departmental Business Overview

### Audit Office

Establishment and implementation of internal control and internal audit systems.

Planning and assisting departments in establishing and executing self-assessment operations of internal controls.

Providing recommendations and improvement reports on departmental controls and processes.

Implementation of regulations and administrative directives from competent authorities.

### General Management Office

Responsible for internal control and audit system establishment, rule-making, review, and coordination across business groups (including domestic and overseas subsidiaries).

Planning and promoting corporate information operations.

### Information Department

Responsible for formulating overall IT strategy and regulations.

Planning and promoting various corporate information systems.

### Information Security Committee

Planning, monitoring, and implementing information security management operations.

### Investment Division

Development, evaluation, and execution of investment projects.

Post-investment project management, business integration, and performance evaluation.

### Quality Management Department

Management of product quality, continuous improvement of quality systems, and supervisory implementation.

Consolidation, review, and follow-up improvement of company-wide customer complaints.

### International Marketing Division

Market development, product promotion, and formulation of marketing strategies.

### Innovation Center

Introducing new technologies, creating cluster business opportunities, and facilitating external academic or institutional CO-

operation.

Integrating resources to create new products, platforms, or service models and generating value.

Establishing new profit units, investing in startups, and providing assistance or guidance in technical evaluation, business strategy, and financial planning during their growth stage.

### Chief Engineer's Office

Review of investment plans and confirmation/development of production technologies.

Collection, introduction, and R&D of engineering technologies.

Establishment, implementation, and auditing of engineering management systems and maintenance systems.

Formulation and promotion of occupational safety and environmental protection policies.

Planning, execution, and supervision of plant management policies.

### Operations Headquarters

Responsible for production and sales of solid polyester chips, engineering plastics, and related products.

Responsible for production and sales of differentiated products including polyester chips, conventional polyester yarn, polyester staple fiber, drawn yarn, industrial yarn, POY, and polyester textured yarn.

### Human Resources Department

Planning, execution, and supervision of human resource management policies.

### Finance and Accounting Department

Formulation, execution, and supervision of financial, accounting, credit management, and non-operating investment policies.

Statistical analysis of product costs.

### Procurement Department

Planning, execution, and supervision of procurement management policies.

### Optoelectronics Business Group

Responsible for production and sales of optical-grade TAC film base materials, precision-coated optical film materials, brightness enhancement film materials, and optical-grade PET film base materials.

## Business Overview

### Chemical Fiber Business

In the global chemical fiber industry supply chain, Taiwan has always played a key role, particularly in polyester fiber products which have significant influence. The Company's chemical fiber business is divided into the Filament Business Division and the Industrial Fiber Business Division based on product categories. Major products include polyester chips, polyester staple fiber, polyester partially oriented yarn (POY), polyester drawn textured yarn (DTY), polyester textured yarn, and polyester industrial yarn. In recent years, each product line has been devoted to sustainability by promoting recycling and reuse, supplying downstream spinning and weaving industries for further processing applications.

### Applications

Textiles for clothing and home furnishings

Spinning, non-woven fabrics, and fillings

Seat belts, ropes, and tire cords

### PET bottles

Water bottles, pressure-resistant bottles, heat-resistant bottles

Packaging boxes and trays

Packaging films and optical films

Electronics, automobiles, optical fiber components

### Main Products, Sales Regions, Production Capacity, and Market Share

In recent years, the Company has focused on functional products. Major products include:

General textiles: Recycled GRS-certified eco-yarns, CD cationic yarns, TCD mélange yarns, Sigma eco-friendly elastic multifunctional yarns, split-type microfiber, Shinspan false-twist yarn, Shincool cooling yarn, Breeze linen-like eco yarn, 2XDry 2.0 wave quick-dry yarn, Shale yarn eco yarn, Solarcool heat-reflective cooling fiber, Cooltouch moisture-wicking yarn, Cooltouch Thermo moisture-wicking thermal yarn, Shinhot far-infrared thermal fiber, differential shrinkage microfiber, fine denier fibers, FR flame-retardant fibers, Flash Dye low-temperature dyeable fibers, heavy metal-free fibers.

Industrial use: General industrial yarns and HMLS (high modulus low shrinkage) yarns, including high-tenacity high-shrinkage yarns, high-tenacity low-shrinkage yarns, water-repellent yarns, dyed yarns, and

eco-friendly high-tenacity yarns.

Polyester staple fiber for spinning: Anti-pilling cotton, 4T Soft Cotton, GRS-certified eco cotton.

Spinning-grade recycled polyester chips: Taiwan’s actual output in 2024 was 60,105 metric tons, used in spinning or molding processes.

Sales Regions

The Company’s sales are primarily domestic, with exports to China, Hong Kong, Japan, the United States, South Korea, Thailand, Vietnam, Europe, Central and South America, Malaysia, India, Indonesia, Pakistan, Bangladesh, Sri Lanka, Brazil, Germany, Spain, Italy, Canada, Australia, the Czech Republic, and other regions.

Major Brands

The Company’s chemical fiber products are mainly upstream raw materials for textiles. After years of development, the Company has established several brands, including SHINPET, SHINLON, and RECOTEX.

SHINPET

Product: Polyester chips

Applications: Spinning, injection molding, films, sheets, solid-state polymerization, plastics

Main Raw Materials: PTA, MEG, masterbatch, additives

SHINLON

Product: Polyester yarn

Applications: General apparel, decorative fabrics, sportswear, casual wear, trousers, womenswear, footwear, tire cords, geotextiles, lightbox fabrics, canvas, agricultural fabrics, etc.

Main Raw Materials: Polyester chips

RECOTEX

Product: Recycled polyester fiber

Applications: General apparel, decorative fabrics, sportswear, casual wear, womenswear, industrial fabrics, etc.

Main Raw Materials: GRS-certified recycled PET bottles

## Plastics Business

Starting from core polyester technologies, the Company has advanced toward differentiation and diversification. Production plants are located in Taiwan, China, and Thailand (note: the China and Thailand plants are equity investments of Shinkong Synthetic Fibers), supplying the global market. Major plastic products include polyester chips, bottle-grade PET chips, PET bottles, PET preforms, engineering plastics, and polyester sheets.

### Main Plastic Products

Solid-state polyester chips: SHINPET PET, known for excellent quality, certified by FDA in Europe, the U.S., Japan, and recognized by major international beverage companies. In 2023, global demand for bottle-grade PET chips was estimated at about 34 million metric tons, with a growth rate of approximately 3.0 – 4.0%. Taiwan's annual production capacity for 100% recycled R-PET is 30,000 tons, already in mass production. In Thailand, semi-chemical r-PET production capacity of 210,000 tons annually began mass production in Q2 2024.

Engineering plastics: With excellent electrical properties and ease of processing, applied in computer components, home appliances, and automotive connectors. Compounding engineering plastics are widely used in consumer electronics and automotive applications. PBT base resin is primarily used for engineering plastics, industrial, and apparel fibers. In recent years, PBT resin has maintained an annual growth rate of around 4 – 5%. To accelerate product promotion and shorten certification cycles, Shinkong cooperated with UL to establish the Performance Material Long-Term Thermal Aging Laboratory (LTTA Lab), significantly speeding up time-to-market and enhancing competitiveness. In response to sustainability and plastic restriction policies, the Company also focuses on developing eco-friendly recycled and biodegradable materials as the next-generation core products.

Polyester sheets: PET sheets are suitable for vacuum forming and printed folding boxes, used in packaging for electronics and parts, medical peripherals, personal care products, food, and hardware tools. With rising environmental awareness, PET products with environmental advantages have gradually replaced PVC or PS packaging. Additionally, leading technology companies are certifying R-PET sheets, creating new opportunities. Beyond the silicon-free advantage in electronics, applications in medical packaging are actively being introduced, enhancing product quality and profitability.

PET bottles and preforms: Since their introduction in 1977, PET bottles have replaced glass and PVC bottles due to their light weight, safety, non-toxicity, and aesthetics, becoming one of the most widely

used packaging containers for daily necessities. Applications include carbonated drinks, juices, soy sauce, salad oil, cosmetics, detergents, and general food packaging.

### Sales Regions

Solid-state polyester chips are sold primarily domestically, with exports to Japan, the United States, Southeast Asia, the Middle East, Africa, and Central Asia.

### Major Brands

#### SHINPET

Product: Solid-state polyester chips

Applications: Bottle-grade, sheets, masterbatch

Main Raw Materials: PTA, MEG

#### SHINITE

Product: PBT, TPEE

Applications: Computer connectors, cooling fans, mobile phone parts, battery casings, small appliances, heavy electrical insulation, micro-switches, relay casings, lighting components, automotive parts, and outdoor products

Main Raw Materials: PTA, BDO

#### SHINPAK

Product: A-PET

Applications: Packaging for electronics and parts, medical peripherals, personal care products, food, hardware tools, etc.

Main Raw Materials: Solid-state polyester chips

#### PAN-ASIA

Product: PET bottles and preforms

Applications: Carbonated drinks, juices, soy sauce, salad oil, cosmetics, detergents, and general food packaging

Main Raw Materials: Solid-state polyester chips

### Customer Overview

The Company primarily operates on a B-to-B model. Starting from raw materials, it manufactures semi-finished products for downstream customers, who further process them into finished goods for brand sales. Major customers include: Eclat, TOYOBO, LOTTE, BASF, DuPont, Delta Electronics, King Car Otsuka, Uni-President, HeySong, Coca-Cola, Tung-Kuan, Continental, Toray, and hundreds of other customers and distributors. Shinkong Synthetic Fibers maintains both long-term contracts and non-contractual direct sales with major customers, as well as sales channels through distributors. In addition to domestic sales, major export markets include Japan, North America, Europe, China, and Central Asia.

#### Participation in Trade Associations

Taiwan Synthetic Resin Manufacturers Association – Director

Taiwan Rubber and Elastomer Industries Association – Member

Taiwan Man-Made Fiber Industries Association – Member

Taiwan Silk & Filament Weaving Industry Association – Member

Taiwan Biomass and Sustainable Materials Industry Association (TBSM) – Member

#### External Initiatives

Shinkong Synthetic Fibers supports and adheres to the ten universal principles of the UN Global Compact in the areas of human rights, labor, environment, and anti-corruption. The Company is committed to protecting the rights of all employees, customers, suppliers, and contractors. Issues such as respect for human rights, protection of labor rights, freedom of association, prohibition of forced labor, elimination of child labor, non-discrimination, environmental protection, and anti-corruption are incorporated into the Company's business strategies. In 2024, Shinkong Synthetic Fibers recorded no violations related to human rights, including discrimination, violation of freedom of association, use of child labor, forced labor, or corruption.



### 1.1.3 Financial Performance

Shinkong Synthetic Fibers has consistently adhered to a prudent management strategy, with stable revenue growth and product portfolio optimization as its primary operating guidelines. Over the years, its outstanding operating performance has demonstrated that the current product strategies are well recognized by domestic and international consumers. This further drives the Company to continuously improve and innovate, breaking through old frameworks and surpassing limits. Each year, the Company sets annual revenue and net profit budgets and holds monthly business unit financial forecast meetings to report operational status. Business goals are reviewed and adjusted accordingly, enabling management to fully grasp operations, market dynamics, and budget supervision in order to achieve performance targets.

### Assets and Revenue Structure

Item	2022	2023	2024
Total Assets	53,593,600	53,916,156	56,275,680
Total Liabilities	18,111,455	17,565,073	18,191,540
Total Shareholders'	35,482,145	36,351,083	38,084,140
Operating Revenue	28,012,162	21,818,314	23,038,688
Gross Profit	3,142,153	893,823	1,576,996
Net Income after	2,823,787	764,410	1,705,920

Unit: NT\$ thousand

### Profitability Indicators (2024)

Item	2022	2023	2024
Return on Assets	5.49	1.68	3.38
Return on Equity	7.89	2.13	4.58
Earnings per Share	1.75	0.47	1.06

## Economic Value Distributed to Stakeholders

Unit: NT\$ thousand

Category / Item	2022	2023	2024
Direct Economic Value Generated (a) - Operating Revenue	28,012,162	21,818,314	23,038,688
Economic Value Distributed (b) - Operating Costs	24,870,009	20,924,491	21,461,692
Employee Salaries and	1,394,417	1,186,548	1,234,156
Employee Salaries and Benefits - Expenses	371,745	244,603	294,462
Employee Salaries and	1,766,162	1,431,151	1,528,618
Payments to Providers of Capital (Interest & Dividends)	2,406,155	1,792,877	1,079,688
Payments to Government	515,983	342,821	3,481
Community Investments	698	637	339
Economic Value Retained	-152,428	-1,487,115	199,026

### Notes:

1. Retained value calculation formula:  $1 - (2 + 4 + 6 + 7 + 8) = 9$ .
2. Figures are prepared based on Shinkong Synthetic Fibers' 2024 individual financial statements.
3. The "Economic Value Retained" listed is solely the result of economic value distribution and does not equal net income after tax or actual profit/loss as disclosed in the financial report. This figure may differ due to adjustments such as depreciation, amortization, or accounting provisions, and should be interpreted carefully alongside the overall financial information.
4. Community investment figures are based on annual actual execution of public welfare projects, donation expenses, and related activities.
5. Employee salaries and benefits are listed separately under operating costs and expenses to avoid double counting.
6. Cash dividends distributed in 2024 were based on the 2023 earnings distribution resolution and were paid in 2024. Therefore, this table recognizes them in the actual payment year.

## Tax Governance

Shinkong Synthetic Fibers is committed to information transparency and sustainable development. The

Company has formulated tax management policies in compliance with legal requirements to continuously create long-term value and safeguard the rights of shareholders and investors. To ensure the effectiveness of the tax management mechanism, the Company continuously strengthens talent training and professional competence, and commissions external tax consulting institutions to handle related matters to ensure compliance with tax regulations and reporting obligations.

Income Tax Infor-	2022	2023	2024
Profit Before Tax	3,339,770	663,324	1,716,941
Income Tax Ex-	515,983	(101,086)	11,021
Effective Tax Rate	15.45	(15.24)	0.64
Income Tax Paid	510,682	342,821	3,481

## Tax Policy

Operational decisions comply with local tax laws and regulations.

Financial reporting is transparent, and tax disclosures are made in accordance with relevant regulations.

Tax incentives are applied for legally, with prohibition against improper tax avoidance.

Note: The decrease in income tax paid in 2024 was due to a decrease in taxable income in 2023. For further details on income tax, please refer to Shinkong Synthetic Fibers' individual financial report.

Based on integrity, mutual respect and sound communication are maintained with tax authorities.

Major operational decisions consider tax impacts and conform to arm's-length principles.

## Tax Payments over the Past Three Years

Unit: NT\$ thousand

## 1.1.4 Board Structure

The Board of Directors is the company's highest governance body. Directors serve a three-year term (the current term runs from June 2, 2023 to June 1, 2026). This is the 19th Board, consisting of 12 directors (including 3 independent directors). Three directors are under the age of 50 (25% of the Board), while nine directors are over 50 (75%). The male-to-female ratio is 11:1. Through the diverse professional experience of Board members, the company carries out comprehensive planning, implements operational development, and makes major decisions.

### Director Selection System and Compensation

The selection of Board members is based on the company's "Rules for Election of Directors," "Code of Integrity Management," and the independence standards set by competent authorities. A candidate nomination system is adopted to appoint Board members. Evaluation criteria include academic and professional backgrounds to ensure independence, impartiality, and diversity. Beyond age, nationality, and culture, greater emphasis is placed on professional background, industry experience, and expertise. For details on Board diversity implementation, please refer to the company's 2024 Annual Report.

### Board Compensation Policy

According to the company's "Articles of Incorporation," up to 5% of annual profit may be allocated as Board remuneration. The actual allocation ratio and amount are evaluated by the Remuneration Committee, taking into account company performance and peer benchmarks. The final decision is made by the Board and reported at the shareholders' meeting. In 2024, Board remuneration accounted for 0.27% of net profit after tax. For details on directors' remuneration, ranges, and distribution standards, refer to the company's 2024 Annual Report.

### Conflict of Interest

To further manage and prevent conflicts of interest, directors are required to comply with the "Articles of Incorporation," "Rules of Procedure of the Board of Directors" (including recusal requirements), and related laws. When Board proposals involve the interests of directors themselves, their spouses, relatives within the second degree of kinship, or companies under their control, the directors must explain the nature of the conflict. If the conflict may affect company interests, the director must voluntarily recuse themselves from discussion and voting, and may not act as a proxy for other directors. Names of the directors concerned, conflict details, and actual recusals are recorded in the minutes to ensure fairness and transparency in the decision-making process.

## Director Continuing Education

To strengthen directors' ability to respond to regulatory changes and global business environments, the company annually invites external experts to conduct seminars. Topics include "Global Political and Economic Outlook for Taiwanese Enterprises: Business Operations and M&A Strategies" and "Enterprise Risks and Supply Chain Information Security under ESG Trends." In 2024, all directors fulfilled the "Guidelines for the Continuing Education of Directors and Supervisors of Listed and OTC Companies," with each director achieving at least 6 hours of training.

## Board Performance Evaluation

The company has established the "Board Performance Evaluation Regulations," covering overall Board performance, individual director performance, and functional committees. Evaluation criteria include participation in operations, improvement of decision-making quality, Board composition and structure, director selection and continuing education, and internal control. Evaluation methods include internal self-assessments by the Board and directors, with results reported to the Board.

- Board evaluation results: The most satisfactory item was "Board composition and structure," while "participation in company operations" was identified as an area for improvement.
- Individual director evaluation results: The most satisfactory item was "recognition of director responsibilities," while "participation in company operations" was identified as an area needing improvement.

Title	Name	Education	Experience	Gender	Age	Core Expertise & Board Diversity
Chairman	Representative: Wu Tung-Sheng, Shinkong Development Co., Ltd.	J.D., Harvard University, USA	Chairman of UBright Optronics, Shinko Optronics, Shinkong International Leasing, Shinkong Net, Shinkong Entertainment, Shinkong Mitsukoshi, etc.	M	71	Business Management
Vice Chairman	Representative: Wu Hsin-Chieh, Shinkong Development Co., Ltd.	B.A. in Psychology & Economics, Columbia University, USA	Chairman of UBright Optronics	M	44	Business Management
Director	Representative: Lin Shih-Fen, Shinkong Development Co., Ltd.	LL.M., Northwestern University, USA	Executive Director, King Car Food; Director, Lite-On Optoelectronics	F	46	Manufacturing, Law
Director	Representative: Hung Shih-Chun, Taiwan Shinkong Industrial Co., Ltd.	B.S. in Information Science, University of Minnesota, USA	Chairman of Han-Lin Construction, Han-Shan Construction	M	59	Investment
Director	Representative: Wu Hsin-En, Chi-Chen Co., Ltd.	M.S. in Materials Science, UCLA	Chairman of Shinkong Textile, Shinkong Asset Management	M	47	Textile, Insurance
Director	Representative: Liu Jung-Chi, Shinkong Wu Ho-Su Memorial Foundation	B.A. in Public Administration, National Chung Hsing University	Consultant, Shinkong Wu Ho-Su Memorial Hospital	M	82	Accounting
Director	Representative: Shih Huo-Tzao, Te-Yue Industrial Co., Ltd.	B.A. in International Trade, Feng Chia University	Chairman, Da-Hui Optoelectronics	M	74	Business Marketing
Director	Representative: Chiu Ching-Chun, Te-Yue Industrial Co., Ltd.	M.A. in International Management, Thomas University, USA	Former Magistrate of Hsinchu County, Legislator, President of World Hakka Federation	M	75	Business Management
Director	Representative: Ni Shun-Mo, Mian Hao Industrial Co., Ltd.	B.S. in Mechanical Engineering, National Cheng Kung University	Consultant, Shinkong Wu Ho-Su Memorial Hospital	M	80	Mechanical Engineering
Independent Director	Chiu Hsien-Te	B.A. in Law, National Taiwan University	Chairman, Hsin-Hung Construction	M	72	Law
Independent Director	Lin Hui-Huang	J.D., Duke University, USA	Visiting Professor, Shih Hsin University Law School; Adjunct Professor, National Taipei University	M	73	Law
Independent Director	Tsai Yung-Chin	B.A. in Finance and Insurance, Takming University of Science and Technology	Director, Shinkong Mega Consulting; Director, Upoint HR Consulting; Deputy General Manager, Jia-Bang Investment	M	75	Finance & Insurance

## Board Diversity Policy – Management Goals and Achievements

Management Goal	Status / Achievement
At least one-third of board seats held by independent directors	Additional seats added in 2026 and 2029 elections
At least one board member of a different gender	Achieved
One-third of board seats held by a different gender	More female directors to be added in 2026 and 2029 elections
No more than half of independent directors serving more than three consecutive terms	Achieved in 2026 election
No independent director serving more than three consecutive terms	Achieved in 2029 election
At least one independent director with a CPA license or expertise in finance or business management	Achieved
Directors concurrently serving as company managers not exceeding one-third of total seats	Achieved

## Functional Committees

The Company has established three functional committees: the Audit (and Risk Management) Committee, the Compensation Committee, and the Sustainability Promotion Committee. Each committee, including all functional committees, is composed of the Company's three independent directors. Independent Director Chiu Hsien-Te serves as the convener, while the other two independent directors serve as committee members. These committees are responsible for supervising policies and implementation related to sustainability development and risk management.

Task forces are established under the committees to support their work. At least once a year, the committees report to both the functional committees and the Board of Directors on the implementation status of sustainability policies, results of risk assessments and corresponding countermeasures, as well as the outcomes of stakeholder engagement activities.

### Audit (and Risk Management) Committee

The Company has established an Audit Committee, composed of three independent directors. Its primary responsibilities include reviewing financial reports, evaluating the effectiveness of the internal control system, reviewing audit fees, revising procedures for the acquisition or disposal of assets, endorsements and guarantees, lending of funds to others, annual profit distribution proposals, and asset acquisition or disposal plans. In 2024, all proposals reviewed by the Audit Committee were unanimously approved.



The Company's risk management policies and oversight are integrated into the Audit (and Risk Management) Committee, which supervises sustainability development, risk management policies, and their implementation (including the formulation and review of policies, strategies, and objectives) based on the principle of materiality. Task forces are established under the committee, and at least once a year, they report to the functional committees and the Board on sustainability policy implementation, risk assessment results, corresponding measures, and stakeholder engagement outcomes.

According to the Company's "Risk Management Policies and Procedures," on November 11, 2024, the results of risk identification, analysis, and assessment were compiled and reported to the committee and the Board. All proposals were unanimously approved after deliberation.

In 2024, the Audit Committee convened six times, with a 100% attendance rate by all members.

### Compensation Committee

The Company's Compensation Committee is composed of three members, with an independent director serving as the convener. The committee assists the Board of Directors in formulating policies, systems, standards, and structures for evaluating the performance and determining the compensation of directors, supervisors, and managers. This includes performance assessments, salary and bonus policies, employee profit-sharing, incentive mechanisms, and the allocation of remuneration for directors and supervisors, with recommendations submitted to the Board for discussion.

In 2023, the committee's key focus areas included reviewing employee compensation and director remuneration distribution, annual performance bonus allocation, salary adjustment plans, and revisions to bonus-related policies. Proposals were explained by the proposing units, discussed, and approved by the committee members. In 2024, the committee convened four times, with a 100% attendance rate.

To further promote sustainability, the Board resolved that executive compensation must be linked to ESG-related performance indicators and disclosed this policy on the company's official website.

Shinkong Synthetic Fibers Corporation adopts a responsibility-oriented grading structure, integrating ESG indicators into executive performance evaluations. These indicators include business integrity, operational performance, carbon reduction and net-zero targets, renewable energy adoption, and diversity and inclusion initiatives. Compensation standards are formulated based on these criteria and are approved by the Chairman within the scope of delegated authority.



