

2024

# Sustainability Report



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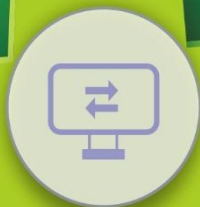


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# Corporate Profile

# I. Corporate Profile

## 1.1 About this Report

### 1.1.1 Reporting Period

In this Sustainability Report, Nam Liong Global Corporation (hereinafter referred to as **Nam Liong Global**) makes systematic disclosure of **Nam Liong Global's** performance, management approaches and objectives in governance, environmental, and social aspects for the year 2024 (from January 1, 2024, to December 31, 2024). At **Nam Liong Global**, we publish our Sustainability Report annually in August as required by the competent authorities and make it publicly available on Nam Liong Global's official website. Release date of previous report: September 2024; Release date of current report: August 2025.

### 1.1.2 Reporting Standards

The compilation of this 2024 Sustainability Report was based on the following standards and regulations:

| Issuing Authority  | Standards and Frameworks/Legal References   |
|--|---|
| Global Reporting Initiative (GRI)                          | GRI Standards 2021  |
| Sustainability Accounting Standards Board (SASB)           | SASB Standards-Apparel, Accessories and Footwear  |
| Task Force on Climate-related Financial Disclosures (TCFD) | TCFD Framework  |
| Taipei Exchange (TPEX)                                     | Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies   |
| Financial Supervisory Commission (FSC)                     | Regulations Governing Information to be Published in Annual Reports of Public Companies-<br>Climate-Related Information of TWSE/TPEX Listed Company |

### 1.1.3 Scope and Boundaries

The scope of the information in this Report aligns with the business units included in the consolidated financial statements. Please refer to **Nam Liong Global's** Consolidated Financial Reports for the comprehensive list of affiliates.

Supplementary explanations will be provided within each chapter for variations in the disclosed scope of each chapter compared to the above-mentioned. All statistical data disclosed in this Report were calculated following the specified calculation basis as follows:

|                           |  |
|---------------------------|--|
| <b>Financial Data</b>     | The Economic Income Distribution Table utilizes the data from consolidated financial reports audited by certified public accountants. Unless otherwise specified, all financial data is presented in New Taiwan Dollars (NT\$).  |
| <b>Environmental Data</b> | The greenhouse gas (GHG) emissions are computed using the inventory method specified in ISO 14064-1:2018 Greenhouse Gases. The statistical data regarding water resources and waste are derived from figures submitted by each operational site to the respective local competent authorities. |
| <b>Other Data</b>         | Self-report statistics derived from aggregate data collected from individual operational locations.  |

\* Note 1: Information regarding each subsidiary is only partially disclosed.

### 1.1.4 Restatements of Information

This Report has restated certain information from the preceding period. Please refer to the table below for further details:

| Restated Section   | Reason for the Restatement                   | Impact of the Restatement   | Corresponding Section                |
|--|--|---|--------------------------------------|
| Total volume of greenhouse gas emissions for the year 2022 、2023 | Changes in measurement or calculation method | Recompiled total volume of greenhouse gas emissions for the year 2022 、2023 | 5.4.1 Greenhouse Gas (GHG) Inventory |
| Weight by category of procured materials for the year 2023       | Changes in measurement or calculation method | Recompiled the weight by category of procured materials for the year 2023   | 5.1.1 Materials Management Policies  |



### 1.1.5 Internal Controls

**Nam Liong Global**, in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Companies, has established a **Sustainability Report Subcommittee** under the **Sustainable Development Promotion Committee** to oversee the overall planning, coordination, and integration of sustainability reporting operations. A dedicated **Task Force on Sustainability Reporting** is responsible for compiling and consolidating relevant information, and engages **external sustainable development consultants** as necessary. Upon completion, the Sustainability Report is subject to a preliminary review by the **Sustainability Report Subcommittee**, a **secondary review** by the **Sustainable Development Promotion Committee**, and is finalized by the General Manager.

### 1.1.6 External Assurance

This Report is independently compiled by **Nam Liong Global**. Although third-party assurance has not been conducted, all contents are reviewed and approved by the General Manager prior to publication to ensure the accuracy and comprehensiveness of the accuracy and integrity of all disclosed information.

### 1.1.7 Contact Information

|                     |   |   |   |
|---------------------|---|---|---|
| Contact Unit        | Nam Liong Global Corporation  |  |  |
| General Manager     | Wang, Kelly   |   |   |
| Spokesperson        | Pai, Ching-Jen  |   |   |
| Deputy Spokesperson | Su, Meng-Hsu  |   |   |
| Address             | 6F., No.349, Yangguang St., Neihsu Dist., Taipei City 114715, Taiwan (R.O.C.) |   |   |
| Tel.                | (02) 2659-1588  |   |   |
| Email               | namliong_public@namliong-global.com   |   |   |



## 1.2 Message from the General Manager and Sustainability Achievements

### 1.2.1 Message from the General Manager

In 2024, the world continued to face multiple challenges stemming from climate change, resource constraints, and geopolitical tensions. In the face of such dynamics, industries are compelled to accelerate their transformation efforts and actively realign their course. Sustainable transition is no longer optional, but essential. As a midstream supplier in the textile industry, Nam Liong Global remains committed to our core philosophy of “**respect for life, protection for environment**”. We firmly believe that only by integrating sustainability into our daily operations, process optimization, and product development can we steadily navigate a rapidly evolving environment, thereby turning challenges into opportunities, and subsequently positioning ourselves as a benchmark enterprise in sustainable composite materials with global competitiveness.

Looking back at 2024, Nam Liong Global demonstrated tangible progress in environmental management. Carbon emissions were reduced by 517.821 metric tons, representing a 6.8% reduction compared to the baseline year of 2022. We also completed internal carbon footprint assessment for four products, effectively reinforcing our low-carbon foundation. Continuous improvements were made in water resource and waste management. Water use intensity decreased by 8.9% compared to the baseline year of 2022, 100% of wastewater discharges complied with applicable regulations, and 61.87% of total waste generated was reused, reflecting our concrete commitment to resource sustainability. To further enhance the environmental value of our products, we have continued to expand our Eco-Family product series by introducing water-based and solvent-free processing technologies. These efforts have effectively reduced volatile organic compounds (VOCs) emissions and resource consumption, thereby enhancing product differentiation and strengthening our sustainability-driven market competitiveness.

In terms of social responsibility, Nam Liong Global was once again recognized as one of the 1111 Job Bank Happy Enterprise, underscoring our longstanding commitment to employee well-being and workplace safety. In 2024, 100% of new recruits completed human rights education training, and we delivered 108 internal training sessions, providing training for 956 individuals, demonstrating our ongoing dedication to talent development. We also supported over 15 local organizations across areas including education development, public welfare, and promotion of religious and cultural activities, fulfilling our commitment to corporate social responsibility. In terms of corporate governance, we remained committed to upholding integrity management and risk control, with no incidents of corruption or major violations recorded throughout the year. In terms of supply chain management, we remained focused on enhancing operational resilience and transparency, achieving a local sourcing ratio of 81.45%, with 86% of Tier-1 suppliers meeting the required standards specified in our Sustainability Self-Assessment Questionnaire for Supplier.

Moving forward, Nam Liong Global will continue to drive value innovation and sustainable growth, building upon the sustainability foundation established in 2024. We will further strengthen carbon inventory and energy conservation management mechanisms, while enhancing overall operational efficiency through advanced smart manufacturing and anomaly management capabilities. In response to shifting global market dynamics and the ongoing green transition, we will maintain a steady and pragmatic approach to optimize our presence on global market, expand the advantages of our differentiated products, and reinforce green supply chain collaboration with our brand partners, collectively advancing toward a more resilient, value-driven, and responsible sustainable future.



General Manager

A handwritten signature in black ink, consisting of stylized Chinese characters, located below the photograph of the General Manager.