## 1.1.5 Shareholder Rights

To safeguard the rights of every shareholder, Shinkong Synthetic Fibers complies with the Company Act, the Securities and Exchange Act, and other relevant regulations, treating all shareholders equally. At shareholders' meetings, each proposal for acknowledgment, discussion, and election is voted on case by case. Shareholders may exercise their voting rights to participate in corporate decision-making, and voting results are disclosed immediately during the meeting to ensure fairness and transparency.

To further prevent insiders from engaging in improper transactions using undisclosed information, in 2024 the Board of Directors approved revisions to the "Insider Trading Prevention Regulations" and certain provisions of the "Corporate Governance Best-Practice Principles." The amendments clearly defined the blackout period for financial report announcements. Under the new rules, insiders are prohibited from trading the Company's issued securities within 30 days prior to the annual financial report announcement and within 15 days prior to quarterly financial report announcements, in order to avoid risks arising from information asymmetry.

## Investor Relations

### Shareholder Services

The Company has entrusted Shinkong Securities Co., Ltd. to handle various stock affairs. In addition to disclosing material information on the Market Observation Post System, the official website also provides a "Stakeholders Section," which offers contact information for the Investor Relations Office and spokespersons, as well as other relevant information for investors, thereby safeguarding shareholder rights.

Stakeholders Section: <http://www.shinkong.com.tw/front/investors#/shareholders>

### Institutional Investor Relations

Since 2017, the Company has held at least one institutional investors' conference annually, communicating directly with institutional investors to provide the latest operating conditions and future outlook. The Company also communicates with professional print and electronic media on an ad hoc basis. Through such efforts, the Company continues to improve in all aspects to ensure transparency of information.

## Communication and Response to Major Events

For major resolutions or significant events, if they fall under the material information verification and disclosure procedures required by the Taiwan Stock Exchange for listed companies, the responsible unit must file a “Material Information Disclosure Application Form” before the occurrence of the event. After approval by the unit supervisor, the form is submitted to the dedicated material information unit for review and to the spokesperson for approval. The dedicated unit then prepares the disclosure content and completes the “Material Information Assessment Checklist.” Before the statutory disclosure deadline, the content is reviewed by the spokesperson and released upon approval by the Chairman. However, for routine operational information, disclosure may be approved directly by the President.

## 1.2 Integrity and Compliance

### 1.2.1 Legal Compliance

Shinkong Synthetic Fibers upholds “integrity and compliance” as a fundamental principle of corporate operations. Through institutionalized compliance mechanisms, the Company promotes internal training and external professional seminars to help all employees understand and implement regulatory requirements. Internally, compliance courses are incorporated into daily functional training, with regular programs on energy management, environmental protection, fire safety, occupational safety and health, and intellectual property rights. These programs are designed to closely align with applicable regulations, ensuring that employees possess the necessary regulatory knowledge and practical skills.

In addition, the Company periodically invites external professional consultants to provide advanced courses, enabling employees to stay updated on industry trends and regulatory changes, thereby broadening and deepening compliance knowledge. The Company also encourages employees from various departments to participate in external professional training to meet specific departmental needs, enhancing flexibility in adapting to industry changes and job requirements while strengthening professional expertise.

#### Compliance System and Audit Mechanism

Shinkong Synthetic Fibers conducts regular internal “compliance self-assessments” through comprehensive reviews and systematic audit procedures to ensure each department complies with relevant regulations and to reduce potential risks of non-compliance. Particular attention is paid to regulations prone to oversight, those that may involve criminal liability for directors and managers, or those that could significantly impact the Company.

The compliance self-assessment is coordinated and supervised by the General Supervisory Department, in collaboration with the Human Resources Department and the Audit Office to conduct on-site inspections. After audits, review meetings are held to establish corrective measures and track progress. Supervisors incorporate findings into performance evaluations, and results are regularly reported to the Board of Directors. Overall, this compliance system and audit mechanism have effectively reduced regulatory risks and achieved sound management performance.

2024 Regulatory Updates, Compliance Review, and Response Measures

Revised Regulation	Date of Revision	Regulatory Communication
Occupational Safety and Health Facility Regulations	2024/08/01	The Occupational Safety Office has communicated the regulatory amendments to on-site units and required strict compliance to effectively prevent occupational accidents.
Implementation Guidelines for Maternal Health Protection of Female Workers	2024/05/31	-
Lead Poisoning Prevention Regulations	2024/06/13	-
Regulations on the Designation and Operation Management of Priority Management Chemicals	2024/06/06	-
Regulations on Road Traffic Accident Handling	2024/05/29	-
Road Traffic Management and Penalty Act	2024/05/29	-
Road Traffic Safety Rules	2024/08/14	-
Regulations on the Review and Management of Water Pollution Control Measures Plans and Permit Applications	2024/01/11	The Environmental Protection Office has communicated the regulatory amendments to on-site units and required strict compliance to effectively prevent environmental incidents.
Prohibition of Activities Leading to Water Pollution	2024/01/16	-
Designation of Emission Sources Subject to Greenhouse Gas Inventory Registration and Verification	2024/02/22	-
Enforcement Rules of the Environmental Education Act	2024/04/17	-
Regulations on the Review and Management of Industrial Waste Disposal Plans	2024/04/18	-
Management of Controlled Toxic Chemical Substances and Their Operations	2024/04/24	-
Common Industrial Waste Reuse Management Regulations	2024/05/01	-
Regulations Governing the Permits, Registration, and Approval of Toxic and Concerned Chemical Substances	2024/06/11	-
Regulations on Greenhouse Gas Reduction Credit Trading, Auction, and Transfer Management	2024/07/01	-
Organizational Regulations of the Environmental Protection Administration Regulatory Committee	2024/08/26	-
Regulations on Voluntary Emission Reduction Plan Management	2024/08/29	-
Carbon Fee Charging Regulations	2024/08/29	-
Air Quality Standards	2024/09/30	-

Compliance Status

In 2024, the Company did not experience any major environmental, social, or economic penalties. There was one minor occupational safety violation and three minor environmental violations, resulting in total fines of NT\$100,000 and NT\$230,000, respectively.

All occupational safety and environmental non-compliance issues have been fully rectified. To prevent similar safety and environmental risks from recurring, corrective action projects were implemented and

reviewed by the Safety Committee and the Management Review Committee. Relevant departments were informed to propose corrective measures and revise standard operating procedures (SOPs). Additionally, regular safety awareness meetings were held to communicate and reinforce compliance requirements, with the aim of preventing future violations.

2024 Occupational Safety Violations and Corrective Actions

Date of Penalty	Violation	Fine	Corrective Action
2024/03/29	A worker attempted to resolve equipment malfunctions without stopping the machine’s operation.	NT\$100,000	Installed infrared sensing brake devices to proactively prevent personnel from troubleshooting abnormal equipment conditions without shutting down the machine.

2024 Environmental Violations and Corrective Actions

Date of Penalty	Violation	Fine	Corrective Action
2024/07/29	The amount of chloroform handled exceeded the regulated threshold for classified operation.	NT\$100,000	Established operational standards for toxic and concerned chemical substances.
2024/08/19	Containers, packaging, workplaces, and facilities were not properly labeled with warnings and contamination prevention information as required.	NT\$30,000	Established operational standards for toxic and concerned chemical substances.
2024/10/21	Pollution control equipment was not operated in accordance with the conditions specified in the permit.	NT\$100,000	Installed a monitoring data alarm system.

Current Compliance Measures

- Timely monitoring and collection of the latest regulatory updates.
- Provision of internal legal consultation services to resolve practical issues.
- Conducting regular legal training and compliance audits to strengthen awareness and capabilities.
- Establishing diverse internal reporting channels and an Audit Office mailbox to encourage employees to report potential violations.
- Defining standardized procedures for handling violations to ensure transparency and consistency.

2024 Regulatory Amendments and Response Measures

In 2024, the Company reviewed and implemented response measures for various regulatory amend-

ments. Examples include the Occupational Safety and Health Facility Regulations (amended August 1, 2024), the Regulations on the Management of Water Pollution Prevention Measures and Permit Applications (amended January 11, 2024), and the Greenhouse Gas Reduction Quota Trading and Transfer Regulations (amended July 1, 2024), as well as the Carbon Fee Charging Regulations (amended August 29, 2024). These amendments were communicated to relevant on-site units, with instructions to ensure strict compliance to prevent occupational accidents and environmental incidents.

### Compliance Status

In 2024, the Company did not incur any major environmental, social, or economic penalties. There was one minor occupational safety violation and three environmental violations, with fines totaling NT\$100,000 and NT\$230,000, respectively. Corrective actions have been implemented for all violations. Improvement projects were presented at the Safety Committee and Management Review Committee, with corrective measures and revised SOPs issued to relevant departments. Regular safety meetings were also held to promote awareness and prevent recurrence.

### Business Ethics Policy Directions and Objectives

The Company establishes clear business ethics policies to regulate all business conduct and ensure integrity across operations. The specific policy directions and objectives are as follows:

Business Ethics Topic	Policy Direction	Objective
Anti-Corruption and Anti-Bribery	Strictly prohibit all forms of corruption and bribery, including offering or accepting bribes, abuse of power, and other corrupt practices, to ensure integrity and transparency in all internal and external interactions.	Ensure that no form of corruption or bribery occurs.
Conflict of Interest Avoidance	Require employees to avoid conflicts of interest with the company and prohibit any actions that could harm the company's interests or create conflicts of interest.	Ensure that no activities occur that harm the company's interests or create conflicts of interest.
Anti-Fraud	Strictly prohibit all forms of fraudulent activities, including falsification, document forgery, false advertising, and other deceptive practices, to ensure honesty and fairness in all internal and external transactions.	Ensure that no fraudulent activities occur.
Anti-Money Laundering	Establish and implement effective anti-money laundering measures to ensure the company does not become a channel for money laundering or illicit funds.	Ensure that no money laundering activities occur.

Prohibition of Unfair Competition	Adhere to fair competition principles and prohibit unfair practices such as defamation of competitors, theft of trade secrets, and market manipulation.	Ensure that no unfair competition practices occur.
Information Security Assurance	Ensure the security of company and customer information, including data protection and prevention of unauthorized access or use.	Ensure that no information security incidents occur and that there are no complaints related to breaches of customer data or privacy.

## 1.2.2 Ethical Business Practices

Shinkong Synthetic Fibers is committed to establishing high ethical standards and a responsible business environment, regarding business ethics as a cornerstone of sustainable development. The Company has formulated a clear “Business Ethics Policy,” covering anti-corruption and anti-bribery, conflict of interest avoidance, anti-fraud, anti-money laundering, prohibition of unfair competition, and information security. The policy applies to all employees of Shinkong Synthetic Fibers (including subsidiaries) and to stakeholders such as suppliers, agents, and customers. The Company emphasizes a zero-tolerance approach toward unethical conduct to ensure transparency and integrity in business dealings.

### Policy Directions and Objectives

#### Anti-Corruption and Anti-Bribery

Policy Direction: Prohibit all forms of corruption and bribery, including offering or accepting bribes, abuse of power, and other improper acts.

Objective: Ensure zero occurrences of corruption and bribery.

#### Conflict of Interest Avoidance

Policy Direction: Employees must avoid conflicts of interest and are prohibited from engaging in activities that could harm the Company’s interests.

Objective: Ensure no activities that may harm the Company’s interests or create conflicts of interest.

#### Anti-Fraud

Policy Direction: Prohibit all forms of fraud, including falsification, misrepresentation, and false advertising.

Objective: Ensure zero occurrences of fraud.



## Anti-Money Laundering

Policy Direction: Implement effective anti-money laundering measures to ensure the Company is not used as a conduit for illicit funds.

Objective: Ensure zero occurrences of money laundering.

## Prohibition of Unfair Competition

Policy Direction: Adhere to fair competition principles; prohibit acts such as defamation, theft of trade secrets, and market distortion.

Objective: Ensure no occurrences of unfair competition.

## Information Security

Policy Direction: Ensure Company and customer information security, including data protection and prevention of unauthorized access.

Objective: Ensure no data security incidents or complaints related to customer privacy.

The Business Ethics Policy is implemented under the leadership of the General Management Office, in cooperation with the Legal Department and the Audit Office. Regular reviews are conducted, and reports are submitted to the Board of Directors. The Board has also approved the “Anti-Corruption Management Regulations,” the “Ethical Corporate Management Best Practice Principles,” and the “Ethical Corporate Management Procedures and Code of Conduct,” all of which employees are required to follow. Relevant information is disclosed on the internal knowledge-sharing platform to strengthen awareness among employees and stakeholders.

## Integrity and Compliance Management

Shinkong Synthetic Fibers embeds integrity as the core of its corporate culture, ensuring that business operations adhere to high ethical standards. The Company actively promotes the “Ethical Corporate Management Best Practice Principles” and the “Procedures and Code of Conduct,” guiding employees and stakeholders to uphold a zero-tolerance stance against corruption and misconduct.

## Training and Culture Promotion

To strengthen the concept of ethical business practices, the Company organized multiple training and awareness programs in 2024:



Executive Training: At major meetings, the internal audit unit delivered sessions on “ethical business practices, anti-corruption, and anti-bullying,” attended by senior management and overseas subsidiary executives.

Employee Education: On Employee Care Day in 2024, training sessions on social responsibility, human rights, ethical business practices, and business ethics were conducted across plants and departments, with 1,855 participants achieving a 100% completion rate.

New Employee Orientation: All new employees are required to sign an integrity pledge and attend quarterly orientation programs covering ethical practices, anti-corruption, and professional ethics.

Ongoing Training: In addition to annual training, employees are provided with face-to-face and online courses (e.g., CommonWealth Magazine’s online courses) tailored to job requirements to enhance ethical awareness.

### Anti-Corruption Measures

Publication of the “Anti-Corruption Management Regulations” on the Company’s internal website for all employees (100%) to access, ensuring transparency.

Dissemination of anti-corruption knowledge through posters, intranet guidelines, FAQs, emails, and articles.

Self-assessments and risk identification for section managers and above (about 248 employees, 11.6% of total staff in 2024), with reports submitted to the Board of Directors. No corruption cases were identified in 2024.

Annual anti-corruption awareness programs for plant and department managers during management meetings and other forums to reinforce leadership accountability.

Comprehensive risk management, with 100% of domestic and overseas sites completing business ethics and anti-corruption risk assessments.

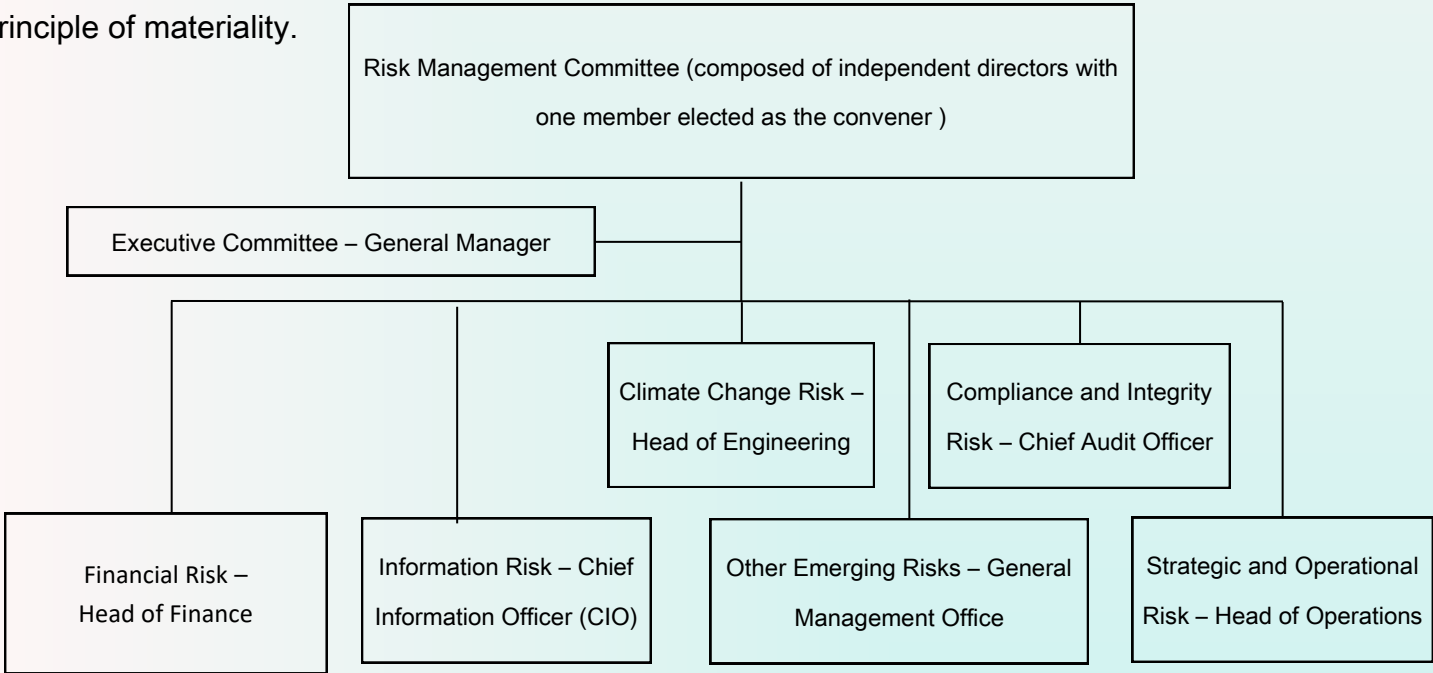
Through these institutional measures, the Company actively enforces its zero-tolerance stance on corruption. Internal regulations also define procedures for conflict of interest avoidance, political and charitable contributions, and whistleblowing channels, thereby establishing a comprehensive integrity governance framework.

For more information on ethical business regulations, please refer to: <http://www.shinkong.com.tw/front/investors>

# 1.3 Risk Management and Internal Control

## 1.3.1 Risk Management

Shinkong Synthetic Fibers regards risk management as a fundamental basis of corporate governance and sustainable operations. Since 2024, the Company has integrated the functions of the original functional Risk Management Committee into the Audit Committee, which has been officially renamed the “Audit (and Risk Management) Committee.” The committee is composed of three independent directors, with Independent Director Chiu Hsien-Te serving as convener. The committee is responsible for overseeing the Company’s overall risk management policies and implementation mechanisms, reviewing the formulation and promotion of risk management guidelines, strategies, and objectives based on the principle of materiality.

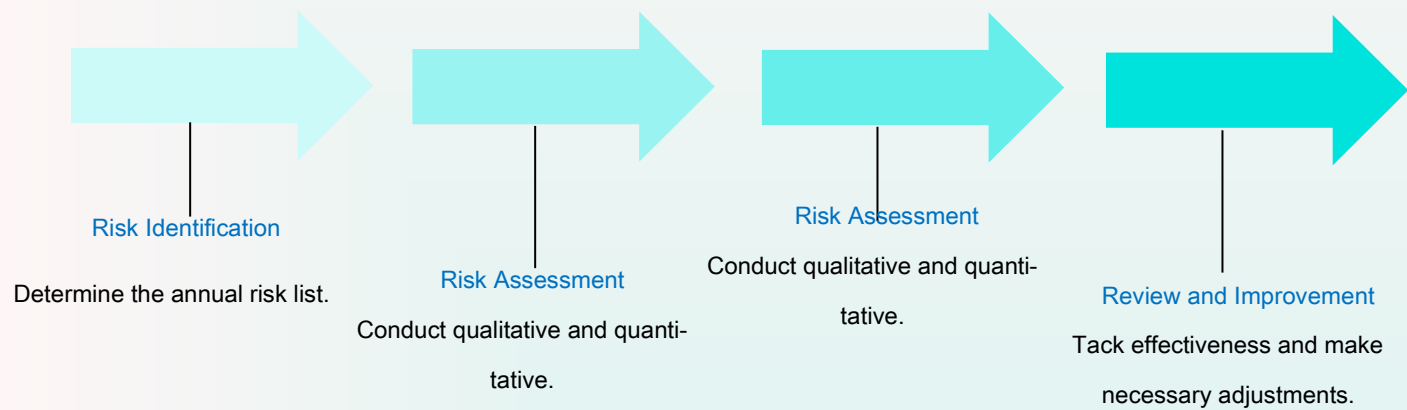


The committee establishes task forces to continuously identify and assess potential risks in operations, finance, regulations, environment, information security, and climate change. Assessment results and corresponding countermeasures are reported at least once a year to both the committee and the Board of Directors, serving as a basis for decision-making and strategic adjustments. In accordance with the “Risk Management Policies and Procedures,” on November 11, 2024, the Company consolidated unit-level risk identification, analysis, and assessment results into a special report submitted to the committee and the Board.

## Risk Assessment and Management Measures

The Company applies a systematic approach to review business risks. For key operations or high-impact events, hazard identification and risk assessment are conducted to develop response measures.

Responsible departments select significant risk items, set traceable leading indicators and corresponding actions aligned with the annual plan, and define inspection frequency with designated personnel in charge. Departments also prepare contingency measures for abnormal indicators to strengthen risk response capacity.



Risk Control Areas and Measures

Shinkong Synthetic Fibers has developed structured control measures for each risk domain, as follows:

Corporate Governance – Ethical Management

Implement ethical management and anti-corruption culture.

Eradicate fraud and corruption.

Promote the Code of Ethical Conduct and Anti-Corruption Management Regulations through training, and conduct regular compliance reviews.

Risk Control Areas and Measures

Shinkong Synthetic Fibers Corporation has established specific risk control measures for each domain and manages them in a structured manner, as detailed below:

Operational Performance

Improve achievement rate of financial targets.

Ensure revenue and profit growth.

Conduct regular reviews of business goals and strategies.

Social – Environmental Products

Increase the use of recycled raw materials and boost sales proportion.

Promote textile-to-textile (T2T) recycling in collaboration with international brands.

Expand r-PET recycled chip production capacity.

Material Topic	Risk Assessment Item	Preventive Actions and Measures
Corporate Governance	Business Integrity	1Implement a culture of integrity and anti-corruption, Eliminate fraud and corruption activities.3. Promote the <i>Code of Ethical Conduct</i> and <i>Anti-Corruption Management Guidelines</i> of Shinkong Synthetic Fibers Corporation through training and regular compliance reviews.
	Business Performance	Improve achievement of financial targets., Ensure revenue and net profit growth,Regularly review business objectives and strategies.
Social	Eco-Friendly Products	Increase the use of recycled raw materials and raise their sales proportion, Promote “Textile-to-Textile (T2T)” circular recycling in collaboration with global brands, Expand r-PET recycled chip production capacity, Develop bio-based green polyester certified by ISCC and other sustainability and carbon verification standards.5. Complete GHG inventory and product carbon footprint assessments.
	Human Rights Protection	Establish a <i>Human Rights Policy</i> and regulations against discrimination and forced labor, and conduct regular awareness campaigns., Promote labor rights education, achieving 1,855 participants (2,414.9 hours) in 2024.3. Provide special leave and “LOHAS” wellness leave to support work-life balance.
	Occupational Safety and Health	Comply with occupational safety and health regulations and eliminate hazards., Implement the ISO 45001 Occupational Health and Safety Management System, with regular audits and continuous improvement.

Environment	Energy Management	1. Comply with environmental regulations and promote energy saving and waste reduction, achieving an annual power-saving rate of 1%.2. Implement energy-saving measures (e.g., waste heat recovery, high-efficiency equipment), monitor benefits, and review results.
	Water Resource Management	1. Achieve a 10% reduction in water consumption, Install smart water meters to strengthen water resource management.
	Greenhouse Gas Management	1. Implement energy-saving and emission-reduction measures, reducing carbon emissions per unit of product by 2.58% in 2024, Continuously improve pollution prevention measures.

Develop bio-based green polyester and obtain international sustainability and carbon certification (ISCC).