## 1.2.2 Highlights of Sustainability Achievements

| Aspect                                      | Effectiveness of Initiatives in 2024  |
|---|---|
| <b>E</b><br><b>Environmental Protection</b> | <ul style="list-style-type: none"> <li>• <b>Energy conservation and carbon reduction:</b> In 2024, carbon emissions were reduced by <b>517.821</b> metric tons, representing a 6.8% reduction compared to the baseline year of 2022. Internal carbon footprint assessments were completed for <b>four</b> products.</li> <li>• <b>Reduced resources consumption:</b> In 2024, <b>61.87%</b> of total waste generated was reused, <b>100%</b> of wastewater discharges complied with applicable regulations, and water use intensity (WUI) decreased by <b>8.9%</b> compared to the baseline year of 2022.</li> </ul>  |
| <b>S</b><br><b>Social Responsibility</b>    | <ul style="list-style-type: none"> <li>• <b>Continuously honored as Happy Enterprise:</b> Continued to be recognized as one of the 1111 Job Bank Happy Enterprise in 2024.</li> <li>• <b>Respecting human rights:</b> <b>No</b> incidents of forced or compulsory labor violations, and <b>no</b> significant penalties or compensation due to legal violations. In addition, 100% of new recruits received human rights education training.</li> <li>• <b>Prioritizing training and education:</b> In 2024, a total of <b>108</b> courses were provided, training for <b>956</b> individuals. The average training hours per person amounted to <b>8.81</b> hours.</li> <li>• <b>Continuously engaging in social activities:</b> In 2024, total donations amounting to NT\$ 1,491,000 were made to support education development, religious and cultural activities, community welfare, and local security, benefitting over <b>15</b> local organizations.</li> </ul> |
| <b>G</b><br><b>Corporate Governance</b>     | <ul style="list-style-type: none"> <li>• <b>Diversified Board structure:</b> The current term of the Board of Directors consists of <b>two</b> female directors, representing <b>22%</b> of the total Board seats.</li> <li>• <b>Anti-corruption management:</b> <b>No</b> incidents of integrity management or ethical-related violations, and <b>no</b> incidents of <b>corruption</b>.</li> <li>• <b>Supplier management:</b> Achieved a local sourcing ratio of <b>81.45%</b>, with an <b>86%</b> pass rate in the supplier sustainability self-assessment.</li> <li>• <b>Risk management:</b> Completed the renewal of certification for both ISO 13485: Medical Devices Quality Management System and ISO 27001: Information Security, Cybersecurity and Privacy Protection Management Systems.</li> </ul>  |



【2024 Nam Liong Global Employee Basketball Tournament】

### 1.3 Stakeholder Engagement

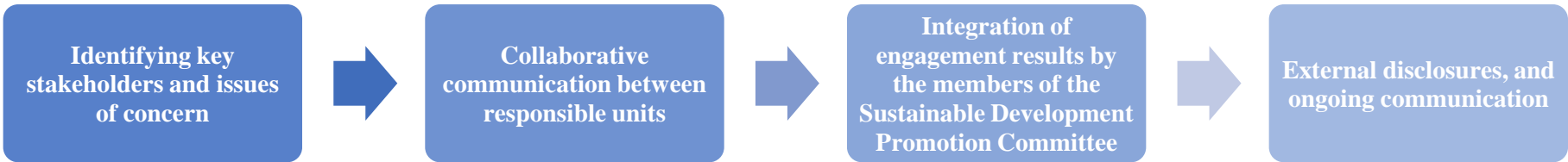
#### 1.3.1 Stakeholder Identification

The term “stakeholder” refers to individual or group that has an interest that is affected or could be affected by the organization’s activities. **Nam Liong Global’s** Sustainable Development Promotion Committee, in collaboration with external expert scholars, referenced AccountAbility’s AA1000 Stakeholder Engagement Standard, considering five aspects: dependency, responsibility, tension, influence, and diverse perspectives, to identify Nam Liong Global’s important stakeholders. This process also considered the GRI Standards, benchmarking against industry peers, and the stakeholder identification results from **Nam Liong Global’s** 2023 Sustainability Report. As a result, the seven key stakeholders remained unchanged, namely **customers, shareholders and other investors, suppliers, employees and other workers, government agencies, local communities, and financial institutions.**

#### 1.3.2 Stakeholder Communications

To better understand and address stakeholders’ concerns, **Nam Liong Global** provide diverse communication channels and engage in regular discussions and consultations with stakeholders. This ensure that stakeholders can voice their opinions and suggestions at any time, enabling us to better comprehend ESG issues that matter most to different stakeholders. This also enables us to propose corresponding strategies to address these concerns, thereby strengthening two-way communication and fostering mutual trust.

##### (1) Stakeholder Communication Mechanism and Management Procedures



##### (2) Stakeholders and Communication Results

| Stakeholder | Description   | Major Concerns  | Communication Channel(s) and Frequency |             | Responsible Unit | Communication Result(s)   | Response(s) from Nam Liong   | Response(s) from Stakeholder   |
|-------------|---|---|--|-------------|------------------|---|--|--|
| Suppliers   | Mutually assisting and beneficial collaborative relationship with suppliers | Effective risk management<br>Supplier relationship maintenance<br>Supply chain audit management | Emails                                 | Immediate   | Business Units   | Average scores of 2024 Supplier Assessment<br>• Functional Material/Textile Division: 98 points<br>• Products Divisions: 96 points<br>In 2024, a total of 77 Sustainability Self- | Supplier assessments were conducted on an ongoing basis, with all assessment results meet the target values. | Ensuring strict oversight of raw material quality and delivery schedules in collaboration with Nam Liong, along with a progressive focus on sustainable development, aims to establish a key |
|             |   |   | Phone calls                            | Immediate   |                  |   |  |  |
|             |   |   | Interviews                             | Irregularly |                  |   |  |  |

| Stakeholder | Description   | Major Concerns   | Communication Channel(s) and Frequency |             | Responsible Unit | Communication Result(s)  | Response(s) from Nam Liong  | Response(s) from Stakeholder  |
|-------------|---|--|--|-------------|------------------|--|---|---|
|             |   | Fulfillment of sustainable development   |  |             |                  | Assessment Questionnaires for Suppliers were collected, with a pass rate of 86%.   |   | partnership in Nam Liong's sustainable supply chain.  |
| Customers   | Mutually beneficial symbiotic relationship with customers | Marketing of eco-friendly products<br>Process optimization<br>Pollution control<br>Customer relationship maintenance | Emails                                 | Immediate   | Business Units   | Results of 2024 Customer Satisfaction Survey<br>• Functional Material/Textile Division: 89 points<br>• Products Divisions: 91 points | We remain committed to advancing the green transition and sustainable operations, actively responding to customer expectations for environmentally friendly products and carbon management. This commitment is demonstrated through research & development, material selection, and process improvement:<br>• The Rubber Sponge Division reduces reliance on petrochemical resources and water consumption through the use of bio-based sponges combined with recycled materials or dope-dyed fabrics.<br>• The Hook and Loop Fastening Tape Division has successfully developed GRS-certified hook and loop fastening tapes made entirely from 100% recycled yarns, effectively reducing resource waste and carbon emissions.<br>• The Tech-Material Division has increased the use of recycled and renewable materials to effectively reduce carbon emissions and waste | Recognition and constructive feedback regarding Nam Liong Global's practices in sustainable materials and production process:<br>• The Rubber Sponge Division's BIO-II sponge offers various specifications to meet the growing demand for bio-based materials. It is recommended to consider easing the minimum order quantity requirement for fabrics to support wider adoption.<br>• The Hook and Loop Fastening Tape Division provides products that greatly benefit brand customers in the footwear industry in developing green products and has earned positive recognition from international trading partners.<br>• Customers of the Tech-Material Division have recognized the lower carbon footprint of bio-based materials compared to conventional materials.<br>• Customers of the Tech-Textile Division expect greater transparency regarding carbon |
|             |   |  | Video conferences                      | Quarterly   |                  |  |   |   |
|             |   |  | Visits                                 | Irregularly |                  |  |   |   |
|             |   |  |  |             |                  |  |   |   |
|             |   |  | Customer satisfaction surveys          | Annually    |                  |  |   |   |