Complete greenhouse gas and product carbon footprint inventories.

#### Social – Human Rights Protection

Formulate a Human Rights Policy and promote regulations on anti-discrimination and prohibition of forced labor.

Promote labor rights education; in 2024, 1,855 participants completed 2,414.9 training hours.

Provide special leave and wellness leave to promote work-life balance.

#### Social – Occupational Safety and Health

Comply with occupational safety regulations and eliminate hazards.

Implement ISO 45001 Occupational Safety and Health Management System with regular audits and improvements.

#### Environment – Energy Management

Comply with environmental regulations and promote energy saving and waste reduction, achieving an annual electricity saving rate of 1%.

Implement energy-saving projects such as waste heat recovery and high-efficiency equipment, track

benefits, and review results.

#### Environment – Water Resource Management

Promote 10% water reduction.

Install smart water meters to strengthen water resource management.

#### Environment – Greenhouse Gas Management

Implement energy conservation and emission reduction; reduce unit product carbon emissions by 2.58% in 2024.

Continuously improve pollution prevention measures.

### Internal Control System and Audit Mechanism

The Company has established a sound internal control system to strengthen overall operational efficiency through departmental self-management and inspection mechanisms. Departments conduct regular self-assessments based on the “Internal Control System and Management Regulations,” completing reviews and corrective actions within specified timeframes to ensure compliance. In addition to departmental self-management, the Company has established an Audit Office under the Board of Directors with independent audit personnel to review the implementation of internal controls. The Audit Office operates independently of business units, allowing impartial audits. Audit results are reported periodically or as needed to the Chairman, helping the Board and management monitor effectiveness. In 2024, all departments completed their audit tasks on schedule and rectified deficiencies within deadlines, achieving favorable results that enhance organizational operations and governance quality.

To ensure the accuracy and consistency of sustainability disclosures, the Company’s internal control mechanism covers data collection, compilation, review, and disclosure. The Audit Office verifies the completeness and reliability of sustainability information, including greenhouse gas emissions, energy performance, and social responsibility policies. Audits involve document reviews, on-site inspections, and interviews, with cross-checks between reports and original data. Significant gaps or risks trigger corrective recommendations and follow-up tracking to improve disclosure quality and organizational transparency.

### 1.3.2 Climate Change Response

The risks and impacts of climate change have evolved from environmental issues to major challenges

for business operations and financial stability. Shinkong Synthetic Fibers recognizes the critical importance of this trend for long-term development and considers climate risk management indispensable to corporate governance. Since 2023, the Company has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework issued by the Financial Stability Board (FSB), systematically disclosing governance, strategy, risk management, and metrics and targets related to climate change.

The adoption of the TCFD framework helps the Company identify climate risks and opportunities, integrate them into decision-making and business strategies, and improve communication transparency with investors, customers, and stakeholders. The Company also actively incorporates climate issues into its core business, developing recycled materials, bio-based polyester, and energy-saving processes to achieve carbon reduction and circular economy goals.

## Governance

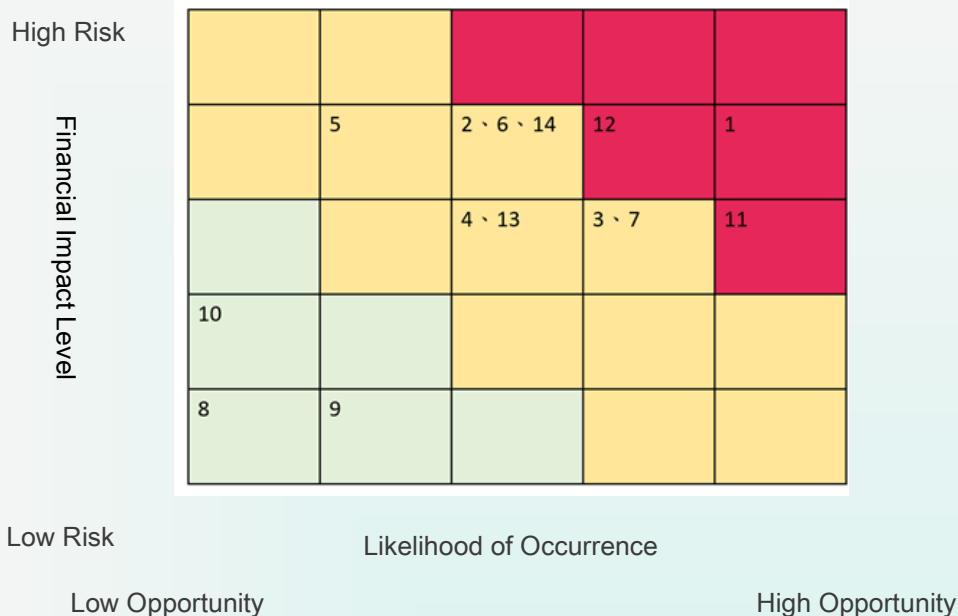
Climate risks have been formally incorporated into the overall risk management framework. The governance structure involves both the Board of Directors and the Sustainability Development Committee, enhancing oversight and response to climate issues. The Board serves as the highest supervisory body, regularly reviewing climate-related risk management reports and performance, including greenhouse gas emissions, energy use, and risk controls, and approves response strategies and resource allocation priorities. The Sustainability Development Committee is responsible for execution, including risk and opportunity identification, action plan formulation, and target tracking. Each business unit annually identifies its climate risks and opportunities, evaluates them based on likelihood and impact, and prioritizes response measures jointly with management. These are then submitted to the Board for review, ensuring effective oversight and adaptive capacity.

## Strategy

The Company analyzes actual and potential climate risks and opportunities using a climate risk identification procedure, ranking them by financial impact to create a climate risk and opportunity matrix. Examples of risks include stricter environmental regulations, increased R&D costs for new technologies, rising raw material costs, drought, typhoons, and sea level rise. Opportunities include recycling and reuse, new market development, improved production efficiency, and increasing demand for eco-friendly products.



## Climate Risk and Opportunity Matrix



## Climate-Related Risks and Opportunities

Category	Time Horizon	Type	Description	Potential Impact
High Risk	Short-term (1 – 3 years)	Transition – Regulatory	Increasingly stringent environmental regulations leading to higher environmental maintenance costs.	Rising environmental compliance and maintenance costs.
Moderate Risk	Short-term (1 – 3 years)	Transition – Technology	Introduction of new technologies increasing R&D expenses.	Higher research and development costs.
	Short-term (1 – 3 years)	Transition – Regulatory	Carbon emission disclosure requirements; non-compliance may result in penalties.	Fines or sanctions for failing to meet carbon disclosure standards.
	Short-term (1 – 3 years)	Transition – Market	Rising raw material costs leading to increased operating expenses.	Higher operational costs.



	Long-term (10+ years)	Physical – Chronic	Drought conditions increasing water costs.	Higher water procurement and management
	Medium-term (3 – 10 years)	Physical – Acute	Typhoons and heavy rainfall causing equipment damage and operational disruption.	Business interruption and repair costs.
	Medium-term (3 – 10 years)	Physical – Acute	Typhoons and heavy rainfall increasing demand for water purification systems.	Market demand growth for water treatment systems.
Low Risk	Short-term (1 – 3 years)	Physical – Acute	Typhoons and heavy rainfall resulting in employee injuries.	Occupational safety risk.
	Short-term (1 – 3 years)	Physical – Chronic	Rising average temperatures increasing demand for cooling and refrigeration systems.	Higher energy consumption and cooling equipment demand.
	Long-term (10+ years)	Physical – Chronic	Rising sea levels causing equipment damage and operational disruption.	Facility damage and production interruption.
High Opportunity	Short-term (1 – 3 years)	Resource Efficiency	Expansion of recycling and reuse practices.	Cost reduction and resource efficiency improvement.
	Medium-term (3 – 10 years)	Market	Development of new market opportunities.	Business growth through diversification.
Moderate Opportunity	Medium-term (3 – 10 years)	Resource Efficiency	Improvement of production efficiency.	Reduced operational costs and carbon intensity.
	Medium-term (3 – 10 years)	Product	Shifts in customer preferences toward sustainable products.	Competitive advantage and increased market share.

## Climate Change Risks — Physical Hazards

Risk	Operational Impact	Response Measures
Chronic (Gradual)	Rising Average Temperature	<p>Increased demand for cooling systems in plants.</p> <ul style="list-style-type: none"> <li>• Higher demand for refrigeration equipment required in production processes.</li> </ul>
	Rising Sea Level	<p>Flooding of plant facilities and equipment, leading to damage.</p> <ul style="list-style-type: none"> <li>• Operational interruptions at manufacturing sites.</li> </ul>
	Drought	<p>Increased unit cost of process water.</p> <ul style="list-style-type: none"> <li>• Higher cost for water resource management.</li> </ul>
Acute (Extreme Events)	Typhoons and Heavy Rainfall	<p>Power outages leading to operational disruptions.</p> <ul style="list-style-type: none"> <li>• Plant and equipment damage due to flooding.</li> <li>• Increased turbidity in raw water, raising demand for water purification</li> <li>• Worker injuries from facility damage.</li> </ul>

Category	Risk Identification	Operational Impact	Response Measures
Chronic (Gradual)	Rising Average Temperature	<ul style="list-style-type: none"> <li>• Higher demand for cooling and process refrigeration.</li> </ul>	<p>Enhance ventilation and insulation.</p> <ul style="list-style-type: none"> <li>• Adopt energy-efficient cooling systems.</li> <li>• Improve equipment efficiency.</li> <li>• Promote energy-saving and carbon-reduction actions.</li> <li>• Implement climate risk adaptation.</li> <li>• Raise seawalls (Guanyin Plant) and elevate flood barriers.</li> </ul>
	Rising Sea Level	<ul style="list-style-type: none"> <li>• Flooding causing equipment damage and operational interruptions.</li> </ul>	<ul style="list-style-type: none"> <li>• Same measures as above; reinforce flood prevention infrastructure.</li> </ul>
	Drought	<ul style="list-style-type: none"> <li>• Increased cost of process water and overall water management.</li> </ul>	<p>Promote water conservation. • Strengthen recycling/reuse.</p> <ul style="list-style-type: none"> <li>• Enhance water storage and contingency plans.</li> </ul>
Acute (Extreme)	Typhoons & Heavy Rainfall	<p>Power outages and operational disruption.</p> <ul style="list-style-type: none"> <li>• Facility and equipment damage.</li> <li>• Increased water turbidity requiring more purification.</li> <li>• Risk of worker injury.</li> </ul>	<p>Repair roof leaks.</p> <ul style="list-style-type: none"> <li>• Improve drainage and regular maintenance.</li> <li>• Install floodgates and enhance waterproofing.</li> <li>• Strengthen water-saving practices.</li> <li>• Implement climate adaptation systems.</li> <li>• Rebuild damaged cooling tower.</li> </ul>

## Climate Change Risks — Physical Hazards

### Targets and Management

Shinkong Synthetic Fibers has set clear carbon reduction and energy management targets, integrating them into daily operations and medium- to long-term strategies. The Company promotes process optimization, equipment efficiency, green procurement, alternative fuels, recycling, and green product development to support low-carbon operations. It is also expanding renewable energy use and will purchase green electricity in 2025 to meet regulatory requirements. Based on 2021 as the baseline year, the Company aims to reduce carbon emissions by 7% by 2025, 22% by 2030, and achieve net-zero by 2050. By 2024, greenhouse gas emissions had already decreased by 11.33% compared to the baseline year, demonstrating significant progress.

Energy Consumption Reduction Targets (based on 2018 baseline):

Short- to Medium-term (2025): 8% reduction

Long-term (2030): 15% reduction

Greenhouse Gas Emission Reduction Targets (based on 2021 baseline):

Short- to Medium-term (2025): 7% reduction

Long-term (2030): 22% reduction

## Material Topic: Green Products

Policy Direction: Production with environmentally friendly recycled materials to increase the share of production and revenue.

Core Target: Annual environmentally friendly products to account for 25% of total revenue.

### Performance Results

In 2024, environmentally friendly products accounted for approximately 12% of total revenue.

Application of recycled TPEE materials: Developed thermoplastic polyester elastomers (TPEE) made from recycled PET bottle flakes, featuring resilience and processability, already commercialized in footwear and apparel applications.

PBSPAN polyester elastic fiber: Launched PBSPAN, a 100% recyclable polyester elastic fiber compatible with PET, combining the elasticity of spandex with recyclability to address the recycling challenges of blended fabrics.

NEOLAST mono-material solution: Collaborated with international material company Celanese to develop NEOLAST polyester elastomer polymer, building a recyclable and mass-producible mono-material textile system.

Textile-to-Textile (T2T) recycling: Invested in Ambercycle to establish a closed-loop recycling plant, introducing molecular regeneration technology to achieve textile-to-textile recycling.

r-PET and FTR capacity optimization: Expanded r-PET and FTR production lines to enhance chip purity and processing stability, broadening recycled materials' application across diverse industries.

Development of bio-based polyester materials: Promoted bio-based polyester products and obtained ISCC certification to reduce reliance on petrochemical raw materials and strengthen resource sustainability.

Low-carbon material technology in brand collaboration: Co-developed polyester materials with carbon capture and recycling functions with international brands, incorporated into products and recognized with an Innovation Award.

### Action Plan

The R&D Center established a project team to develop proprietary textile chemical recycling processes through patent literature analysis.

Purchase recycled raw materials through long-term contract models.

Adopt a bottom-up product development model to identify opportunities from customer demand, market trends, and technological development, thereby developing new potential products.

Plan to establish a pilot plant for textile chemical recycling technology in response to the international trend of fiber-to-fiber circular economy.

Signed an MOU with Ambercycle to establish a strategic technology partnership, using Ambercycle's cycora® material for Shinkong Synthetic Fibers' closed-loop recycling high-performance yarns, meeting brand customers' demand for circular economy, low-carbon, and waste reduction.

## Resources Invested

- R&D Center project team
- Polymer pilot plant, Procurement Department, Sales Department
- Research and development and planning budget

## Feedback Mechanism

- R&D meetings
- Production and sales meetings
- Technical meetings

## Evaluation Mechanism

- Revenue reports
- Third-party laboratory inspections
- Annual project closure reports

## 2025 Target

Annual environmentally friendly products to account for 25% of total revenue.

## Material Topic: Information Security

Policy Direction: Ensure that all employees share a mission and consensus on implementing information security.

Core Target: Ensure zero complaints related to infringement of customer privacy rights or data misuse.

## Performance Results

Continued ISO 27001 Information Security Management System certification with no information securi-

ty incidents.

## Action Plan

Implement ISO 27001 Information Security Management System (ISMS) to establish and manage risks and improve information security-related policies and objectives.

Enforce ISMS policies, control measures, processes, and procedures.

Evaluate and, when applicable, measure process performance against ISMS policies, objectives, and practical experience, with results reported to management for review.

## Resources Invested

- Special training budget
- ISO 27001 system implementation project budget
- ISO 27001 promotion team (11 members)
- 3 internal audit seed staff
- External consultants
- Information security protection system construction and social engineering drills

## Feedback Mechanism

- Information department contact mailbox
- Complaint mailbox

## Evaluation Mechanism

- Internal audits and management reviews
- External audits by third-party certification bodies

## 2025 Target

Implement corrective and preventive measures based on ISMS internal audit and management review results or other relevant information to achieve continual improvement of ISMS.

## Material Topic: Supplier Management

Policy Direction: Strengthen the supply chain to ensure unquestionable quality.

Core Target: Achieve 100% signing rate of social responsibility commitment letters by key suppliers.

## 2. Sustainable Production

### Management Policy

#### Key Topic: Green Products

Policy Direction: Production using eco-friendly recycled raw materials to increase both production volume and revenue contribution.

Core Objective: Achieve 25% of annual revenue from environmentally friendly products.

### Performance Results

In 2024, revenue from environmentally friendly products accounted for approximately 12% of total annual revenue.

Application of Recycled TPEE Materials: Developed thermoplastic polyester elastomer (TPEE) made from recycled PET bottles. This material features excellent elasticity and processability and has been commercialized for footwear and apparel applications.

PBSPAN Polyester Elastic Fiber: Introduced PBSPAN, a fully polyester-based elastic fiber compatible with PET. It combines Spandex-like elasticity with 100% recyclability, solving the recycling challenges of blended fabrics.

NEOLAST Mono-Material Solution: Collaborated with global materials company Celanese to develop the polyester elastomer NEOLAST, establishing a recyclable and mass-producible mono-material textile system.

Textile-to-Textile Recycling (T2T): Invested in Ambercycle to build a closed-loop recycling plant utilizing molecular regeneration technology to achieve textile-to-textile recycling.

r-PET and FTR Capacity Optimization: Expanded r-PET and FTR production lines to improve chip purity and processing stability, enhancing the use of recycled materials across diverse industries.

Bio-based Polyester Material Development: Promoted bio-based polyester materials and obtained ISCC certification to reduce dependence on petrochemical raw materials and strengthen resource sustainability.

Low-Carbon Material Collaboration: Partnered with international brands to co-develop polyester materials with carbon capture and recycling functionality, introducing innovative low-carbon solutions recog-



nized by industry awards.

### Action Plans

- Establish a dedicated R&D task force to develop proprietary textile chemical recycling technologies based on patent and literature research.
- Secure recycled raw materials through long-term supply contracts.
- Adopt a bottom-up product development approach, identifying opportunities through market trends, customer needs, and technological developments.
- Build an in-house pilot plant for textile chemical recycling to align with the global fiber-to-fiber circular economy trend.
- Sign an MOU with Ambercycle to form a strategic technology partnership, using Ambercycle's cycora® materials to produce high-performance closed-loop recycled yarns that meet brand demands for circular economy and low-carbon marketing requirements.

### Resources

- R&D task force team
- Polymer pilot plant, procurement and sales departments
- R&D and planning budgets

### Feedback Mechanisms

- R&D meetings
- Production and sales coordination meetings
- Technical review meetings

### Evaluation Mechanisms

- Revenue reports
- Third-party laboratory verification
- Annual project completion reports

### 2025 Target

- Achieve 25% of annual revenue from environmentally friendly products.

## Management Policy

### Key Topic: Information Security

Policy Direction: Ensure that all employees share a unified mission and consensus in implementing information security.

Core Objective: Guarantee zero complaints related to violations of customer privacy or misuse of customer data.

### Performance Results

Continued ISO 27001 Information Security Management System (ISMS) certification.

No information security incidents reported during the year.

### Action Plans

- Implement the ISO 27001 Information Security Management System (ISMS) to establish, manage, and continuously improve policies and objectives related to information security risk management.
- Execute and operate ISMS policies, control measures, procedures, and processes.
- Assess performance and compliance based on ISMS policies, objectives, and practical experience, reporting the results to management for review.

### Resources

- Special training and implementation budget
- ISO 27001 system implementation project budget
- ISO 27001 Implementation Task Force (11 members)
- Three internal audit seed personnel
- External consulting advisors
- Information security protection system and social engineering drills

### Feedback Mechanisms

- Information Service email channel
- Complaint and suggestion mailbox

### Evaluation Mechanisms

- Internal audits and management reviews

- External audits conducted by independent certification bodies

#### 2025 Target

- Based on ISMS internal audit and management review results or other relevant information, implement corrective and preventive actions to ensure continuous improvement of the ISMS.

#### Management Policy

#### Key Topic: Supplier Management

Policy Direction: Strengthen the supply chain and ensure uncompromised quality.

Core Objective: Achieve a 100% signing rate of the Supplier Social Responsibility Commitment Statement among key suppliers.

#### Performance Results

- Completed on-site audits and evaluations for five suppliers.
- All suppliers were rated as compliant, with no major violations related to occupational safety, environmental, or social responsibility.

#### Action Plans

- Enforce the Supplier Management Procedures.
- Promote and ensure understanding of the Supplier Social Responsibility and Code of Conduct Commitment Statement.
- Conduct on-site audits and performance evaluations of suppliers.

#### Resources

- Corporate Social Responsibility Promotion Committee
- Procurement Team

#### Feedback Mechanisms

- Internal and external complaint mailboxes
- Supplier meetings and communication channels

#### Evaluation Mechanisms

- Annual supplier performance evaluations

#### 2025 Target

- Conduct and evaluate on-site audits for five suppliers.
- Upload the Supplier Sustainability Policy and Code of Conduct Commitment Statement to the SCM platform for digital acknowledgment and conduct self-assessment for 100 key suppliers.

## 2.1.1 Achievements in Promoting Green Products

Shinkong Synthetic Fibers is committed to sustainable product development and continues to promote green polyester through recycling technologies, bio-based polyesters, and functional polyesters. Efforts include Textile-to-Textile (T2T) recycling, expansion of r-PET and FTR technologies, development of bio-based materials, and collaboration with international brands to create low-carbon materials. In 2024, the Company's achievements were as follows:

- Recycle Polyester Series: Expanded applications of GRS-certified recycled polyester, meeting international brands' requirements for environmentally friendly products.
- Bio-based Polyester: Developed bio-based polyesters with ISCC certification, reducing dependence on petrochemical resources and enhancing sustainability.
- Functional Polyester: Introduced new polyester products with moisture-wicking, quick-drying, heat-resistant, and far-infrared properties, expanding applications in sportswear and industrial textiles.
- Textile-to-Textile (T2T) Recycling: Promoted NEOLAST™ polyester elastomer polymer to address recycling challenges of blended fabrics. Additionally, invested in Ambercycle, introducing cycora® molecular regeneration technology to achieve circular recycling.
- r-PET and FTR Expansion: Enhanced production lines for recycled PET and Film-to-Resin (FTR) technologies to improve material purity and broaden the scope of recycled applications.
- Collaboration with Brands: Jointly developed polyester materials with carbon capture and recycling functionality, recognized with an Innovation Award.

## R&D Investment and Achievements

From 2022 to 2024, the Company steadily increased its investment in research and development:

- 2022: NT\$ 278,000 thousand (1.0% of revenue)
- 2023: NT\$ 233,000 thousand (1.1% of revenue)
- 2024: NT\$ 259,000 thousand (1.1% of revenue)

As of the end of 2024, the Company accumulated a total of 31 invention patents, highlighting its strong innovation capacity.

## Feature Section: PBSpan 100% Polyester Elastic Fiber

PBSpan is a 100% recyclable polyester elastic fiber designed to overcome the recycling limitations of traditional spandex-blended fabrics. As a mono-material structure, PBSpan combines the elasticity of

spandex with polyester recyclability, making it more sustainable. In addition to being chlorine-resistant, it is suitable for swimwear and sportswear applications, offering durability and comfort.

## Feature Section: Driving the Mono-Material Revolution – NEOLAST™

Shinkong Synthetic Fibers collaborated with Celanese to develop NEOLAST™ polyester elastomer polymer, creating a recyclable and mass-producible mono-material textile system. This innovation addresses recycling challenges in blended fabrics and contributes to Textile-to-Textile (T2T) circular economy solutions.

The Company adopted solvent-free processes, showcased NEOLAST™ innovations at Chinaplas, and strategically invested in Ambercycle to support cycora® molecular regeneration technology. These efforts reinforce Shinkong Synthetic Fibers' leadership in sustainable product innovation.



• Deputy Director Huang Shu-Hui of the Taiwan Textile Federation (left) and Assistant Vice President Yao Xing of Shinkong Synthetic Fibers in a group photo at Chinaplas 2024 International Exhibition on Plastics and Rubber Industries in Shanghai.



## 2.2.1 Climate Change Adaptation Product Series

**Shinhot Heating Fiber:** Polyester fiber with far-infrared functionality that absorbs light and converts it into heat, enhancing warmth retention.

**Shincool Cooling Fiber:** Offers moisture absorption and quick-drying features, delivering cooling performance and comfort.

**Solarcool:** Reflects solar radiation to reduce heat absorption, effectively lowering fabric surface temperature.

**2X DRY (2.0):** Dual-sided quick-drying yarn with hydrophobic and hydrophilic properties for moisture management.

**BREEZE:** Eco-friendly fiber with a linen-like appearance and comfort.

**CoolTouch:** Moisture-wicking polyester fiber with a cooling effect.

**CoolTouch Thermo:** Moisture-wicking and thermal polyester fiber, providing warmth and comfort.

**Sigma Vaporush:** Multifunctional yarn with quick-drying, moisture-wicking, and lightweight elasticity.

**Marvel Transform:** New-generation functional fiber with shape transformation capabilities for diverse applications.

**Carbon-Capture Fiber:** Polyester fiber developed using carbon capture and recycling technologies, offering low-carbon applications.

**Recycled TPEE:** Thermoplastic polyester elastomer made from recycled PET bottles, combining elasticity and eco-friendliness.

**Waterproof & Breathable Polyester Pellets:** Developed for membranes with waterproof and breathable properties.



## 2.2.2 Circular / Sustainable / Energy-Saving Product Series

**RECOTEX:** Recycled polyester fiber made from post-consumer PET bottles, certified by GRS.

Flash Dye: Dyeing technology that reduces water and energy consumption while increasing eco-efficiency.

Dope Dye: Color masterbatch spinning technology that eliminates the need for traditional water-based dyeing.

Recycle PBT: Recycled polybutylene terephthalate, applied in textiles and engineering plastics.

Infinite Loop (Wu-Xian Yi): Textile-to-Textile recycling system promoting a closed-loop model.

T2T: Textile-to-Textile recycling initiative supporting resource circularity.

PBSpan: 100% recyclable polyester elastic fiber, replacing traditional spandex to facilitate recycling.

### 2.2.3 Eco-Friendly and Non-Toxic Product Series

Shin Lotus: Fluorine-free water-repellent fiber with eco-friendly performance.

Antimony-Free Polyester Fiber: Developed with non-antimony catalysts to ensure product safety and compliance. In 2023, production reached 15,550 metric tons, representing a 34% increase from the previous year.

BPA-Curb Recycled PET: Recycled PET developed to curb bisphenol A, ensuring non-toxic and safe applications.

### Green Product Highlights

#### Feature: Recycled Thermoplastic Polyester Elastomer

Developed thermoplastic polyester elastomer (TPEE) using recycled PET bottles. This material combines elasticity, durability, and environmental friendliness, applied in footwear and apparel industries, and contributes to the advancement of the circular economy.

#### Feature: PBSpan Polyester Elastic Fiber

PBSpan is a 100% recyclable polyester elastic fiber designed to address the recyclability challenge of spandex-blended fabrics. With chlorine resistance and elasticity, PBSpan is suitable for swimwear and sportswear applications, enhancing both comfort and durability.

### 2.2.4 Eco-Friendly Product Performance

In 2024, the production volume of eco-friendly products reached 60,105 metric tons, generating NT\$4.056 billion in revenue. Although the revenue proportion fell short of the 25% target, the Company still achieved significant growth and recognition through certifications.



Revenue from Eco-Friendly Products

Year	Revenue (NT\$ thousand)
2022	2,105,732
2023	1,883,574
2024	4,056,394

Certifications

❖ Green Product Certifications

Polyester Chip Products

The Zhongli Plant’s mechanical recycling R-PET products, with an annual production capacity of 12,000 metric tons, officially received approval from the Taiwan Ministry of Health and Welfare Food and Drug Administration (FDA) on March 17, 2023, for “the suitability of recycled PET resin as raw material for manufacturing food containers and packaging.”

The Thailand Plant’s semi-chemical recycling R-PET products, with an annual production capacity of 210,000 metric tons, officially obtained U.S. FDA approval on August 30, 2023, for use in food-grade

正本

衛生福利部 函

地址：115204 臺北市南港區忠孝東路六段488號  
聯絡人：劉子安  
聯絡電話：02-2787-7368  
傳真：02-2653-1062  
電子郵件：a975038312@fda.gov.tw

324  
桃園市中壢區延平路五段223號

受文者：新光合成纖維股份有限公司中壢廠

發文日期：中華民國112年3月17日  
發文字號：衛授食字第1121300666號  
類別：普通件  
密等及解密條件或保管期限：附件：

主旨：貴公司檢送之「供作食品容器具包裝之PET再製鹼粒原料適宜性」申請資料，經審查符合本部111年5月12日函告之「供作食品容器具包裝之PET再製鹼粒原料適宜性申請作業流程」，請查照。

說明：  
一、復貴公司111年10月5日(2022)新纖廠字第2022062號函及111年12月26日(2022)新纖廠字第2022071號函。  
二、請依所送之申請資料，確實執行PET再製鹼粒產製並留存紀錄，如有變更原材料、製程參數及使用限制條件等涉及影響衛生安全評估者，應重新申請。

正本：新光合成纖維股份有限公司中壢廠  
副本：

部長 薛瑞元

第1頁 共1頁



U.S. FOOD & DRUG  
ADMINISTRATION  
CENTER FOR FOOD SAFETY & APPLIED NUTRITION

August 30, 2023

David J. Eminger  
Keller and Heckman LLP  
1001 G Street, NW  
Suite 500 West  
Washington, DC 20001  
eminger@khlaw.com

RE: Prenotification Consultation (PNC) 2983

Dear Mr. Eminger:

This letter is in response to your submission, dated August 1, 2023, on behalf of Thai Shinkong Industry Co., Ltd. (TSIK) requesting our opinion on the use of post-consumer recycled polyethylene terephthalate (PCR-PET) at a level of up to 50 % recycled content in the manufacture of articles for use in contact with all food types under Conditions of Use (COU) C through G (see Enclosure 1). Your submission was logged in as PNC 2983.

You indicate that Thai Shinkong Industry Co., Ltd.'s secondary recycling process is sublicensed from Ude Inventa-Fisher GmbH & Co. KG (UIF), which obtained FDA's NOL 110 (resulting from PNC 000553). NOL 110 does not object to PCR-PET for use at levels of up to 50% recycled content in manufacturing PET containers in contact with all food types under Conditions of Use C through G, when the feedstock consists of post-consumer food or non-food PET containers, excluding industrial PET containers, and the finished PCR-PET material complies with all applicable authorizations.

If Thai Shinkong Industry Co., Ltd.'s secondary recycling process is operated under the same decontamination conditions as described in UIF's process subject to NOL 110, then we have no questions. Therefore, we conclude that Thai Shinkong Industry Co., Ltd.'s secondary recycling process is expected to be as effective as UIF's process to produce PCR-PET that is suitable for food contact under the same intended use conditions as described in NOL 110, specifically PCR-PET for use at a level of up to 50% recycled content to produce PET articles in contact with all food types under COU C through G, provided that the feedstock complies with 21 CFR 177.1650 and all other applicable authorizations; the feedstock excludes industrial PET containers, and the finished PCR-PET material complies with all applicable authorizations. If Thai Shinkong Industry Co., Ltd.'s process is modified, additional data may need to be evaluated.

The PCR-PET material should comply with all applicable authorizations, including 21 CFR 174.5 - General provisions applicable to indirect food additives. For example, in accordance with section 402(a)(3) of the Federal Food, Drug and Cosmetic Act, use of the recycled material should not impart odor or taste to food rendering it unfit for human consumption.

An NOL for Thai Shinkong Industry Co., Ltd.'s process is not issued because it is sublicensed from the UIF process subject to NOL 110.

U.S. Food and Drug Administration  
Center for Food Safety & Applied Nutrition  
5001 Campus Drive  
College Park, MD 20740  
www.fda.gov

## Fiber Products

Shinkong Synthetic Fibers Corporation has obtained the OEKO-TEX® STANDARD 100 certification, one of the world's most recognized labels for the textile industry.

This certification tests textiles and garments for harmful substances that may affect human health, serving as a trusted reference for consumers when purchasing eco-friendly textile products.

The company's certified products include textile yarns, with the certification valid until May 15, 2024.

In addition, Shinkong has also obtained the Global Recycled Standard (GRS 4.0) certification for its annual green product line.

The certified products include:

CHIP – 100% post-consumer recycled polyester chips

STAPLE – 100% post-consumer recycled short fibers

FILAMENT – 33%– 100% post-consumer recycled long fibers

The certification period was valid from June 2022 to June 2023.



OEKO-TEX® Standard 100

## ISCC Certification

To strengthen its sustainable raw material management system and align with global principles of traceability and responsibility for renewable resources, Shinkong Synthetic Fibers Corporation (SSFC) has obtained the International Sustainability and Carbon Certification (ISCC).

The certification is valid until December 3, 2025, covering sustainable raw materials such as BIO EG and BIO TPA.



## Product Carbon Footprint Certification

The Company's product carbon footprint certification covers PET chips, PBT engineering plastics, PET packaging products, as well as polyester drawn textured yarns (DTY) and industrial fibers.

As of now, Shinkong Synthetic Fibers Corporation has completed carbon footprint certification for a wide range of products, including engineering plastics, polyester materials, drawn textured yarns, and consumer goods. The details are as follows:

### 1. Polyester Raw Materials (PET Chips)

These products are polyethylene terephthalate (PET) chips, primarily used as upstream raw materials for bottle-grade plastics, textile filaments, and sheet extrusion. Representative products include the 5015 and 5020 series, covering various viscosities and application grades.

Certain product lines have adopted recycled feedstocks such as R-PET, helping to reduce the use of virgin petrochemical resources and promote the development of a circular economy.

### 2. Engineering Plastics (PBT)

Polybutylene terephthalate (PBT) is a high-performance engineering plastic known for its excellent dimensional stability and heat resistance. It is widely applied in electric vehicle components, AI server structural parts, and 3C product housings, serving as an essential material for advancing low-carbon industrial manufacturing.

The company has completed carbon footprint assessments for specific composite materials, such as the flame-retardant 30% glass fiber reinforced PBT (DH6003), to enhance both functional and environmental performance.

### 3. Consumer Packaging Products (PET Packaging)

These products include 27g medium-temperature bottles, 400cc wide-mouth bottles, 24oz salad boxes, and A-PET sheets, all commonly used in food-contact packaging within the consumer goods market. Through design optimization, lightweighting, and process energy efficiency improvements, the company effectively reduces carbon emissions per unit product while offering consumers more environmentally responsible choices.

### 4. Drawn Textured Yarns and Industrial Fibers

The company's polyester yarn products include drawn textured yarns (DTY), high-tenacity industrial

yarns, and composite elastic yarns, which are widely used in functional apparel, seat belts, industrial fabrics, and elastic textiles.

These products combine high strength and elasticity with carbon-reduction benefits through process improvements and material optimization

Categories of Products with Completed Carbon Footprint Certification

Category	Product Name	Material Base	Description
Polyester Raw Materials	5015, 5020 Series	PET	Used for bottle-grade, spinning, and sheet applications
Engineering Plastics	PBT Series	PBT	Applied in automotive and 3C structural components
Molded Products	Medium-temperature Bottles, Wide-mouth Bottles, Salad Boxes, A-PET Sheets	PET	Downstream packaging products
Industrial Plastics	PBT-DH6003	PBT + Glass Fiber	Flame-retardant reinforced plastic
Yarns and Filaments	DTY, High-tenacity Yarns, Elastic Yarns	PET	Textile and industrial applications



## 2.3.1 Customer Relationship Management

Shinkong Synthetic Fibers adheres to the philosophy of “Customers come for price, stay for service.” All employees are committed to promptly responding to customer issues, providing professional assistance, and building win-win partnerships.

### Pre-Sales and After-Sales Services

Through proactive pre-sales communication, support during usage, and post-sales visits, the Company strives to meet customer needs and resolve technical issues. A professional after-sales service team has been established to ensure customer satisfaction.

### Customer Satisfaction Surveys

Each business unit conducts customer satisfaction surveys one to two times per year. Improvement measures are implemented for unsatisfactory items to enhance service quality and corporate reputation.

### Customer Satisfaction Analysis Indicators

- Product quality stability
- New product development capability
- Customer complaint handling
- Delivery performance
- Emergency delivery
- Packaging appearance
- Professionalism and service attitude of sales staff
- Accuracy of accounting and documentation

In 2023, customer satisfaction scores across all business units exceeded 9.1 out of 10. The best performance was achieved in accounting and document accuracy, while areas such as product quality and complaint handling require further improvement.

## 2.3.2 Information Security Management

The Company has established information security policies, objectives, and procedures to ensure confidentiality, integrity, and availability of information.

### Internal Measures

Educational training, awareness campaigns, and reporting channels are implemented to strengthen employees' awareness of information security.

## External Measures

The Company has implemented the ISO 27001 Information Security Management System. Internal and external audits are conducted to evaluate the effectiveness of information security measures.

## 2024 Social Engineering Drill

In 2024, a social engineering drill was conducted by sending 1,400 simulated phishing emails to 350 employees. The proportion of risky behavior was below 4%, indicating that employees possess basic prevention awareness.

## Achievements

As of 2024, the Company has had no incidents of customer data leakage or complaints related to infringement of privacy rights. The ISO 27001 certification has been continuously maintained.

## 2024 Focus Areas

Strengthen system management and risk identification.

Enhance employee awareness and responsiveness.

Implement internal and external audits.

Establish improvement tracking and management loops.

## 2024 Social Engineering Drill Results

Item	Number of Tests	Number of Rec-	Percentage
Click-through Links	1,400	51	3%
Opened Attach-	1,400	58	4%

## 2.4.1 Green Procurement

Shinkong Synthetic Fibers follows the UN Sustainable Development Goals (SDGs) and actively adopts environmentally friendly raw materials that are low in pollution, energy-saving, and recyclable to reduce environmental impacts.

### Market Challenges

In 2024, the Company faced challenges including high inflation and interest rates, overcapacity and dumping from China, slowing economic growth in Europe and the U.S., rising geopolitical tensions, and increased energy costs.

### 2024 Operational Achievements

Despite these challenges, the Company achieved revenue growth supported by demand for eco-friendly and high-performance products. It expanded into Southeast Asia and North America and promoted lean management practices.

### Carbon Management and International Trends

In line with the EU CBAM and potential U.S. carbon tariffs, the Company has conducted greenhouse gas inventories and product carbon footprint assessments. It promotes the use of recycled materials and low-carbon products.

### Circular Economy Initiatives

**Textile-to-Textile (T2T) Recycling:** Collaborated with Celanese to develop NEOLAST™, invested in Ambercycle, and planned a 30,000-ton plant in Indonesia scheduled for 2026.

**r-PET and FTR:** Enhanced recycled raw material quality, reducing costs and risks of blending.

**Bio-based Materials:** Developed ISCC-certified bio-based polyester and participated in the TBSM Association.

**Smart Manufacturing:** Advanced smart factory program (Year 9), improving energy efficiency and safety management.

### Market Expansion

**Southeast Asia:** Expanded r-PET production in Thailand, deepened partnerships in Vietnam, and invested in recycling projects in Indonesia.



North America: Strengthened logistics with brand collaborations and warehouse establishments.

New Energy: Expanded engineering plastics applications in industries such as electric vehicles.

## Results

The value of green procurement exceeded NT\$800 million for four consecutive years. Since 2012, the Company has been recognized as an “Outstanding Green Procurement Enterprise” for 12 consecutive years.

### 2.4.2 Supplier Management

The Company has established the “Sustainable Procurement Policy” and the “Supplier Code of Conduct,” requiring suppliers to sign the “Social Responsibility and Supplier Code of Conduct Commitment Statement.”

## Evaluation Focus

- Environmental commitment, low-carbon practices, and prioritization of green materials.
- Compliance with laws and regulations.
- Human rights and labor protections.
- Occupational safety and health.
- Business ethics.
- Stakeholder communication.

### Sustainable Procurement Policy Directions:

Execution Item	Policy Description	Target Setting
Supplier Implementation of Labor and Human Rights	When establishing partnerships with suppliers, emphasis is placed on their implementation of labor and human rights, including prohibiting child labor and forced labor, and providing a safe and healthy working environment.	Zero occurrence of child labor and forced labor. Suppliers failing to provide a safe and healthy working environment must implement corrective actions within three months after audit findings; otherwise, they will be excluded from the supplier list.

Gradual Increase in Procurement of Recycled and Eco-Friendly Materials	By progressively increasing the proportion of recycled and eco-friendly raw materials procured, the Company reduces reliance on natural resources and promotes the development of a sustainable circular	Based on the sales volume of operating units, priority is given to procuring recycled and eco-friendly materials.
Support Local Suppliers in Sustainable Development	Encourage and support local suppliers in achieving sustainability goals, including providing technical guidance, training, and resource support.	Assist and guide at least one local supplier per year in technological upgrades (training).

## Supplier Management

Shinkong Synthetic Fibers Corporation (SSFC) recognizes that sustainable growth and stable operations rely not only on internal efforts but also on the establishment of long-term, trust-based partnerships with suppliers.

As of now, the company collaborates with approximately 1,800 suppliers, covering categories such as raw materials, packaging materials, equipment, components, and chemicals.

Suppliers are regarded as essential partners in achieving sustainability, and SSFC strives to build an industry value chain grounded in social responsibility and environmental stewardship through mutual cooperation.

To ensure alignment of values and sustainability standards, all new suppliers must undergo due diligence assessments conducted by relevant business units prior to formal engagement.

Evaluation criteria include:

- Product quality and stability
- Technical and R&D capability
- Delivery performance and supply flexibility
- Commitment to corporate social responsibility — including social, environmental, labor, and ethical aspects — ensuring compliance with regulations and a positive contribution to society and the environment.

Through this front-end supplier review mechanism, SSFC aims to foster a transparent, responsible, and

sustainability-oriented partnership, strengthening supply chain risk management and resilience.

Supplier Evaluation

SSFC values long-term collaboration with its suppliers and continuously enhances supply chain sustainability and compliance performance through a structured evaluation and management system.

In 2024, 204 new suppliers were added, all of whom completed 100% due diligence and assessment procedures before onboarding, covering quality, delivery, technical capability, and social responsibility criteria, ensuring alignment with the company’s operational and sustainability standards.

For existing suppliers, the company conducts annual performance reviews. In 2024, all evaluated suppliers met the required standards, and no major environmental or social violations were reported.

If any significant non-compliance is identified during the review process, suppliers are required to take immediate corrective actions, or cooperation will be terminated when necessary, to maintain high levels of regulatory compliance and risk control within the supply chain.

The supplier evaluation covers product quality, price competitiveness, delivery reliability, and commitment to ESG principles, with specific attention to:

- Environmental protection
- Business ethics
- Human rights protection (including child labor, forced labor, freedom of association, anti-discrimination, and anti-harassment)
- Labor conditions

SSFC requires all suppliers to comply with the Supplier Code of Conduct, adhere to local laws and regulations (including minimum wage and working hour requirements), and uphold human rights, environmental, and ethical standards in their operations.

In 2024, all major suppliers—including those providing raw materials, packaging, and key equipment components—signed and returned the “Social Responsibility and Supplier Code of Conduct Declaration.” No significant violations were identified during the evaluation period.

Supplier CSR Evaluation

Each year, the Company conducts evaluations of the top 100 suppliers by transaction amount through a self-assessment questionnaire to review their performance in corporate social responsibility. The evaluation results for 2022 – 2024 are as follows:

Year	Target Number of Evaluated Suppliers	Number of Qualified Suppliers	Pass Rate
2022	100	100	100%
2023	100	100	100%
2024	100	100	100%

## Supplier On-Site Audit

Each year, at least two suppliers are selected for on-site audits, based on supplier risk assessments, supplier criticality, or specific issues of concern to the Company. The audit results for 2022 – 2024 are as follows:

Year	Target Number of	Actual Number of	Pass Rate
2022	3	3	100%
2023	10	11	100%
2024	5	5	100%

## Summary of 2022 – 2024 Results

All target supplier audits achieved 100% compliance. No suppliers were found to have major violations related to occupational safety, environmental protection, or social responsibility. If significant violations are discovered during audits, the Company will immediately require suppliers to implement corrective actions or, in severe cases, terminate the partnership. The Company maintains a strict approach to supplier relationships.

## Scope of Evaluation

Audit scope includes supplier product quality, pricing, delivery schedules, and conditions related to ESG sustainability, occupational safety, business ethics, and human rights (including child labor, forced labor, freedom of association, discrimination, and harassment), as well as labor rights protections.

All suppliers are required to comply with Shinkong Synthetic Fibers’ Supplier Code of Conduct. In addition to adherence to local laws and regulations (including minimum wage and restrictions on excessive overtime), suppliers must comply with social responsibility standards concerning human rights, labor rights, occupational safety, environmental considerations, and business ethics.

### Annual Training Programs for Procurement Staff include:

Supplier Corporate Social Responsibility (CSR) issues

Environmental protection issues

Labor and human rights issues

Business ethics issues

Sustainable procurement issues

Information security issues

Professional training related to procurement, etc.

#### Annual Training Records and Test Pass Rates for Procurement Staff

The training and testing results for the years 2022 to 2024 are as follows:

Year	Total Procurement Staff	Number of Staff Passed	Pass Rate
2022	14	14	100%
2023	11	11	100%
2024	9	9	100%

#### Training and Development

Between 2022 and 2024, supplier and contractor training sessions achieved a 100% pass rate. Procurement staff also received annual training covering ESG, regulatory compliance, and business ethics, with a 100% pass rate over the three years.

#### Low-Carbon Logistics

The Company collaborates with freight forwarders to promote low-carbon transportation, reducing emissions and responding to carbon fee and carbon tax policies.

### 3. Sustainable Workforce

#### Management Approach

##### Ma3.1.1 Workforce Structure

Item	Description
Policy Direction	Provide education and training programs to help employees acquire new skills.
Core Objective	• Total training hours exceeding 29,000 hours.
Performance Results	• Total training hours reached 29,923.8 hours, averaging 17.33 hours per employee.
Action Plan	Establish a unified learning roadmap for new employees to strengthen retention and continuously leverage the SSFC Cloud Training Platform, offering diverse learning options. The platform integrates virtual and physical learning, transforming recorded courses into digital modules, enabling flexible and accessible employee learning.
Resources Invested	• Human Resources Department• Information Technology Department
Feedback Mechanism	Increase in total training hours.
Evaluation Mechanism	• Training effectiveness evaluation.
2025 Target	Continue to enhance employee professional development by utilizing the SSFC Cloud Training Platform and expanding course offerings.

### 3.1 Employee Management

Item	Description
Policy Direction	Continue to comply with occupational safety and health regulations, eliminate hazards, and commit to continuous improvement and prevention of injuries and occupational diseases.
Core Objectives	• Reduce employee disabling injury frequency rate (FR) by 5%.• Reduce employee disabling injury severity rate (SR) by 5%.
Performance Results	• FR reduced by 73.88%; SR reduced by 88.89%.

Action Plan	<p>1. Implement the ISO 45001 Occupational Health and Safety Management System following the PDCA model to complete risk prevention and improvement projects.</p> <p>2. Encourage employees to report potential hazards and unsafe behaviors. 3. Conduct weekly “Safety Care Day” activities every Wednesday.</p>
Resources Invested	<p>Annual Zero-Injury Competition.</p> <ul style="list-style-type: none"> <li>• Incentives for reporting major hazards and unsafe acts.</li> </ul>
Feedback Mechanism	<p>Monthly safety competition results.</p> <ul style="list-style-type: none"> <li>• Statistics on reported hazards and unsafe behaviors.</li> <li>• Monthly occupational incident reports.</li> </ul>
Evaluation Mechanism	<ul style="list-style-type: none"> <li>• Management system review meetings.</li> </ul>
2025 Target	<p>Continue advancing toward a zero-injury workplace.</p> <ul style="list-style-type: none"> <li>• Implement annual environmental and safety improvement strategies.</li> </ul>

## 3.1 Employee Management

### 3.1.1 Workforce Structure

Shinkong Synthetic Fibers Corporation regards its employees as the cornerstone of corporate growth — every team member is an integral part of the SSFC family.

The company believes that a culture of mutual respect and trust is essential to unleash team potential and achieve sustainable development.

SSFC strives to foster a safe, inclusive, open, and equitable workplace that empowers employees to contribute their expertise and achieve long-term professional growth. The company values employee engagement and belonging, encouraging interdepartmental collaboration and supporting diverse career and life needs through flexible systems, welfare programs, and learning resources.

In 2024, SSFC employed a total of 1,891 people, of which approximately 83% were male and 18% were female.

The company continues to promote gender equality and diversity, encouraging talent from diverse backgrounds to participate in technical and managerial roles to strengthen organizational resilience and innovation.

Category	Male	Female	Total
Total Employees	1,543	295	1,838
Permanent Employees (Domestic Full-time)	1,044	284	1,328
Temporary Employees (Migrant & Contract Workers)	480	2	482
Non-Regular Employees (Part-time, Interns)	19	9	28
Full-time Employees (Permanent + Temporary)	1,524	286	1,810
Part-time Employees (Non-Regular)	19	9	28
Non-Employee Workers			
Category	Scope of Work	Number of Workers	Contract Type
Manpower Agency	Dormitory Management	5	Through manpower agency contract
Dispatch Service	On-site Production Operations	33	Through labor dispatch company
Dispatch Service	Truck Drivers	10	Through labor dispatch company
Contracted Service	Security Guards	9	Through security company
Contracted Service	Catering Services	10	Through catering company
Contracted Service	Cleaning Services	5	Through outsourcing company
Contracted Service	Pallet Heat Treatment Operations	1	Through outsourcing company
Contracted Service	PTA Unloading Operations	8	Through outsourcing company



## Employee Structure

Shinkong Synthetic Fibers Corporation (SSFC) has always regarded employees as core partners in the company's growth, with each colleague being an indispensable member of the SSFC family. We believe that only in an environment of mutual respect and trust can team potential be fully realized, enabling steady progress toward sustainable development.

To this end, the company is committed to building a safe, open, equal, and diverse workplace where every employee can work with peace of mind, demonstrate professionalism, and achieve continuous growth and support throughout their career.

We value employees' sense of participation and belonging in the workplace, encouraging interdepartmental collaboration and mutual assistance. Through flexible systems, welfare measures, and learning resources, we support employees' career and life needs at different stages. In 2024, the total number of employees at SSFC was 1,891, with approximately 83% male and 18% female. The company will continue to promote gender equality and diversity inclusion policies, encouraging talents from diverse backgrounds to participate in both technical and managerial positions, thereby enhancing the organization's resilience and creativity.

# Employee Information by Gender and Region

## Taiwan

Category	Male	Female	Total
Number of Employ-	1,543	295	1,838
Permanent Em- ployees (domestic full-time)	1,044	284	1,328
Temporary Employ- ees (migrant work- ers, dispatched)	480	2	482
Non-guaranteed Hours Employees (part-time stu- dents, interns)	19	9	28
Full-time Employ- ees (permanent + temporary)	1,524	286	1,810
Part-time Employ- ees (non- guaranteed hours)	19	9	28

## Non-employee Workers

Category	Scope of Services (Work Type)	Quantity	Contractual Arrangement
Manpower Agency	Dormitory Management	5	Contracted via manpower agency
Labor Dispatch	On-site Production Operations	33	Contracted via dispatch agency
Labor Dispatch	Truck Drivers	10	Contracted via dispatch agency
Outsourcing	Security Guards	9	Contracted via security company
Outsourcing	Catering Services	10	Contracted via catering company
Outsourcing	Cleaning Services	5	Contracted via outsourcing company
Outsourcing	Pallet Heat Treatment	1	Contracted via outsourcing company
Outsourcing	PTA Unloading	8	Contracted via outsourcing company

## 3.1.2 Talent Recruitment

### Recruitment Activities

In response to digital media trends, Shinkong Synthetic Fibers (SSFC) also conducts corporate image promotion and talent recruitment through social media and the company website, while releasing more opportunities to attract talent. In terms of physical activities, SSFC mainly recruits through campus recruitment, government-sponsored joint or individual recruitment events, and internal referrals. In 2024, the company participated in 8 recruitment events, attracting talents from various fields.

Participation in Campus Recruitment in Taipei and Taoyuan (2024):

- 3/2 – National Taiwan University
- 3/7 – Yuan Ze University
- 3/21 – National Taipei University of Technology
- 3/24 – National Central University
- 3/28 – National Taiwan University of Science and Technology
- 4/20 – International Student Fair
- 4/27 – Chung Yuan Christian University
- 5/8 – Nan Ya University of Science and Technology
- 5/9 – Chien Hsin University of Science and Technology



### NTU Campus Recruitment



## NCU Campus Recruitment

From 2021 to 2024, SSFC consecutively participated in the “Happy Enterprise” voting campaign organized by 1111 Job Bank. Voted by jobseekers and netizens for their ideal happy enterprise, SSFC has bravely pursued external challenges and, for four consecutive years, won the “Manufacturing Gold Award” under the Happy Enterprise recognition.



Shinkong Synthetic Fibers (SSFC) received the “Manufacturing Gold Award” in the 1111 Job Bank Happy Enterprise Awards for the fourth consecutive year.

## Diversity and Equality

SSFC respects diversity and is committed to creating a workplace environment free from discrimination. The company adheres to the principles of “the right person for the right job” and “making the best use of talent” in recruitment and employment, while following international human rights standards. In the processes of recruitment, training, compensation, promotion, dismissal, and retirement, all forms of differential treatment are excluded.

The company strictly prohibits improper discrimination based on race, nationality, language, religion, gender, sexual orientation, age, marital status, appearance, disability, political stance, or union membership. Recruitment and employment are handled under open, fair, and just principles. In 2024, no discrimination incidents or related complaints occurred.

New Hires in 2024

Age Group	Gender	Number	Ratio*
Under 30	Male	83	23.9%
	Female	8	27.6%
	Subtotal	91	24.1%
31–50	Male	81	8.7%
	Female	16	11.4%
	Subtotal	97	9.0%
Over 51	Male	0	1.6%
	Female	2	0.0%
	Subtotal	2	0.5%
Total		190	10.3%

\*Notes:\*

- 1. New hires include only full-time official employees.
- 2. Ratio = Number of new hires in the gender and age group ÷ Year-end total employees in that group.
- 3. Total ratio = Total new hires ÷ Year-end total employees.

### 3.1.3 Compensation and Benefits

To attract outstanding talent, a comprehensive compensation and benefits package is a critical component. Whether in terms of “salary” or “benefits,” the company provides conditions superior to legal requirements, upholding the principles of equal pay for equal work and gender equality, with absolutely no discrimination based on gender, ethnicity, religion, political stance, or marital status.

The compensation standards for new employees are determined based on four major dimensions: “educational and professional background,” “professional knowledge and skills,” “professional experience,” and “individual performance.” After employment, the company regularly reviews the salary levels of employees at all levels, adjusting salaries and promotions annually according to work performance, to reward employees’ efforts and provide compensation that corresponds to their contributions. This variable pay system is performance-based, linking both individual and organizational results to salary adjustments, thus creating an incentive-driven compensation mechanism.

In addition, SSFC allocates part of its net profit as employee compensation, continually signs collective agreements with the labor union, and clearly specifies in the company’s Articles of Incorporation the number of profit-based bonus days. Additional days are awarded based on employee performance evaluations and reward records. To encourage retention of new hires, the company provides subsidies for new employees aged 15 to 29 under the Ministry of Labor Taoyuan-Hsinchu-Miaoli Branch’s Youth Employment Flagship Program, stabilizing new employees’ career development. To express gratitude for employees’ dedication, SSFC also promotes favorable retirement programs, enabling eligible employees to apply, assisting them in preparing for and transitioning smoothly into the next stage of life.

SSFC not only offers competitive compensation and benefits, maintaining an above-average level in the industry to attract talent, but also ensures effective salary adjustments and promotion mechanisms to retain talent, complemented by comprehensive benefits and retirement programs to care for employees.

## Female-to-Male Pay Ratio

Position Level	2022	2023	2024
Executives	84%	80%	86%
Staff	90%	88%	88%
Operators	94%	76%	79%

\*Note: The calculation is based on the average salary of female employees at each level divided by that of male employees.\*

## Salary Compared to Market Levels

Item / Year	2022	2023	2024
Average Annual Regular Salary Above Market (Male)	28%	23%	22%
Average Annual Regular Salary Above Market (Female)	23%	18%	17%
Entry-Level Salary Above Minimum Wage	28.32%	22.73%	21.95%

\*Notes:\*

1. Market salary data is based on the minimum wage announced by the Ministry of Labor.
2. According to company regulations, new employees' starting salaries are compared with the minimum wage.

## 2024 Ratio of Highest-paid Individual to Median Employees

Item	Ratio
Ratio of highest-paid individual's income	3.58:1
Ratio of highest-paid individual's salary increase to median employee salary increase	0.93:1

## Average and Median Annual Salary for Non-managerial Positions



Median Annual Sal-	677,390	603,859	680,772
Number of Employ-	1,788	1,685	1,622
Number of Employ-	1,303	1,264	1,264

**\*Notes:\***

- A: Excludes assistant managers and above.
- B: Excludes assistant managers and above, as well as foreign employees.
- Figures include variable bonuses.

## Talent Development

### 3.2.1 Training and Capability

New employees of the company are required to undergo six months of training and guidance. During this period, senior colleagues provide mentorship to help them integrate into the group, ensuring a stable adaptation to both work and daily life. In parallel, new hires participate in professional training programs arranged by their respective departments to strengthen the knowledge and skills required for their roles. Additionally, through gamified learning activities in the general education training for newcomers—such as group competitions, introductions to the operation of the Shinkong Cloud Platform, and factory tours—new employees are guided to understand SSFC’s core values and corporate culture, while also fostering interaction and exchange among them.

Talent management and development are key management issues for the company. We actively establish a systematic talent development mechanism, enhancing employees’ professional abilities and strengthening competitiveness and innovation momentum through diversified courses. Since the founding of the “SSFC Corporate University” over 10 years ago, the company has continued to deepen employee training. In recent years, a Talent Development System has been introduced to fully integrate physical and digital learning resources. The company has also formulated mid- to long-term talent development plans, continuously improving comprehensive learning maps, with the goal of attracting and cultivating promising new-generation talent. This ensures their rapid integration into organizational culture and mastery of professional competencies. Additionally, the company focuses on the training of management and succession teams to reinforce leadership and decision-making capabilities, thereby enhancing competitive advantage.

Amid globalization and dynamic market environments, companies face increasingly complex competitive challenges. To respond, SSFC actively promotes a systematic talent cultivation mechanism through diversified courses covering industry trends, occupational safety and health, R&D, professional skills, ESG, Artificial Intelligence (AI), and language training. The objective is to improve employees’ professional literacy, strengthen organizational competitiveness and innovation capacity, and further individual career development and corporate sustainability.

In 2024, courses offered included workplace sexual harassment prevention, effective leadership and communication for supervisors, and succession planning for key management levels. Training also covered corporate management, industry analysis, emerging technologies, and advanced management competencies such as visionary leadership, cross-team collaboration, talent development, decision-

making, strategic thinking, and business acumen. The company also arranged “Chairman’s Time” sessions to share insights on carbon reduction and AI development, while listening to employee suggestions to enhance two-way communication.

Through these diverse and systematic talent development measures, SSFC is committed to creating a work environment of continuous learning and growth, supporting employees in advancing professional skills, management capabilities, and innovative thinking. By establishing a comprehensive training system and leadership development programs, we not only promote individual career growth but also strengthen the organization’s competitiveness and sustainability. Moving forward, the company will continue optimizing training resources and learning platforms to ensure employees remain aligned with industry trends, enabling both employees and the company to grow together and achieve excellence.



Highlights of New Employee Training Activities



ChatGPT Application in OA Courses – Taipei and Zhongli Sessions



Chairman’s Tea Gathering with New Employees

Long-term Training for Managerial Talent

To cultivate managerial talent and enhance organizational capacity, SSFC launched the EMBA credit

program in 2008 through industry-academia collaboration with the Department of Business Administration at Chung Yuan Christian University. Since its inception, the program has successfully trained seven cohorts, with 261 graduates completing the EMBA credit program. The seventh cohort of 40 participants held its commencement ceremony on July 30, 2024.



7th EMBA Graduation Ceremony

SSFC actively invests in talent development with a focus on internal training mechanisms. In 2024, the company was recognized by the Ministry of Labor Taoyuan-Hsinchu-Miaoli Branch as an Outstanding Training Institution and was invited to present training achievements at the Corporate Training Summit. The company also earned the Bronze Award in the TTQS (Talent Quality-management System) certification in 2024.



Awarded the Outstanding Training Institution Award by the Ministry of Labor Taoyuan-Hsinchu-Miaoli Branch





# 勞動部勞動力發展署

## 人才發展品質管理系統評核等級證書

Certificate of Talent Quality-management System (TTQS)

單位名稱  
Name of Institution

新光合成纖維股份有限公司

立案地址  
Address

臺北市大安區仁愛路三段136號5樓

評核範圍  
Certified Range

(如未限定特定範圍，本項得免載)

評核等級  
Certified Level

企業機構版 銅牌  
Enterprise Version, Bronze

效期  
Expiry

115 年 11 月 5 日止



署長 蔡孟良

Director General Tsai, Meng Liang



中華民國 113 年 11 月 6 日

依據人才發展品質管理系統作業要點第17點第1項發證  
發證字號：發証字第1130351437A號

Awarded the TTQS Bronze

Award Competency Development Programs

- Advanced Management Competencies (Department Heads and above): Business Acumen, Cross-team Collaboration, Decision-making, Talent Development, Strategic Thinking, Visionary Leadership
- Mid-level Management Competencies (Plant/Division Managers): Crisis Management, Team Building, Performance Management, Cross-team Collaboration, Talent Development, Leadership Presence
- Frontline Management Competencies (Section Chiefs, Supervisors): Problem Solving, Self-Development, Cost Management, Performance Management, Work Instruction, Employee Motivation
- Core Competencies (All Employees): Integrity, Continuous Improvement, Communication and Coordination, Execution, Proactiveness, Teamwork

## Comprehensive Training Framework

Training Program	Description
New Employee Training	Includes “General Training” and “Professional Training.” General Training: Basic courses conducted three months after entry. Professional Training: Department-specific courses to assist in job performance and life adjustment.
On-the-job Training	Organized by departments, covering professional skills, technical expertise, occupational safety and environmental protection, SOP guidance, etc.
External Training	Selected employees attend external training to keep up with market or technological trends, enhancing competitiveness.
Management Skills	Includes “Level-based Training” aligned with company policies, and “Function-based Training” designed for job-specific requirements.
Professional Technical Seminars	Employees engaged in related business attend seminars or certification programs, with the option to participate in external courses.
Language Training	English and Japanese courses offered via online platforms or company-arranged classes. Subsidies provided upon meeting learning standards.
Factory Internship	Internal factory internships to enhance practical skills and broaden experience, supporting future job rotations or management needs.
Others	Special lectures organized in response to global events, socioeconomic developments, hot topics, or emerging technologies.

Employee Training Hours

In 2024, the average training hours per employee at SSFC was 17.33 hours (Male: 18.43 hours; Female: 12.03 hours).

Category	Gender	2022	2023	2024
Executives	Female	21.89	57.03	32.68
	Male	31.43	37.08	37.59
	Total	30.44	39.62	36.96
Staff	Female	11.16	16.57	10.80
	Male	19.26	23.56	20.88
	Total	17.66	21.98	18.56
Operators	Female	9.29	10.58	7.05
	Male	7.12	42.16	3.77
	Total	7.32	31.06	3.95
All Employees	Female	11.65	19.30	12.30
	Male	17.23	26.95	18.43
	Total	16.32	25.24	17.33

\*Notes:\*

1. In 2024, more training programs were offered to production and engineering units, which are predominantly male, leading to higher average training hours for male employees.

2. Training participants include new hires and employees who resigned during the year.

3.2.2 Performance Evaluation

The results of the annual performance evaluation serve as an important basis for promotion, retention, salary adjustment, and bonuses. Shinkong Synthetic Fibers Corporation (SSFC) conducts performance appraisals to evaluate each employee’s contribution and recognize their efforts through fair and transparent mechanisms.

Through the establishment of annual performance objectives, SSFC not only assesses employees’ work progress but also motivates them to enhance their professional capabilities. Annual evaluations are conducted in accordance with the company’s performance appraisal policy, covering all employees who have served for more than six months. Contract, temporary, or unpaid leave personnel are exempt from the evaluation process.

Performance standards are customized based on job grade and department, including work-related competencies, performance indicators, and required skills. Key indicators include annual contribution, goal achievement, and capability improvement. By setting fair and position-appropriate criteria, the company ensures employees’ performance aligns with organizational goals and drives mutual progress between individuals and the enterprise.

In addition to evaluating employee performance, managerial assessment also includes the supervisor’s ability to support employee performance goals, optimize task efficiency, and control operating costs.

SSFC attaches great importance to fairness and equality in performance evaluation, ensuring that assessments are free from any form of bias related to gender, age, or non-performance-related factors. In 2024, all eligible employees completed the annual performance evaluation process.

Category	Gender	Total Employees	Evaluated Employees	Participation Rate
Supervisory	Male	170	169	99%
	Female	26	24	92%
	Subtotal	196	193	98%
Non-Supervisory	Male	1,373	858	62%
	Female	269	244	91%
	Subtotal	1,642	1,102	67%
Total	Male	1,543	1,027	67%
	Female	295	268	91%
	Grand Total	1,838	1,295	70%



## Notes:

1. Data as of December 31, 2024.
2. Employees who have served less than six months, as well as foreign and dispatched workers, are not included in the annual evaluation.

## SSFC's Human Rights Commitments

- Freedom of Employment: All employment relationships are voluntary; forced or involuntary labor is strictly prohibited.
- Prohibition of Forced Labor: No employee shall be subject to coercion, threats, or the confiscation of personal documents.
- Prohibition of Child Labor: Recruitment processes include age verification and onboarding education on the child labor policy.
- Protection of Female Employees: Reasonable maternity protection, leave systems, and anti-discrimination measures are implemented.
- Fair Compensation and Welfare: All employees receive compensation above the legal minimum and enjoy standard welfare benefits.
- Compliance with Working Hours: Employees are entitled to at least 24 consecutive hours of rest every seven days.
- Respect and Dignity: The company prohibits workplace violence, harassment, and intrusion of privacy, ensuring effective grievance mechanisms.
- Diversity and Inclusion: Hiring and promotion are based solely on merit, ensuring an equitable and respectful workplace.
- Freedom of Association and Data Privacy

SSFC respects employees' rights to freedom of association and collective bargaining.

The company maintains open communication channels with employees and protects the confidentiality and security of personal data through strict information management and cybersecurity measures.

## Human Rights Training

To strengthen awareness of human rights and corporate responsibility, SSFC conducts annual training sessions on human rights, anti-discrimination, anti-harassment, anti-slavery, and business ethics. In 2024, additional sessions on workplace harassment prevention were held for all managers at the section-chief level and above.

Human Rights and ESG Training Statistics (2024)

Location	Training Hours	Participants
Taipei HQ	138.9	89
Chungli Plant	1,733.9	1,424
Guanyin Plant	542.1	342
Total	2,414.9 hours	1,855 participants

### 3.2.2 Performance Evaluation

The evaluation of annual performance targets serves as an important basis for promotion and elimination, while also impacting salary adjustments, bonuses, and advancement opportunities. SSFC carefully assesses each employee’s performance to recognize their contributions. By setting annual performance goals, the company not only monitors employees’ work status and motivates them to reach their potential but also improves their overall capabilities.

Each year, performance evaluations are conducted in accordance with established procedures, covering all employees who have served for at least six months. Regular employees, departing employees, or those on leave without pay are excluded. Performance evaluations are tailored to different job grades and units, incorporating role-specific competencies, work indicators, and required skills. Indicators include annual contributions, progress toward work objectives, and improvement in overall abilities.

In addition to individual performance, the evaluation also considers management’s ability to support

Category	Male Total	Male Evaluated	%	Female Total	Female Evaluated	%	Overall Total	Overall Evaluated
Supervisors	170	169	99%	26	24	92%	196	193
Non-supervisors	1,373	858	62%	269	244	91%	1,642	1,102
Subtotal	1,543	1,027	67%	295	268	91%	1,838	1,295

team performance, enhance work efficiency, and effectively control operating costs. SSFC emphasizes fairness in performance evaluations, ensuring no bias based on gender, age, or other non-performance factors. In 2024, all employees subject to annual performance evaluations completed the process.

\*Notes:\*

1. Headcount is based on employees on payroll as of December 31, 2024.
2. Employees with less than six months of service, migrant workers, and dispatched employees are not included in the annual performance evaluations.

## 3.3 Employee Care

### 3.3.1 Human Rights Protection

Shinkong Synthetic Fibers Corporation (SSFC) continuously implements human rights protection measures that comply with relevant laws and are aligned with the company's internal policies. SSFC is committed to providing a safe and harmonious working environment for employees while encouraging business partners to respect human rights and jointly uphold the principle of "people-oriented" values.

#### Commitment to International Human Rights Conventions

##### Safeguarding Workplace Human Rights

SSFC supports the principles of the United Nations Global Compact (UNGC) and respects international human rights to ensure that its operations do not violate human rights.

Regarding labor rights, the company adheres to the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and relevant domestic labor and gender equality laws. Based on these standards, SSFC has formulated and disclosed its Human Rights Policy and Management Guidelines, prohibiting discrimination, forced labor, and child labor, and ensuring employees' freedom of association and collective bargaining rights.

For workplace safety and health, SSFC is committed to providing a safe working environment that complies with applicable regulations, continuously improving occupational health and safety conditions, preventing workplace accidents, and promoting physical and mental well-being.

SSFC values employees' fundamental rights and extends the principles of human rights protection to its supply chain and business partners to ensure consistent application across all operations.

##### Specific Commitments:

**Employment Autonomy:** All employment relationships must be based on the voluntary consent of the individual. Forced or involuntary labor is strictly prohibited.

**Prohibition of Forced Labor:** No use of violence, coercion, withholding of identification documents, or any restriction of personal freedom for work arrangements.

Prohibition of Child Labor: New hires must meet the minimum legal working age. The recruitment process includes age verification to prevent the risk of child labor.

Protection of Female Employees: Provide reasonable protection and support for female employees during work and maternity, including flexible work arrangements, leave policies, and measures against gender discrimination.

Fair Compensation and Basic Welfare: All employees receive wages no lower than the statutory minimum and are entitled to basic benefits that ensure a decent standard of living.

Compliance with Working Hours: In accordance with labor regulations, ensure employees have at least 24 consecutive hours of rest after six consecutive workdays.

Workplace Respect Culture: Respect employees' privacy and prevent workplace violence and harassment—physical, verbal, or psychological. Effective and confidential grievance mechanisms are in place.

Diversity and Equality: Recruitment, employment, and career advancement are based on merit and suitability. No discrimination based on personal background, identity, or belief. SSFC strives to create a dignified, safe, and fair workplace.

### Freedom of Association and Collective Bargaining

SSFC respects employees' rights to freedom of association and collective bargaining in accordance with labor laws. The company maintains open communication channels with employees and is committed to building a harmonious labor-management relationship.

### Information Security and Privacy Protection

To protect the privacy rights of employees, SSFC ensures that the collection, processing, and storage of personal data comply with legal requirements. Comprehensive data protection mechanisms are implemented across all systems, databases, networks, and storage media to prevent unauthorized access, alteration, or leakage of personal data.

### Human Rights Training

To strengthen corporate social responsibility and sustainable development, SSFC conducts annual training sessions covering human rights policies, anti-discrimination, anti-harassment, forced labor prevention, child labor prohibition, business ethics, and integrity management.

In 2024, in response to regulatory updates, all supervisors at section chief level and above received training on workplace unlawful conduct prevention.

In total, 1,855 participants completed 2,414.9 training hours in 2024 across topics including social responsibility, legal compliance, and corporate sustainability.

### 3.3.2 Employee Benefits

SSFC values employee well-being. Through the Employee Welfare Committee mechanism, the company jointly discusses and plans welfare systems, the use of welfare funds, and annual activity arrangements. Each year, multiple employee activities are organized, including employee trips and Family Day events, to strengthen connections and participation between employees and their families. Since 2023, employee trip options have been expanded to include two-day tours, providing more diverse and flexible leisure choices to meet employees' different lifestyle needs.

In terms of the work environment, the company actively fosters a healthy and friendly workplace atmosphere. The Zhongli Plant is equipped with multifunctional courts, a soccer field, and a sepak takraw court, along with various fitness equipment, enabling employees to relieve stress and maintain physical and mental balance outside of work.

In addition, the company encourages employees to participate in diverse club activities to promote cross-departmental interaction and team cohesion. Currently, there are 11 employee clubs, including tennis, basketball, softball, shrimp fishing, and camping clubs. Each year, the company allocates subsidies to support club-organized activities. Through these extracurricular engagements, employees can enhance interaction and workplace solidarity, building a more vibrant and people-oriented corporate culture.

#### Welfare-related Statistics

- Employee gift subsidies (three traditional holiday bonuses): NT\$5,659,600
- Club subsidies: NT\$809,166
- Club participation: 1,313 person-times
- Employee trips: 1,610 participants (Lefoo Village 1-day trip) + 405 participants (Jianhushan 2-day trip) + 816 participants (Chiayi – Tainan 3-day trip), totaling 2,831 employees and family members
- Annual Family Day activity: 1,714 participants
- Scholarships for outstanding children: NT\$230,000
- Scholarships for children in need: NT\$60,000
- Subsidies for weddings, funerals, hospitalization, and serious illness: NT\$395,200
- Birthday gift money: NT\$1,067,700
- Year-end party souvenirs: NT\$1,448,600





Leofoo Village 1-Day Trip



Yunlin – Chiayi – Tainan 3-Day Trip





Family Day Activity



Club Activities





Employee Club Activities

## Employee LOHAS Leave (Special Section)

SSFC values employees' physical and mental health as well as work-life balance, and actively introduces welfare measures with tangible benefits. Since June 1, 2024, the company has officially implemented the "LOHAS Health Leave" system, granting employees one day of paid leave annually to encourage outdoor activities or personal health adjustments, thereby improving overall well-being and quality of life.

This initiative has been enthusiastically received, with 1,176 employees applying in 2024, totaling 9,408 leave hours. Moving forward, the company will continue to focus on employee needs, optimizing welfare measures to create a healthier and more harmonious workplace environment.



Employee LOHAS Leave

## Employee and Family Care

SSFC emphasizes not only the adaptation and support of employees themselves but also the care for their families, recognizing this as a foundation for building a stable and cohesive workplace culture. To address the adaptation needs of new hires and the educational needs of employees' children, the company has established comprehensive care mechanisms, offering practical assistance from workplace integration to educational support.

- New Employee Care Initiatives: To support new employees entering the workplace, the company promotes five areas of care: environmental adaptation, team interaction, work learning, life adjustment, and mentoring relationships. Through a mentoring system jointly implemented by department supervisors and HR, necessary support and resources are provided to help new hires quickly integrate into the work environment and reduce early-stage adaptation pressure.
- Educational Support for Employees' Children: To assist employees in caring for their families and safeguarding children's education, the company provides "Educational Care Scholarships" for children of employees who died in service or whose families face significant hardship or emergencies, ensuring that children can complete their studies and maintain stable lives.
- Encouraging Children's Excellence: To encourage employees' children to pursue excellence, the company awards scholarships annually. Children who are admitted to prestigious schools, such as National Taiwan University, receive admission congratulatory bonuses and scholarships. Those who demonstrate outstanding academic performance during their studies may also apply for scholarships, encouraging continuous progress.





Scholarships for Outstanding Children



Scholarships for Children in Need

### ❖ Comprehensive Marriage and Childcare Benefits

Caring for employees and looking after colleagues reflects SSFC's commitment. The company extends this care to employees' families by providing comprehensive marriage and childcare benefits, support-

ing them through all major life stages. In doing so, we offer full support to ensure that employees can focus on their work with peace of mind, free from worries.

### Comprehensive Marriage and Childcare Benefits

Item	2022	2023	2024
Number of employees eligible for parental leave (Male)	110	90	78
Number of employees eligible for parental leave (Female)	22	14	18
Number of employees eligible for parental leave (Total)	132	104	96
Number of employees who applied for parental leave (Male)	2	1	5
Number of employees who applied for parental leave (Female)	3	2	5
Number of employees who applied for parental leave (Total)	5	3	10
Employees expected to return from parental leave (Male)	3	1	4
Employees expected to return from parental leave (Female)	3	2	3
Employees expected to return from parental leave (Total)	6	3	7
Employees who actually returned (Male)	3	1	4

Employees who actually returned (Female)	3	2	3
Employees who actually returned (Total)	6	3	7
Return rate % (Male)	100%	100%	100%
Return rate % (Female)	100%	100%	100%
Return rate % (Total)	100%	100%	100%
Employees who returned in previous year (Male)	2	3	1
Employees who returned in previous year (Female)	2	3	2
Employees who returned in previous year (Total)	4	6	3
Employees retained after one year of return (Male)	2	2	1
Employees retained after one year of return (Female)	2	2	2
Employees retained after one year of return (Total)	4	4	3
Retention rate % (Male)	100%	67%	100%
Retention rate % (Female)	100%	67%	100%
Retention rate % (Total)	100%	67%	100%

Employees retained after one year of return (Total)	4	4	3
Retention rate % (Male)	100%	67%	100%
Retention rate % (Female)	100%	67%	100%
Retention rate % (Total)	100%	67%	100%

**\*Explanation:\***

- Return rate = Actual number of employees returned ÷ Expected number of employees returned × 100%
- Retention rate = Number of employees retained for one year after return ÷ Number of employees returned in the previous year × 100%
- Eligibility for parental leave is defined by Article 16 of the Act of Gender Equality in Employment, which allows employees with six months of service to apply for parental leave without pay before their child reaches three years old, up to a maximum of two years.

## Migrant Worker Care (Special Section)

To ensure foreign employees receive proper care and support while working away from home, SSFC has established a comprehensive migrant worker care system. This covers multiple aspects including daily life, physical and mental health, communication, and food quality, creating a secure and inclusive work and living environment.

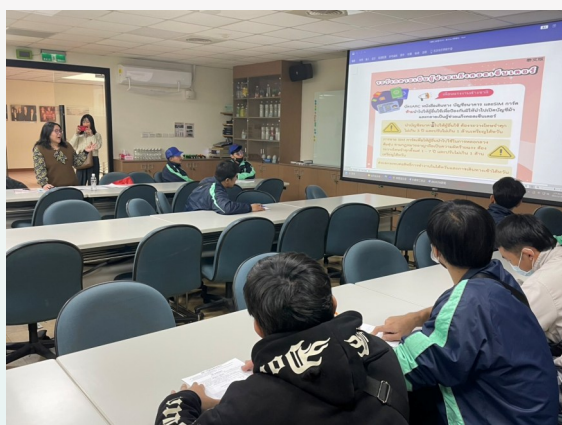
- Quality Living Environment: The company provides well-equipped, safe, and comfortable dormitories with personal space, lounges, sports facilities, and retail areas, along with 24-hour security services.
- Physical and Mental Health Care: Translators assist with daily communication to reduce cultural and language barriers. Activities such as Family Day and employee trips foster emotional exchange and balance.
- Enhanced Communication: Monthly forums for migrant workers are organized, with translators assisting communication between employees and supervisors. Company policies, regulations, and announcements are shared, while feedback and concerns are collected and addressed.
- Food Quality Assurance: The company improves food services through the Meal Committee and real-time feedback mechanisms. Participation in Taoyuan City's "One Company, One Food Safety Volunteer" program strengthens food safety management and supply chain transparency.

### Performance Highlights of Migrant Worker Care in 2024:

- Strengthened promotion and retention systems: 10 migrant workers were promoted to team leader positions, and 2 long-term workers were transferred to mid-level skilled roles under a pilot retention program, ensuring rights and preserving expertise.
- Positive role models and public recognition: A worker from the Guanyin Plant was honored as one of Taoyuan City's "Outstanding Foreign Workers of 2024," showcasing achievements in migrant worker management and development.
- Ongoing regulatory and lifestyle awareness: Monthly forums included new topics such as "e-scooter safety" and "health promotion," with a special event held on November 22 in collaboration with sports associations.
- Health promotion and leave optimization: Since June 2024, the LOHAS Health Leave policy has also applied to migrant workers, with 112 utilizing it.
- Living and dormitory management improvements: In 2024, a new dormitory management system was



introduced to monitor accommodation dynamics and provide guidance. A kitchen gas monitoring system was also installed to detect anomalies and automatically shut off gas, enhancing dining safety.



### 3.3.3 Retirement Planning

Employees devote their efforts to the company, and SSFC treats retired colleagues with care, periodically introducing preferential retirement programs for those with retirement plans to apply. All retirement programs comply with the retirement system under the Labor Standards Act and the Labor Pension Act. Details are provided below:

#### Retirement System under the Labor Standards Act

The company allocates 9% of the total monthly salary to the retirement reserve account with the Bank of Taiwan. On December 25, 1986, the Labor Pension Supervisory Committee was established to oversee the execution of retirement fund allocations and distributions. The committee also convenes regularly to review the status of the retirement reserve account, ensuring smooth pension disbursement and sufficient reserves in the account.

At present, the company's old-system retirement reserve fund amounts to approximately NT\$820 million. Each year, the balance of the fund account is reviewed to confirm whether it is sufficient to meet the retirement needs of employees eligible in the following year. If insufficient, the company makes up the shortfall by the end of March of the following year to ensure full allocation and safeguard employees' rights and interests.

#### Labor Pension Act

In accordance with the graded contribution scale for labor pension wages, the company contributes 6% of monthly wages to each employee's personal account with the Bureau of Labor Insurance. For employees who voluntarily contribute to their pension, the company deducts the contributions and remits them to the employees' personal pension accounts with the Bureau of Labor Insurance.

#### SSFC Retirement Measures

SSFC has established comprehensive retirement regulations that clearly define retirement eligibility, application procedures for pensions, calculation standards, and payment methods. These regulations are updated in line with legal amendments, ensuring employees can apply for the most preferential retirement programs available.

## 3.4 Labor-Management Communication

### 3.4.1 Communication Channels

The company values employees' opinions and participation, providing diverse channels to ensure smooth communication between labor and management. For existing employees and new hires, "Chairman's Time" sessions and "Chairman's Tea Gathering with New Employees" are held, attended personally by the Chairman and the President to listen to their thoughts and feedback. In 2024, a total of 10 Chairman's Time sessions and 2 Tea Gatherings were held, with 248 and 15 participants respectively. Additionally, 36 migrant worker forums were held, attended by 2,382 participants. To help new employees gradually stabilize their development and effectively reduce turnover, the company also arranged for supervisors and senior colleagues to provide six months of mentoring on work and life matters, assisting new hires in adapting to job or personal challenges.

For all employees, the company promotes labor-management communication through various mechanisms. Physical suggestion boxes are set up in frequently accessed areas, an online e-platform is available, and the "1199" hotline is provided as a dedicated reporting channel. These diverse options allow employees to raise issues and receive timely responses. Employees can also express opinions through self-organized unions, the Welfare Committee, and other organizations. The company convenes union representative assemblies, union board meetings, labor-management meetings, and various forums to collect and reflect employee feedback. In 2024, SSFC held 16 labor-management meetings, which helped understand employee perspectives, and no major complaints were recorded. Through such interactions, the company achieves the goal of caring for employees and establishing diverse communication channels, while ensuring alignment of corporate development objectives through communication.

#### Migrant Worker Forums

#### Employee and Human Rights Grievance Channels

- Employee Suggestion Mailbox
- Complaint Hotline: 0800-588-100 (1199)
- Union Hotline: (03)493-2131 ext. 1192
- Employee Representative Assembly: (03)493-2131 ext. 1192
- Zhongli HR Office: (03)493-2131 ext. 1121
- Guanyin HR Office: (03)483-6745 ext. 2120
- Domestic Agent Qijian Toll-free Hotline: 0800-555-897

## Number of Labor-Management Meetings and Participants in 2024

Company	Meetings	Participants	Frequency
SSFC Zhongli	4	29	Quarterly
SSFC Guanyin	4	34	Quarterly
Shin Fong Asia	4	31	Quarterly
Shinkong Engineering	4	16	Quarterly
Total	16	110	

## Other Communication Forums or Meetings in 2024

Forum / Meeting	Sessions	Participants
Chairman's Time	10	248
Chairman's Tea Gathering	2	15
Migrant Worker Forums	36	2,382
Food Supervision Com-	12	143

\*Note: Some training sessions, forums, and meetings were postponed or canceled due to pandemic considerations.\*

## Union Organization and Notification of Major Operational Changes

SSFC respects and safeguards employees' freedom of association, supporting colleagues in joining affiliated unions at their discretion. In 2024, the company had a total of 1,838 employees, of which 1,154 were union members, representing a participation rate of 63%. The company signed collective agreements with the union, primarily applicable to plant employees, covering working hours, wages, working conditions, and grievance mechanisms. These agreements apply comprehensively to all union members. The union plays an important role in consolidating and coordinating opinions in labor relations. The company also values employee rights and participation, ensuring that for major adjustments related to personnel or welfare systems, prior communication is conducted through labor-management meetings and union channels.

Furthermore, during the execution and communication of agreements, the company adheres to the principles of non-intervention, non-coercion, and non-interference, ensuring the autonomy and fairness of organizational operations and collective bargaining.

## 3.5 Workplace Safety

### 3.5.1 Safe Working Environment

#### Occupational Safety and Health Committee

The company has established an Occupational Safety and Health Committee, which holds at least one meeting every three months, chaired by the highest-level plant manager. Committee members include plant managers, security supervisors, occupational safety and health personnel, medical staff, and labor representatives, with labor representatives maintaining at least one-third of the seats. Together, they discuss all safety and health activities in the plants, review and provide recommendations on implementation plans and results, and particularly request responsible supervisors of incidents—whether involving personnel or equipment—to share firsthand accounts and propose improvements, ensuring thorough review and corrective action. Through accident investigations and reviews, recurrence is prevented. Although production lines are supported by job deputies, preventing a decrease in output due to occupational injuries, the company deeply understands that every colleague is both a corporate asset and a family pillar, requiring attentive disaster prevention. In today's era of constant innovation, process and technical improvements are also pursued to ensure a safe work environment.

The Committee's discussions include:

1. Recommendations on occupational safety and health policies.
2. Recommendations on occupational safety and health management plans.
3. Discussion of upcoming safety and health education and training programs.
4. Results of workplace environment monitoring and corrective actions.
5. Health management, occupational disease prevention, and health promotion.
6. Safety and health proposals, unit self-inspections, and safety and health audits.
7. Preventive measures for hazards from machinery, equipment, or raw materials.
8. Occupational accident investigation reports.
9. On-site safety and health management performance.
10. Contractor safety and health management issues.

#### Occupational Safety and Health Management System

To establish a safe working environment and safeguard the safety and health of workers (including non-employees) and stakeholders, the company implemented an Occupational Safety and Health Management System. Each plant follows system provisions regarding occupational safety and health manage-



ment, worker participation, consultation, and contractor operation safety management.

#### Implementation Timeline:

- 2012 — SSFC introduced the Occupational Safety and Health Management System.
- 2013 — Certified under OHSAS 18001 Occupational Safety and Health Management System.
- 2014 – 2019 — Annual external surveillance and recertification audits confirmed system operations.
- 2019 — System updated to the new version; external certification audit passed by year-end.
- 2020 — ISO 45001 certification obtained.
- 2021 – 2024 — Successfully passed follow-up surveillance audits.

#### System Coverage:

- Taipei HQ employees (183) – not included (administrative focus).
- Zhongli and Guanyin plant full-time employees (1,627).
- Part-time employees (28, including student workers and interns).
- Manpower agency staff (5, dormitory management).
- Dispatched drivers (10) and production line workers (33).
- Contractors (33, including security guards, catering services, outsourced cleaning, pallet heat treatment, PTA unloading).
- Total: 1,838 employees + 81 non-employees; 88.52% coverage ratio.

Note: Taipei HQ not covered due to administrative operations.

## Hazard Identification, Risk Assessment, and Accident Investigation

The company conducts comprehensive hazard identification and risk assessments of routine and non-routine operations, in line with its “EHS Hazard Identification and Risk Assessment Management Procedures.” This process ensures appropriate control measures are implemented to lower risk, reduce accidents, and improve safety performance.

Per the Occupational Safety and Health Act, any illness, injury, disability, or death arising from workplace facilities, equipment, raw materials, chemicals, gases, dust, or activities is classified as an occupational accident. All incidents must be reported immediately to supervisors and the safety department, with emergency medical care provided as needed. Investigation reports, including corrective measures,

are submitted to the Occupational Safety and Health Committee for review to prevent recurrence.

Category	Full-Time Em- ployees (Taipei Office)	Full-Time Em- ployees (Zhongli & Guanyin Plants)	Part-Time Employees (Interns & Temporary Staff)	Manpower Agency (Dormitory Management)	Labor Dis- patch (Truck Drivers)	Labor Dis- patch (On-site Production)	Contracted Services (Security, Ca- tering, Clean- ing, Pallet Heat Treat- ment, PTA Unloading)
Number of People	183	1,627	28	5	10	33	33
Total	1,838	81					
Coverage Ra- tio (%)	—	88.52%	1.52%	Not included in the compa- ny’s audit scope as it is already man- aged under the parent company’s system.			

## From Policy to Action

SSFC views workplace safety and employee health as the foundation of sustainable operations and corporate social responsibility. Its Safety and Health Policy covers four core principles:

- Compliance with safety regulations.
- Elimination of hazards.
- Commitment to continuous improvement.
- Prevention of occupational injuries and illnesses.

Actions include:

- Unsafe Behavior Reporting Platform (since 2022): 87 improvements recorded in the first year.
- Weekly Safety Care Activities (every Wednesday): peer reminders, observations, and experience sharing. Senior executives actively participate.
- Smart Manufacturing Adaptation: Safety training videos and AI detection of personal protective equipment usage to minimize human error.
- Committee Oversight: Regular risk reviews and cross-departmental collaboration on improvements, with external communication to contractors, suppliers, and communities.

The company continues to strengthen systems, enforce onsite practices, and promote all-employee participation, steadily advancing toward its “zero accidents, zero incidents” goal.

Workplace Environment Monitoring

The company engages external consultants to monitor environmental conditions such as noise, CO<sub>2</sub>, dust, and chemical exposure. Mitigation measures include adding soundproofing materials in high-noise areas and installing local exhaust ventilation in dusty operations. Employees are required to wear protective equipment. Results consistently meet legal standards, though further improvements are actively pursued.

Safety and Health Training and Advocacy

Item	2022	2023	2024
Working Hours (hrs)	2,974,952	2,919,524	2,877,241
Fatalities	0	0	0
Fatality Rate	0	0	0
Serious Occupational Injuries	0	0	0
Serious Injury Rate	0	0	0
Recordable Injuries	5	4	1
Frequency Rate (FR)	1.68	1.37	0.35
Severity Rate (SR)	99.16	77.07	13.55

Employees regularly attend regulatory safety courses and participate in industry and academic seminars. External experts provide training on safety technology, knowledge, and regulations. Internal communication occurs through meetings and emails.

In 2024, external trainers conducted professional safety and health courses, including licensing programs, totaling 6,743.9 hours of training. Departments also conduct daily operational safety training, with results uploaded to the intranet for tracking.

Safety Protection and Emergency Drills

High-risk SOP drills are performed with cross-unit participation. Safety procedure videos are used for



training and onboarding. Plants conduct joint firefighting and disaster response drills with neighboring facilities and local fire brigades.

Preventive Measures:

- Regular inspections of tanks, pipelines, and buildings, with immediate repairs after earthquakes.
- AED installations to prevent fatalities.
- Enhanced fire safety management, including extinguisher inspections and functional tests of alarms and systems.

Joint Exercises: Expanded firefighting and evacuation drills with Taoyuan Fire Department, covering fire prevention, firefighting, and escape training.

Occupational Injury Records

\*Notes:\*

- No fatalities or serious occupational injuries in 2024.
- One injury recorded in 2024 (entrapment injury).
- 49 “near-miss” incidents recorded in 2024; NMFR = 17.03.
- Definitions follow the million man-hour calculation method.

Item	2022	2023	2024
Total Working Hours (hours)	2,974,952	2,919,524	2,877,241
Number of Occupational Fatalities	0	0	0
Occupational Fatality Rate	0	0	0
Number of Severe Occupational Injuries	0	0	0
Severe Occupational Injury Rate	0	0	0
Number of Recordable Occupational Injuries	5	4	1
Frequency Rate of Disabling Injuries (FR)	1.68	1.37	0.35
Severity Rate of Disabling Injuries (SR)	99.16	77.07	13.55

## 2024 Occupational Injury Case and Improvement Measures

Date: 2024/03/09

- Incident: Employee injured while handling an abnormal situation in the AUS-buffer area, struck and compressed by an AGV.
- Corrective Action: Installed infrared braking sensors on AGVs to prevent workers from attempting troubleshooting without halting equipment.



◎Annual Employee Health Checkups  
and Consultation

◎Onsite Occupational Physician Health Guidance

### 3.5.1 Employee Health Management

#### Concept of Employee Health Maintenance

Employees are the company's greatest asset. Creating a workplace filled with hope and vitality is a key focus of Shinkong. Beyond work, the company aspires for employees to enjoy a harmonious life both physically and mentally. Therefore, through care programs, welfare systems, and company activities, employees can work happily and live fulfilling lives. In addition to providing care and support systems for employees and their families, the company also regularly organizes activities such as employee trips, Family Day activities, and club activities. Furthermore, through a variety of lectures and courses, employees can engage in diverse life experiences outside of work.

The company also assigns dedicated occupational health nursing staff and hires certified occupational medicine specialists and trained occupational health service physicians to provide onsite services. By promoting workplace health, the advantages for both the company and employees include:

1. Reducing employee turnover and sick leave while improving productivity and product quality.
2. Lowering medical and health insurance costs as well as workplace accidents.
3. Reducing employee stress, increasing job satisfaction, and improving health.
4. Enhancing corporate image and competitiveness, with benefits extending to families and communities, ensuring a healthy workplace and fostering physically and mentally healthy employees, thereby maximizing company interests.

## Prevention of Occupational Diseases

For occupational disease prevention, the priority is to investigate and identify risks in operations to formulate preventive measures. For health promotion, health checks, employee interviews, and supervisor care are conducted to collect and analyze potential health risks and develop promotional activities.

In accordance with legal requirements, health checks were conducted for 688 employees under the age of 40. For employees working in special operations (noise, dust, chemicals, solvents, radiation, etc.), special health checks were arranged. Items included noise, dust, organic solvents, among others. Senior staff of the company (including factories and subsidiaries) undergo health checks every two years. In 2024, there were 879 special health checks for personnel in special operation environments, and 54 health checks for canteen staff in the Bottle Department.

Among the special noise health checks, 31 employees were classified under Level 4 health management (with 3 reclassified as Level 2). Of these, 26 were required by occupational physicians to strictly wear protective equipment (earplugs). The participation rate for all health checks reached 98%.

Additionally, employees and their families receive discounts at Shinkong Hospital and designated hospitals for outpatient services, hospitalization, and health examinations.

- ◎Annual Employee Health Checkups
- ◎Onsite Occupational Physician Health Guidance and Consultation

## Employee Health Management Measures

- Conduct health checks in accordance with regulations. For employees in special hazardous operations, arrange additional special health checks, implement health risk classification management, and follow up according to the law.
- Provide reimbursement for medical expenses (actual cost basis) for employees suffering from occupational injuries.

- Install sports facilities in large plants, such as multifunctional courts, table tennis rooms, badminton rooms, and gyms, and regularly organize competitions with prizes.
- Provide medical consultation services through onsite infirmaries and medical staff. Activities include health consultations, preventive care, and screenings (e.g., colorectal cancer) in cooperation with health authorities and nearby hospitals, as well as health seminars.
- To improve flu vaccination rates, a subsidy of NT\$500 per dose is provided, with hospitals arranged to administer vaccines onsite. In 2024, 200 employees (including subsidiaries) received flu vaccinations.

## Promotion of Employee Physical and Mental Health

- Organize supportive group activities for weight loss.
- Promote running, walking, blood pressure checks, and group exercise to encourage a fitness culture.
- Conduct semiannual blood donation drives at the Zhongli Plant's medical office. To increase participation, commemorative gifts are provided by the Welfare Committee. On March 7, 182 bags of blood were donated, and on September 5, 121 bags, marking a 30 – 40% increase over previous years.
- Organize hiking activities, regular employee trips, and community-friendly events to strengthen neighborhood relations.
- Establish clubs such as tennis, bowling, softball, badminton, mountaineering, and shrimp fishing, with plant activity centers providing fitness equipment for supportive exercise environments.

On September 11, the Health Education Department of Kangning Hospital conducted a health seminar on “Warning Signs of Lung Disease + Stress-Relief DIY Workshop,” attended by 57 participants.

## Prevention of Health-related Hazards and Diseases

- Monthly onsite occupational physician and health service physician visits to identify hazards and provide health education and individual counseling.
- Use of the “Echman standalone health management system” to analyze historical employee health data and identify high-risk employees for targeted follow-up by plant nurses.
- Dissemination of health promotion messages through digital boards, mail, bulletin boards, and video systems.
- Follow-up on abnormal health check results to raise employee awareness of their own health conditions.

茲感謝

新光合成纖維股份有限公司 中壢廠

積極協助推動正確使用鎮靜安眠藥暨藥物  
濫用防制衛教計畫，貢獻良多。特頒此狀，  
謹致謝忱。

聯新國際醫療集團

總執行長

Chief Executive Officer,  
Landseed International Medical Group

聯新國際醫院

院長

Superintendent,  
Landseed International Hospital, Taiwan

2024/11/8

 **LANDSEED**  
聯新國際醫療



### 3.5.3 Contractor Safety and Health Management

To ensure that contractors can implement autonomous safety management during construction or operations within the plants and to prevent disasters such as casualties or equipment damage, the Contractor Entry and Operations Management Guidelines were established. The scope of application covers external contractors undertaking the company's related business, where all or part of the company's operations are entrusted to contractors, in accordance with the definition of contractual relationships under Article 490 of the Civil Code.

The guidelines cover contractors' safety and health management capabilities, occupational accident reporting, hazardous operations control, education and training, emergency response, and performance evaluation. Contractor management plans are formulated to ensure contractors and their workers comply with the Occupational Safety and Health Act and related management requirements set by the company. All machinery, equipment, tools, workpieces, gas cylinders, solvents, and other hazardous chemical substances classified under national standard CNS15030 brought into the plants must comply with relevant laws and standards. Proof of compliance must be provided to security personnel before entry.

#### Contractor Safety Management Measures and Training

Work safety is the company's highest guiding principle. Therefore, when contractors and cooperating vendors enter SSFC plants, each contractor's employee must complete safety and health education training, pass the test, and sign confirmation before gaining plant entry qualifications. SSFC also holds quarterly contractor safety and health education training and post-training assessments. Through constant reminders and repeated training, employees' safety awareness is enhanced, preventing the occurrence of occupational accidents.

In addition to safety training, each time contractor personnel enter and exit the plant, they are escorted by supervisors. Before project operations begin, safety briefings are conducted to inform contractors of potential hazards in the workplace, enhancing construction safety awareness. Beyond supervision, SSFC also requires safety and health management personnel and supervisors at all levels to conduct irregular spot audits during contractor operations. Any abnormalities must be immediately reviewed, and improvement plans must be drafted and completed to ensure contractor work safety and the implementation of safety and health policies.

To safeguard contractors' work safety, the company also inspects contractors' equipment, vehicles, materials, fire-related equipment, and electrical devices, while checking contractors' mental and physical

conditions to ensure compliance with SSFC safety rules before entry. This prevents non-compliant situations that could lead to disasters. To strengthen engineering safety management, the Information Department has developed a program for supervisors to report daily safety inspection results, thereby ensuring contractor operational safety.

In the past three years, two occupational injury cases occurred among contractors. These incidents demonstrate that contractor management still has room for improvement, requiring all company members, including supervisors and contractors, to jointly raise awareness, comply with plant safety regulations, and implement relevant occupational accident prevention measures.

### Contractor Occupational Injury Statistics

Item	2022	2023	2024
Number of Fatalities	1	0	0
Number of Serious Oc-	0	0	0
Number of Recordable	2	0	0
Recordable Injury Rate	5.29	N/A	N/A

- Notes:
- Starting from 2021, contractor working hours were recorded. In 2022, contractors accumulated 189,080 working hours.
  - Definition of serious occupational injury: Injury cases where the worker fails to recover to pre-injury health status after more than six months.
  - Recordable injuries = Disabling injuries + Serious occupational injuries + Fatalities.



## 4. Sustainable Environment

### Material Topic: Energy Management

Item	Description
Policy Direction	Research and improvement, committed to energy saving and waste reduction. Innovative thinking with emphasis on environmental quality. Smart industry, eco-friendly and non-toxic green energy.
Core Objectives	<ul style="list-style-type: none"><li>- Innovative thinking, committed to energy saving and waste reduction.</li><li>- Annual electricity saving rate should reach 1% to ensure rational and efficient energy use, reduce costs, lower energy consumption, reduce carbon emissions, and enhance product competitiveness, achieving sustainable operation goals.</li></ul>
Performance Results	<ul style="list-style-type: none"><li>- Proposed 69 energy-saving improvement projects.</li><li>- Estimated energy-saving benefits: NT\$22.751 million/year.</li><li>- Actual 2024 energy-saving benefits: NT\$13.422 million.</li><li>- 2024 improvement projects generated savings equivalent to approx. 4.186 million kWh.</li><li>- Avoided greenhouse gas emissions: 2,068 tons CO2e.</li></ul>
Action Plans	Require departments to propose energy-saving cases based on past methods (insulation improvement, compressed air saving, waste heat recovery, high-efficiency equipment, water recycling, lighting energy saving, energy control, equipment improvement, frequency conversion, power regulation) or innovative ideas. After review and approval, projects are implemented and benefits tracked for 12 months, with results reviewed in energy meetings.

Resources Invested	<ul style="list-style-type: none"> <li>- Energy Conservation Promotion Committee.</li> <li>- KM platform.</li> </ul>
Feedback Mechanism	<ul style="list-style-type: none"> <li>- Energy-saving meetings.</li> <li>- Improvement proposal suggestion platform.</li> </ul>
Evaluation Mechanism	<ul style="list-style-type: none"> <li>- Review results in energy-saving meetings.</li> <li>- Internal/external audits.</li> <li>- Industrial Energy Saving Service Network / Production-based Industry Energy Platform.</li> <li>- Industrial Greenhouse Gas Voluntary Reduction Information Platform.</li> </ul>
2025 Target	<ul style="list-style-type: none"> <li>- Annual electricity saving rate should reach 2% or more.</li> <li>- Ensure rational and efficient energy use through innovative thinking, reducing consumption and costs.</li> <li>- Fulfill corporate social responsibility, dedicated to energy conservation and carbon reduction, achieving sustainable operation goals.</li> </ul>

## Material Topic: Water Resource Management

Item	Description
Policy Direction	Know water, use water, cherish water, ensure sustainable water resources.
Core Objectives	Reduce water consumption by 10%.
Performance Results	Annual water saving: 12,432 tons/year.
Action Plans	Recycle and reuse discharge water from CP6 pelletizer.
Resources Invested	Construction cost: approx. NT\$170,000 (new pumps, tanks, pipelines, flow meters, instrument wiring).
Feedback Mechanism	Install flow meters to record water volume. Abnormal readings are immediately addressed with corrective measures.
Evaluation Mechanism	Install flow meters to record and confirm recovery performance.
2025 Target	Reduce water consumption by 2%.

Material Topic: Greenhouse Gas Management

Item	Description
Policy Direction	Compliance with regulations, energy saving and waste reduction, pollution prevention, and continuous improvement.
Core Objectives	Reduce energy-related carbon emissions by 78.5% compared with the previous year.
Performance Results	<ul style="list-style-type: none"><li>- 2024: 53 voluntary greenhouse gas reduction cases.</li><li>- Actual benefits in 2024: NT\$20.649 million (equivalent to 6.5138 million kWh saved).</li><li>- Avoided greenhouse gas emissions: 3,218 tons CO2e.</li></ul>
Action Plans	<ul style="list-style-type: none"><li>- Comprehensive energy-saving and emission-reduction projects (compressed air saving, waste heat recovery, high-efficiency equipment, water recycling, lighting energy saving, energy control, equipment improvement, frequency conversion, power regulation, etc.).</li><li>- Regular greenhouse gas inventories.</li></ul>
Resources Invested	<ul style="list-style-type: none"><li>- SSFC ERP platform.</li><li>- Occupational Safety &amp; Environmental Protection Section.</li><li>- One inventory seed staff per related unit.</li></ul>

Feedback Mechanism	<ul style="list-style-type: none"><li>- Improvement proposal suggestion platform.</li><li>- Annual internal inventory conducted at Zhongli Plant (Jan–Feb).</li></ul>
Evaluation Mechanism	<ul style="list-style-type: none"><li>- Inventory and review in accordance with ISO 14064-1 standards.</li><li>- MOEA Industrial Development Administration – Industrial GHG Voluntary Reduction Information Platform (submission of GHG reduction implementation plans and results).</li></ul>

## 4.1 Green Operations

### 4.1.1 Environmental Data Overview

Indicator	2024 Performance (Zhongli & Guanyin Plants, excluding Taipei HQ)
Energy Consumption	2,993.9 TJ
Electricity Saved from Energy-saving Measures	9,370 MWh
GHG Emissions	294,538 metric tons CO <sub>2</sub> e
Water Saved	504.5 thousand tons
Water Recycled	743.4 thousand tons

- 69 energy-saving projects in 2024.
- Investment: NT\$21.511 million.
- Expected savings: 9,370 MWh/year.
- Expected benefit: NT\$22.751 million/year.
- Energy savings: 33.7 TJ.
- GHG reduction: 4,630 metric tons CO<sub>2</sub>e.

### 4.1.2 Energy Management

Energy management is a key strategy to respond to climate change and carbon reduction challenges. In 2023, ISO 50001 Energy Management System was introduced to set baselines for high energy-consuming equipment and measurable goals. Smart meters and monitoring platforms installed to ensure real-time and transparent energy data management. Energy-saving actions include low-grade heat recovery, replacement of high-efficiency motors, optimization of compressed air systems, and process steam adjustments.

#### Examples of Achievements (2024):

- Motor Replacement: 126 IE4 high-efficiency motors replaced, saving NT\$298,000 in electricity costs and reducing 44 tons CO<sub>2</sub>e.
- Compressed Air Optimization: Saved NT\$1.751 million energy costs at Zhongli Plant.
- Steam Use Adjustment: Saved NT\$1.146 million and reduced 465 tons CO<sub>2</sub>e at Guanyin Plant.

#### Energy Consumption by Type (2024):

Energy Consumption by Type (2024):

Energy Source	Consumption (TJ)	%
Electricity	1,350.5	45.11%
Green Power	23	0.77%
Natural Gas	1,206.4	40.29%
Coal	341.0	11.39%
Heavy Oil	63.8	2.13%
Diesel	9.4	0.31%
Total	2,993.9	100%

Energy intensity: 0.13 TJ per NT\$1 million revenue.

- Reduction goals: 3% (2022), 8% (2025), 15% (2030) compared with 2018 baseline.
- 2024 achieved a 12.01% reduction.

Energy-saving Improvement Incentive Program (2024):

Category	Proposals	Expected Benefit (NT\$ '000/ year)	Investment (NT\$ '000)	Electricity Saved (MWh/year)	CO <sub>2</sub> e Re- duced (tons/year)
Energy Manage- ment	45	9,590	3,991	3,390	1,675
Process Im- provement	11	2,830	894	2,353	1,163
Equipment Im- prove- ment	13	10,331	16,626	3,627	1,792
Total	69	22,751	21,511	9,370	4,630

Renewable Energy and Fuel Transition:

- Boiler fuel switch from oil to gas to reduce emissions.
- 2024 installed renewable capacity: 5,079.2 kW (exceeding required 4,965.62

- kW).
- Green electricity purchased: 6.38 million kWh; 6,349 Renewable Energy Certificates obtained.
  - Solar power investment: NT\$791 million in 2024, cumulative assets NT\$3.445 billion.
  - Solar generation in 2024: 80.06 MW.

### 4.1.3 Water Resource Management

Plant	Water Withdrawal (ML)	Discharge (ML)	Consumption (ML)
Zhongli	1,595	331.2	1,263.8
Guanyin	218.8	105	113.8
Total	1,813.8	436.2	1,377.6

Recycled Water (2024): Zhongli – 464,158 tons; Guanyin – 40,426 tons; Total – 504,584 tons.

- Water-saving ratio: 28.1% of total withdrawal.

Targets for water withdrawal reduction (baseline 2018): 3.5% (2022), 10% (2025), 20% (2030).

### 4.1.4 Greenhouse Gas Management

Scope	Emissions (metric tons CO <sub>2</sub> e)	% of Total
Scope 1 (Direct)	109,343	38.0%
Scope 2 (Indirect from en-	178,770	62.0%
Total	288,113	100%

- Carbon intensity: 12.5054 metric tons CO<sub>2</sub>e / NT\$1 million revenue.
- Reduction goals (baseline 2018): 7% (2025), 22% (2030), Net Zero by 2050.
- 2019 – 2024 cumulative reduction: 39.67%.

Unit GHG Emissions per Production (metric tons CO<sub>2</sub>e/ton):

Plant	2022	2023	2024
Zhongli	0.2981	0.2825	0.2705
Guanyin	0.4737	0.6779	0.6207
Total	0.3180	0.3102	0.2970



### 4.1.5 Material Circular Management

Plant	Item	Shipped	Recycled	Recovery Rate
Zhongli	Plastic Pallets	26,173	19,477	74%
Zhongli	Wooden Pal- lets	68,981	60,492	88%
Guanyin	Wooden Pal- lets	25,097	15,850	63%

- Average pallet recycling rate: ~80%.
  - Reused pallets (after repair): 21,609 units in 2024.
- If pallets cannot be reused internally, prioritized for recycling and regeneration.

## 4.2 Pollution Prevention

### 4.2.1 Wastewater Discharge Management

Item	Description
Approach	<p>Effective management of wastewater treatment lies in rigorous source control. SSFC has established dedicated departments and personnel for wastewater discharge. Treatment methods include neutralization, sedimentation, flotation, and activated sludge biological processes, adjusted to wastewater source characteristics at each plant. Treated wastewater must meet national effluent standards before discharge. Zhongli Plant discharges into Laojie Creek, while Guanyin Plant's wastewater is treated at the Industrial Park Sewage Treatment Plant before being discharged.</p>
Measures	<ul style="list-style-type: none"><li>- Class A certified personnel manage wastewater facilities.</li><li>- Effluent data linked with Environmental Protection Bureau.</li><li>- Daily operational logs at wastewater facilities.</li><li>- Quarterly regulatory reporting of water quality tests.</li><li>- Establish wastewater monitoring system.</li></ul>
Training & Maintenance	<ul style="list-style-type: none"><li>- Operators must hold certified qualifications.</li><li>- Equipment maintained regularly per schedules.</li><li>- Water pollution prevention awareness programs.</li></ul>

Wastewater Discharge Volumes (tons):

Plant	2022	2023	2024
Zhongli	375,148	326,493	331,243
Guanyin	138,174	108,908	105,400

Wastewater Discharge per Unit of Output (tons):

Plant	2022	2023	2024
Zhongli	0.40	0.37	0.36
Guanyin	1.18	1.67	1.44

4.2.2 Air Pollution Emission Management

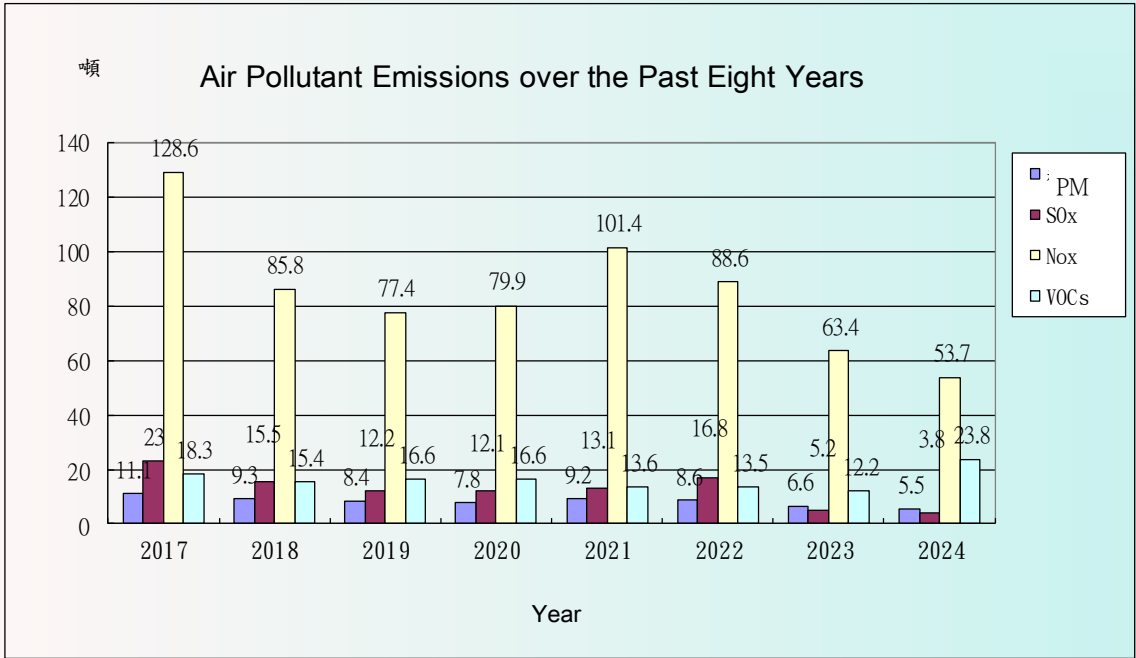
Item	Description
Approach	SSFC continually strengthens process management and upgrades aging equipment. In 2024, total emissions fell by 0.7% compared to 2023, mainly due to a 9.7% decline in output. However, emission intensity per unit product increased by 10.5%. The company is installing a natural gas boiler (started August 5, 2024) to replace coal boilers, which will further reduce emissions.
Measures	<ul style="list-style-type: none"><li>- Regular pollutant source inspections per regulations.</li><li>- All emissions meet or exceed government standards.</li><li>- Pollution control equipment includes monitoring systems with real-time alerts.</li><li>- Daily odor inspections every two hours (12 per day), immediate corrective action if odors detected.</li><li>- Community complaint hotline available: (03) 493-2131 ext. 1145.</li></ul>

Air Pollutant Emissions (tons, Zhongli + Guanyin):

Year	Particulates	SOx	NOx	VOCs	Total
2017	11.1	23.0	128.6	18.3	181.0
2018	9.3	15.5	85.8	15.4	126.0
2019	8.4	12.2	77.4	16.6	114.6
2020	7.8	12.1	79.9	16.6	116.4
2021	9.2	13.1	101.4	13.6	137.3
2022	8.6	16.8	88.6	13.5	127.4
2023	6.6	5.2	63.4	12.2	87.4
2024	5.5	3.8	53.7	23.8	86.8

Air Emissions per Unit Output:

Year	Emissions (tons)	Production (tons)	Emissions/ Production
2017	181.0	462,766	0.00039
2018	126.0	505,393	0.00025
2019	114.6	470,395	0.00024
2020	116.4	454,609	0.00026
2021	137.3	551,715	0.00025
2022	127.4	514,566	0.00025
2023	87.4	456,925	0.00019
2024	86.8	412,518	0.00021



### 4.2.3 Waste Management

Item	Description
Approach	SSFC strictly follows regulations and CSR policies, enhancing waste management to minimize environmental impacts. All waste is reported truthfully and handled by licensed contractors. Focus is placed on waste reduction, classification, and recycling, implementing the 4R principles (Reduce, Reuse, Recycle, Resource Recovery). In 2024, Zhongli Plant reduced D waste by 8.7% (233.43 tons) and Guanyin Plant by 6% (22.54 tons). Recyclable waste ratio improved significantly (Zhongli: 51% → 74%; Guanyin: 0% → 60%). Hazardous waste, mainly halogenated organic liquids from labs, is stored and outsourced to certified treatment plants.
Measures	<ul style="list-style-type: none"><li>- Centralized waste storage facilities.</li><li>- Dedicated staff for waste yard management.</li><li>- Strict classification and recycling enforcement.</li><li>- Regular cleaning and disinfection.</li></ul>
Core Principle	Proper storage, rigorous transport, strict classification.

D Waste Reduction Targets:

Goal	2024	2025	2030
Reduction % vs.	3%	5%	10%

D Waste Volumes (tons):

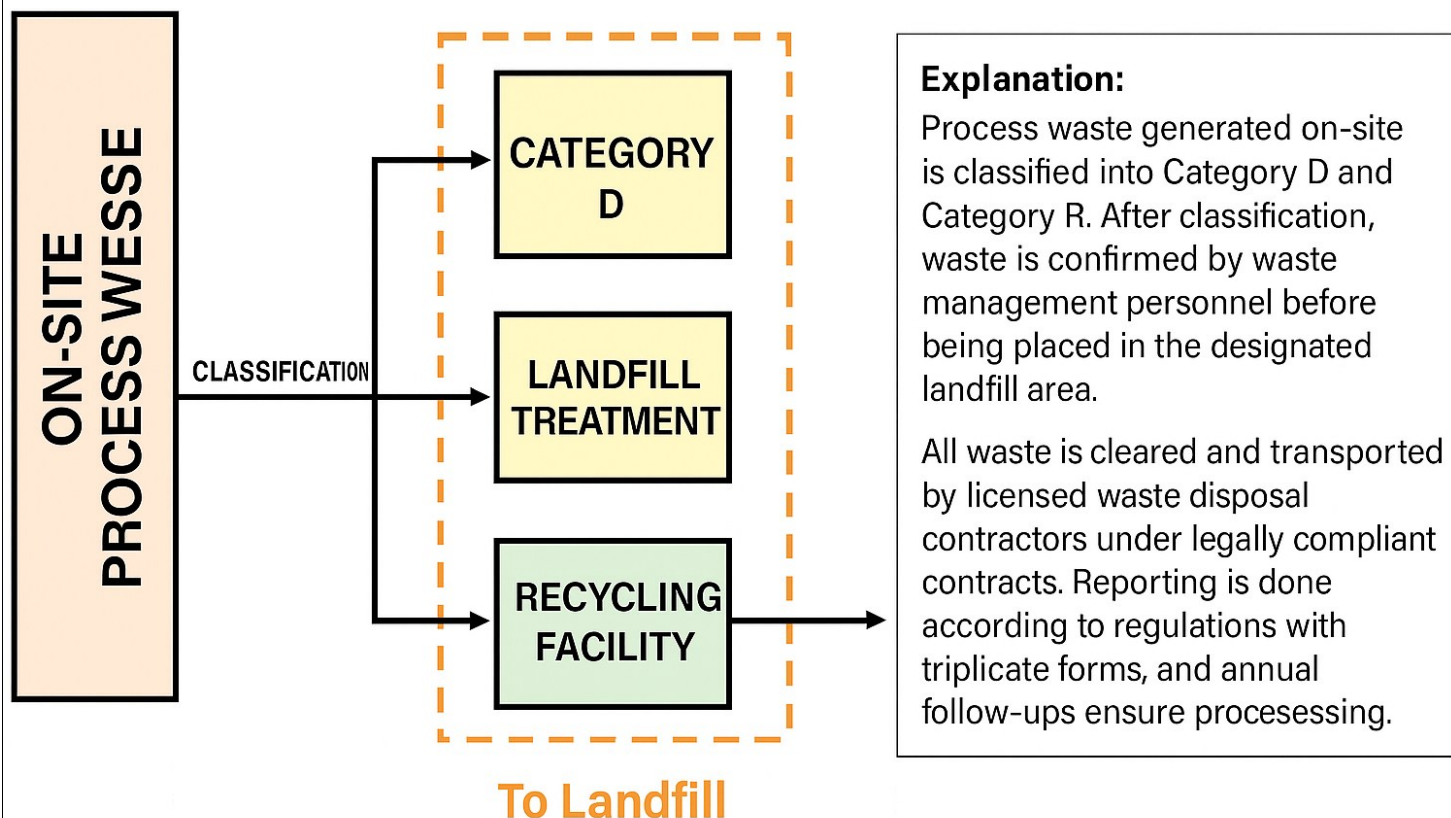
Plant	2020 Baseline	2024	Reduction	Target
Zhongli	2,672.24	2,438.81	8.7%	4%
Guanyin	349.00	326.46	6.0%	4%

Waste Disposal Summary (2022 – 2024)

Plant / Waste Type	Disposal Method	Category	Weight (tons)	Disposal Method	Category	Weight (tons)	Disposal Method	Category	Weight (tons)
			2022			2023			2024
Zhongli Plant – General Industrial Waste (All Outsourced)	Incineration	D	2,755.6	Incineration	D	1,124.82	Incineration	D	2,438.81
	Recycling	R	3,163.81	Recycling	R	5,257.05	Recycling	R	6,925.39
Guanyin Plant – General Industrial Waste (All Outsourced)	Incineration	D	537.81	Incineration	D	404.96	Incineration	D	326.46
	Recycling	R	332.44	Recycling	R	572.50	Recycling	R	488.07
Total (Zhongli + Guanyin)	Incineration	D	3,293.41	Incineration	D	1,529.78	Incineration	D	2,765.27
	Recycling	R	3,496.25	Recycling	R	5,829.55	Recycling	R	7,413.46
Zhongli Plant – Haz- ardous In- dustrial Waste (All Outsourced)	Incineration	B	0.00073	Incineration	B	0	Incineration	B	0.3986
Guanyin Plant – Haz- ardous In- dustrial Waste (All Outsourced)	Incineration	B	0	Incineration	B	0	Incineration	B	0.7268

Total (Zhongli + Guanyin)	Incineration	B	0.00073	Incineration	B	0	Incineration	B	1.1254
---------------------------------	--------------	---	---------	--------------	---	---	--------------	---	--------

## On-Site Process Waste



### Waste Composition and Treatment (tons):

Year	Plant	Incineration (D Waste)	Recycling (R Waste)	Hazardous (B Waste)
2022	Zhongli	2,755.6	3,163.81	0.00073
2022	Guanyin	537.81	332.44	0
2023	Zhongli	1,124.82	5,257.05	0
2023	Guanyin	404.96	572.50	0
2024	Zhongli	2,438.81	6,925.39	0.3986
2024	Guanyin	326.46	488.07	0.7268

#### Notes:

- Waste is classified as D (incineration/landfill) or R (recycling).
- All waste managed by licensed contractors with full regulatory compliance.
- Hazardous waste (B) mainly halogenated organic liquids, outsourced to qualified facilities.



Description:

Waste generated from on-site processes is classified into Category D and Category R through sorting operations. After verification by waste yard management personnel, the waste is stored in the designated yard.

For removal and transport, contracts are signed with licensed waste disposal companies, with triplicate manifests submitted in accordance with regulations. Additionally, annual on-site inspections are conducted to ensure that waste is handled in compliance with legal requirements.

Depending on the type of waste, it is treated either through landfill disposal or incineration.

Sent to certified recycling agencies, where it is processed and converted into other usable products.

*Process Waste Generated On-site*

*Waste Yard*

*Category D*

*Category R*

*Landfill Disposal*

*Incineration*

*Recycling Agency*

*Recycled Products*

## 5. Local Community Engagement

### Bade Disaster Prevention Education Center – “Shinkong’s Little Fire Safety Warriors”

In 2024, Shinkong Synthetic Fibers Corporation (SSFC) collaborated with the Fudan Fire Brigade of the Fourth Battalion, Taoyuan City Fire Department, to host a fire safety and disaster prevention education event at the Bade Disaster Prevention Education Center in Taoyuan. The initiative aimed to strengthen public disaster preparedness and raise awareness of emergency response knowledge.

According to Captain Chiang Lin-jung of the Fudan Fire Brigade, the cooperation with Shinkong was designed to launch a series of fire prevention and disaster response programs, enhancing employees’ ability to respond effectively in the event of emergencies and safeguarding both life and property. The Bade Disaster Prevention Education Center offers a variety of simulated disaster scenarios and interactive installations, making it an ideal venue for hands-on learning.

Through engaging checkpoint-style games and interactive learning, Shinkong employees and their families gained practical experience in fire prevention, emergency rescue, and evacuation procedures, including rope descent escape simulations. These immersive activities helped reinforce disaster response skills and elevated awareness of fire safety in a fun and memorable way.

Upholding its commitment to sustainable development and corporate social responsibility, Shinkong actively promotes community disaster prevention awareness through participation in public education programs. As part of the event, the company donated promotional materials to the Fudan Fire Brigade to support future fire prevention outreach activities. This gesture reflects Shinkong’s belief in giving back to society, inspiring more enterprises to engage in local community disaster education and resilience-building efforts.



### Earth Hour Initiative

Shinkong Synthetic Fibers Corporation (SSFC) participated in Earth Hour 2024, one of the world’s largest environmental campaigns, by turning off all non-essential lighting for one hour across its headquarters and manufacturing sites. Through this symbolic action, the company demonstrated its commitment to energy conservation and climate action.

This initiative not only reflects SSFC’s dedication to reducing carbon emissions but also aims to enhance employee awareness of energy efficiency and climate change issues. By joining this global movement, SSFC reaffirmed its sustainability vision — to cherish energy, protect the planet, and take

collective action for a greener future.



## Earth Hour Campaign

Shinkong Synthetic Fibers Corporation (SSFC) actively participated in Earth Hour, one of the world's largest environmental initiatives, in 2024. The company simultaneously turned off all non-essential lighting at its headquarters and across all manufacturing sites for one hour, demonstrating its concrete commitment to energy conservation and climate action.

Through this activity, Shinkong not only strengthened employees' awareness of energy-saving practices and climate change issues, but also promoted the company's core value of cherishing energy and protecting the planet.

By joining hands with the global community, SSFC reaffirmed its dedication to environmental sustainability and its role in supporting worldwide efforts to combat climate change.



Two students from the Department of Industrial Engineering at Chung Yuan Christian University, Mr. Liang and Mr. Hou, received an Honorable Mention Award for their excellent project performance.

### Community Engagement and Philanthropy

In the area of social care and community development, Shinkong Synthetic Fibers Corporation (SSFC) has long supported local culture and social welfare initiatives. Each year, the company provides regular funding for the Guangren Community Care Center, and actively participates in community events such as the Mid-Autumn Festival Gala, Double Ninth Festival for the Elderly, Lantern Festival riddles, and local temple celebrations. Through these ongoing contributions and volunteer participation, SSFC strengthens neighborhood relationships, fosters cooperation, and helps build a stable and friendly community environment.

### Sungwu Elementary School Dance Team Sponsorship

To nurture young talent and fulfill its corporate social responsibility, SSFC provides an annual sponsorship of NT\$100,000 to support the Sungwu Elementary School Dance Team. This initiative aims to encourage outstanding students in developing their athletic and artistic potential, cultivating positive interests and perseverance through performance and teamwork.

### Community Engagement Contributions in 2024

Category	Activity / Initiative	Amount (NTD)
Social	Joint Disaster Prevention Education Event with Taoyuan City Fire Department	71,424
	Subtotal	71,424
Neighborhood Support	Yi-Min Community Neighborhood Watch Program	10,000
	Sponsorship for Pingxing Community Mid-Autumn and Double Ninth Festival Elderly Care Events	48,000
	Funding for Guangren Community Care Center	10,000
	Subtotal	68,000
Education	Sponsorship for Sungwu Elementary School Dance Team	100,000
	Sponsorship for Pingxing Elementary School 30th Anniversary Celebration	100,000
	Subtotal	200,000
Total		339,424



# Appendix

## GRI Standards Content Index

Disclosure	Disclosure Title	Report Section	Note
2-1	Organizational Details	1.1 Company Overview	—
2-2	Entities Included in the Organization's Sustainability Reporting	1.1 Company Overview	—
2-3	Reporting Period, Frequency, and Contact Point	1.1 Company Overview	—
2-4	Restatements of Information	None	—
2-5	External Assurance	Appendix – Third-Party Assurance Statement	—
2-6	Activities, Value Chain, and Other Business Relationships	1.1 Company Overview / 1.2 Products and Applications	—
2-7	Employees	3.1 Employee Management	—
2-8	Workers Who Are Not Employees	3.1 Employee Management	—
2-9	Governance Structure and Composition	2.1 Governance Structure	—
2-10	Nomination and Selection of the Highest Governance Body	2.1 Governance Structure	—

2-11	Chair of the Highest Governance Body	2.1 Governance Structure	—
2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	2.1 Governance Structure	—
2-13	Delegation of Responsibility for Managing Impacts	2.1 Governance Structure	—
2-14	Role of the Highest Governance Body in Sustainability Reporting	2.1 Governance Structure	—
2-15	Conflicts of Interest	2.1 Governance Structure	—
2-16	Communication of Critical Concerns	2.2 Integrity Management	—
2-17	Collective Knowledge of the Highest Governance Body	2.1 Governance Structure	—
2-18	Evaluation of the Highest Governance Body's Performance	2.1 Governance Structure	—
2-19	Remuneration Policies	3.3 Compensation and Benefits	—
2-20	Process to Determine Remuneration	3.3 Compensation and Benefits	—
2-21	Annual Total Compensation Ratio	3.3 Compensation and Benefits	—

## SASB Standards Index (Chemicals Industry Standard, Version 2018-10)

Topic	Code	Accounting Metric	Report Section	Note
Greenhouse Gas Emissions	RT-CH-110a.1	Gross global Scope 1 emissions, % covered under emissions-limiting regulations	4.1 Green Operations – Greenhouse Gas Management	—
	RT-CH-110a.2	Discussion of long-term and short-term strategies or plan to manage Scope 1 emissions, emissions reduction targets, and performance against targets	4.1 Green Operations – Greenhouse Gas Management	—
Air Quality	RT-CH-120a.1	Air emissions of key pollutants	4.2.2 Air Pollution Emission Management	—
Energy Management	RT-CH-130a.1	(1) Total energy consumed, (2) % grid electricity, (3) % renewable	4.1 Green Operations – Energy Management	—
Water Management	RT-CH-140a.1	(1) Total water withdrawn, (2) total water consumed, (3) % each in regions with high or extremely high baseline water stress	4.1 Green Operations – Water Resource Management	—



	RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	None	No such incidents occurred in 2024
Hazardous Waste Management	RT-CH-150a.1	Amount of hazardous waste generated, % recycled	4.2.3 Waste Management	—
Community Relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	5. Local Engagement	—
Workforce Health & Safety	RT-CH-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR)	3.7 Workplace Safety / 3.8 Employee Health Management	—
Product Design for Use-phase Efficiency	RT-CH-410a.1	Revenue from products designed to be more energy efficient	1.2 Products and Applications	—

Safety & Environmental Stewardship of Chemicals	RT-CH-410b.1	(1) % of products by revenue that contain Globally Harmonized System (GHS) Category 1 and 2 substances, (2) % of such products with hazard communication	4.3 Pollution Prevention	—
Management of the Legal & Regulatory Environment	RT-CH-530a.1	Discussion of corporate governance approach to compliance with environmental laws and regulations	2.2 Integrity Management	—
Operational Safety, Emergency Preparedness & Response	RT-CH-540a.1	Process safety event (PSE) rates for Tier 1 and Tier 2	3.7 Workplace Safety	—

## TCFD Index

Recommendation	Disclosure	Report Section
Governance	Describe the board's oversight of climate-related risks and opportunities	2.1 Governance Structure / 4. Sustainable Environment
	Describe management's role in assessing and managing climate-related risks and opportunities	2.1 Governance Structure / 4. Sustainable Environment
Strategy	Describe the climate-related risks and opportunities identified over the short, medium, and long term	4. Sustainable Environment – Energy, Water, GHG
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	4. Sustainable Environment – Energy, Water, GHG
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	4. Sustainable Environment – Greenhouse Gas Management
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	4. Sustainable Environment – Greenhouse Gas Management
	Describe the organization's processes for managing climate-related risks	4. Sustainable Environment – Greenhouse Gas Management

	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	4. Sustainable Environment – Greenhouse Gas Management
Metrics & Targets	Disclose the metrics used to assess climate-related risks and opportunities in line with strategy and risk management	4. Sustainable Environment – Greenhouse Gas Management
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	4. Sustainable Environment – Greenhouse Gas Management
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	4. Sustainable Environment – Greenhouse Gas Management

# Third-Party Assurance Statement

## Independent Limited Assurance Report

We have been engaged by Shinkong Synthetic Fibers Corporation (SSFC) to provide independent assurance on the 2024 Sustainability Report. Our responsibility is to express a limited assurance conclusion on whether the report is prepared in accordance with the GRI Standards.

## Scope and Standards

- The assurance engagement was conducted in accordance with AA1000AS v3 (2020) and ISAE 3000 (Revised).
- The subject matter includes selected disclosures from the 2024 SSFC Sustainability Report.

## Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2024 SSFC Sustainability Report is not prepared, in all material respects, in accordance with the GRI Standards.

Signed

Independent Assurance Provider

# Greenhouse Gas Inventory Statement

## Statement of Greenhouse Gas Emissions Inventory

Shinkong Synthetic Fibers Corporation (SSFC) has conducted its GHG inventory in accordance with ISO 14064-1:2018 standards.

- Scope 1 (Direct Emissions): 109,343 metric tons CO<sub>2</sub>e
- Scope 2 (Indirect Emissions from Energy): 178,770 metric tons CO<sub>2</sub>e
- Total: 288,113 metric tons CO<sub>2</sub>e

The GHG emissions inventory for 2024 has been verified by a third-party verification body, achieving reasonable assurance.

Signed

Third-party Verification Body



## 獨立保證意見聲明書

### 新光合成纖維股份有限公司 2024 年永續報告書

「法國標準協會」於1926年成立，作為法國國家標準的主管機關，並擔任「國際標準組織」的常任理事國代表，是全球知名的驗證機構之一。本項保證工作由「法國標準協會」亞太公司「法標國際認證股份有限公司」執行，團隊成員均具有專業背景，且接受過AA1000 AS、AFAQ 26000、ISO 9001、ISO 14001、ISO 14064、ISO 45001、ISO 50001等永續性相關之品質、環境、能源、安全與社會責任等國際標準的訓練，而擁有主導稽核員或查證員之資格。法標國際認證股份有限公司（以下簡稱法標）與新光合成纖維股份有限公司（以下簡稱新光合纖）為相互獨立的實體，法標除了本獨立保證聲明書所述內容外，並未涉及或介入新光合纖永續報告書之準備過程。

#### 責任

新光合纖負責按所宣告之永續報導準則，在永續報告書中對臺灣營運據點的經濟、環境與社會面向之營運活動與績效進行報導。

法標負責按所描述的範圍與方法，為新光合纖及其利害關係人提供一份獨立保證意見聲明書，本聲明書僅供新光合纖使用，不對其他用途負責。

#### 範圍與標準

新光合纖與法標協議的保證範圍包括：

1. 保證作業範疇與「新光合成纖維股份有限公司2024年永續報告書」揭露範疇一致。
2. 法標依據AA1000保證標準(v3)之第一應用類型進行保證作業，審查與評估新光合纖遵循AA1000當責性原則(2018)的符合程度。
3. 保證作業包括審查與評估新光合纖的相關流程、系統與管制及可取得之績效資訊，以及下列報導準則遵循的情況：
  - GRI永續報導準則

#### 方法

- 報告書採用依循 GRI 永續報導準則進行報導，對報告書內容符合 GRI 準則的一般揭露及特定主題揭露進行審查。
- 查證團隊與相關人員進行訪談，確認利害關係人的溝通與回應機制與重大主題決策流程等，然而，並不直接接觸外部利害關係人。
- 與報告書編制相關的所有文件、數據和資訊由查證團隊與相關人員的訪談進行查核。
- 基於抽樣計畫，審查組織產出、蒐集與管理報告書中所揭露的質化與量化資料的流程。
- 藉由訪談各組負責人員，檢驗與審視相關的文件、資料與資訊，評估報告書內容之支持性素材與證據來源合理。

#### 結論

- ◆ AA1000當責性原則

#### 包容性

新光合纖已建立多元且廣泛的利害關係人議合機制，辨識並理解利害關係人關注的重要議題，







並廣泛納入各方意見，展現該組織在包容性的具體實踐。

#### 重大性

新光合纖已建立流程來收集、分析與鑑別與其永續發展相關的議題。該報告書中已呈現所規劃與實施的重大性分析與決策結果，並藉以排序與回應各項重大主題。未來可持續精選決策流程並融入營運管理，以合理與均衡地決策出重大主題來進行管理。

#### 回應性

新光合纖已在報告書中揭露經濟、治理、環境與社會的資訊，使利害關係人得以對該公司的治理與管理績效進行了解。未來可持續按各相關報導要求，配合組織運作情形與管理績效來予以回應。

#### 衝擊性

新光合纖已對其營運過程中對整體環境產生之衝擊，提供必要的資源進行監控與量測。在報告書中已揭露所辨識的各項衝擊與管理措施。未來可持續提供資源對相關資訊進行量測、收集與揭露，展現該組織對衝擊性的具體實踐作為。

#### ◆ GRI永續報導準則

基於審查的結果，確認報告書中一般揭露與特定主題揭露及重大主題管理揭露等，已遵循GRI永續報導準則之要求。未來可結合其他國際報導要求，彙整與揭露各營運據點運作績效，提供充分完整的永續資訊給利害關係人使用。

#### 意見聲明

法德依據AA1000保證標準(v3)的查證指引及GRI永續報導準則，已發展完整的永續性報告保證準則。我們認為就新光合纖所提供的足夠證據及現場查證的所見事實，秉持公允的原則，對該組織遵循的全球永續性報導準則的情況出具聲明。我們總結「新光合纖纖維股份有限公司2024年永續報告書」內容，對於新光合纖的相關運作與特定績效提供了一個公平的觀點。我們相信有關新光合纖在2024年的經濟、社會及環境等特定績效指標是被正確地呈現。

#### 保證等級

依據AA1000保證標準(v3)，我們從依據本聲明書中所指述的範圍與方法，認定本聲明書為中度保證等級。

以上，謹代表「法國標準協會」

Dr. August Tsai 認證與評鑑部門 理事

2025年06月29日

查證團隊：廖正豪(主筆查證員)、王嘉穎(查證員)、林漢鵬(查證員)

法德認證股份有限公司－臺灣地區有線廣播電台路102號20樓之2

電話：+886(3)220 0050，傳真：+886(3)220 7889

網址: <https://www.afnor.com/en/>



AA1000  
Licensed Report  
000-84/V3-UR7G7

afnor  
GROUPE





# VERIFICATION OPINION OF GREENHOUSE GAS STATEMENT

Opinion No.:  
C749507-2024-AG-TWN-DNV

Issued place and date:  
Taipei, 25 April, 2025

Page 1 of 2

This is to verify initiate reporting of Greenhouse Gas Inventory Management Report (2024) of

## Shinkong Synthetic Fibers Corporation Zhongli Factory

### Scope of Verification

DNV Business Assurance (DNV) has been commissioned by Shinkong Synthetic Fibers Corporation Zhongli Factory to perform a verification of the greenhouse gas statement of Greenhouse Gas Inventory Management Report (2024) (hereafter the "Inventory Report") in Taiwan, R.O.C.

### Verification Criteria and GHG Programme

The verification was performed on the basis of Climate Change, Administration Ministry of Environment Greenhouse Gas Programme as well as criteria given to provide for consistent GHG emission identification, calculation, monitoring and reporting. The verification was conducted in accordance with Mandatory Greenhouse Gas Reporting System requirements.

### Verification Opinion

It is DNV's opinion that with reasonable assurance the greenhouse gas assertion of the Inventory Report of April 17, 2025 is free from material discrepancies in accordance with the verification criteria identified as stated above.

Sophia Kim  
GHG Verifier

A handwritten signature in blue ink that reads "Sophia Kim".

Place and date:  
Taipei, 25 April, 2025

For the issuing office:  
DNV Business Assurance Co., Ltd.  
29FL, No. 293, Sec. 2, Wenhua Rd.,  
Banqiao District, New Taipei City 220,  
Taiwan

A handwritten signature in blue ink, likely belonging to the Management Representative.

Management Representative



Opinion No.: C749507-2024-AG-TWN-DNV  
Place and date: Taipei, 25 April, 2025

Page 2 of 2

## Supplement to Opinion

### Process and Methodology

The reviews of the Inventory Report and the subsequent follow-up interviews have provided DNV with sufficient evidence to determine the fulfilment of stated criteria. The Inventory Report correctly complies with the requirement of Mandatory Greenhouse Gas Reporting System.

### Quantification of Greenhouse Gas Emission

The Inventory Report covering the period 1<sup>st</sup> January 2024 to 31<sup>st</sup> December 2024, it is DNV's opinion that the Inventory Report results in quantification of GHG emissions that are real, transparent and measurable.

### Organizational Boundary of Verification

The boundary is defined by Ministry of Environment with respect to the following area: No. 223, Sec. 3, Yanping Rd., Pingzhen Dist., Taoyuan City 324613 Taiwan( Factory Registration No.: 99623862 / Environmental Registration No.: H5100952)

### GHGs Verified

☒CO<sub>2</sub> ☒CH<sub>4</sub> ☒N<sub>2</sub>O ☒HFCs ☒PFCs ☒SF<sub>6</sub> ☒NF<sub>3</sub>

Total Direct Emissions: 95,137.5131 Tonnes CO<sub>2</sub>-e

Total Energy Indirect Emissions: 147,286.6376 Tonnes CO<sub>2</sub>-e

The Global Warming Potential (GWP) defined in IPCC AR5 (2013) has been chosen and correctly referred by the Organization.

*The indirect emissions were calculated based on emission factors of 2024 electricity emission factor of 0.474 kg CO<sub>2</sub>-e/kwh, which was announced by Energy Administration, Ministry of Economic Affairs.*

### Verification Opinion

☒ unmodified ☐ modified ☐ adverse