| Stakeholder                 | Description   | Major Concerns  | Communication Channel(s) and Frequency |             | Responsible Unit          | Communication Result(s)   | Response(s) from Nam Liong  | Response(s) from Stakeholder  |
|-----------------------------|---|---|--|-------------|---------------------------|---|---|---|
|                             |   |   |  |             |                           |   | throughout the production process. <ul style="list-style-type: none"> <li>• The Tech-Textile Division focuses on low-carbon production and eco-friendly coating technologies, while expanding its range of GRS-certified products to meet the growing demands of the sustainability market.</li> <li>• The Health Care Division ensures product quality and safety by fully complying with the ISO 13485 and QMS standards, thereby enhancing the user experience.</li> </ul> | footprint and environmental certification information, as well as more competitive pricing and supply stability for eco-friendly materials. <ul style="list-style-type: none"> <li>• Customers of the Health Care Division expressed satisfaction with product quality, delivery time, and after-sales services, and suggested that bedding products could better align with consumer preferences in terms of design, color selection, and market positioning.</li> </ul> |
| Employees and Other Workers | Employees are the most valuable assets of the Corporate | Labor protection<br>Compensation and benefits<br>Training and education | Announcements                          | Irregularly | General Manager Office    | For important information that needs to be communicated to all or specific personnel, announcements are posted on the Corporate's internal website.   | To promote digitalization and mobility, paper-based announcements have been replaced with electronic postings on the internal website, integrated with a mobile APP to enhance the efficiency and convenience of information dissemination.   | Nam Liong Global utilizes a mobile APP to synchronize announcements, enabling employees to stay informed of the latest updates in real time.  |
|                             |   |   | Labor-management meetings              | Irregularly | Human Resource Department | In 2024, a total of 4 labor-management meetings were convened across different production plants, holding 17 sessions and discussing 29 agenda items. | We convene labor-management meetings across all production plants in compliance with the Regulations for Implementing Labor-Management Meeting. We proactively gather employee feedback through diverse communication channels to continuously optimize our human resource management   | Nam Liong Global has established labor-management meetings at all production sites in accordance with regulations and convenes them regularly to ensure compliance with legal requirements. Meanwhile, management systems are continuously optimized to safeguard employee rights. In terms of training and   |
|                             |   |   | Employee complaint box                 | Irregularly |                           | No employee complaints were recorded in 2024.   |   |   |
|                             |   |   | Training and education                 | Irregularly |                           | In 2024, a total of 108 courses were provided, training 956 individuals   |   |   |

| Stakeholder                      | Description  | Major Concerns   | Communication Channel(s) and Frequency |             | Responsible Unit                                  | Communication Result(s)  | Response(s) from Nam Liong  | Response(s) from Stakeholder  |
|----------------------------------|--|--|--|-------------|---|--|---|---|
|                                  |  |  |  |             |   | with a cumulative total of 4,545.5 training hours. The average training hours per person amounted to 8.81 hours.   | systems. We remain committed to talent development, providing a wide range of comprehensive training programs designed to enhance professional competencies and support mutual growth between employees and the Corporate.  | education, course planning is integrated with employee career development, offering diverse learning methods, including both in-person and online formats. Employees are encouraged to engage in external training to further enhance their professional competencies.  |
|                                  |  |  | Improvement proposal system            | Monthly     | Improvement Proposal Committee                    | In 2024, a total of 241 improvement proposals were submitted, of which 19 were deemed by the Committee as requiring corrective actions. These corrective actions were implemented. within the same year.                   | We value our employees' opinions. To encourage effective suggestions, we have established an improvement proposal system aimed at fostering continuous progress across all areas.   | Nam Liong Global has established an improvement proposal system with no restriction on the scope of employee submissions. Employees are encouraged to suggest improvements related to any of the Corporate's hardware or software equipment. Incentives are also offered to benefit both employee and management. |
| Shareholders and Other Investors | Shareholders and investors play the role of crucial capital sources for the Corporate. | Effective corporate governance<br>Effective risk management<br>Improvement of operational performance and strategies | Shareholder meetings                   | Annually    | Finance Department                                | In 2024, 1 Shareholder Meeting and 1 Legal Person Briefing were held, and 12 Operational Performance Announcements were released<br>Immediate communication with investors through dedicated hotlines and Emails as needed | We are committed to continuously improving operational performance and demonstrating corporate value, thereby strengthening market confidence and corporate image. We look forward to the long-term support of our shareholders and investors as we work together toward achieving the Corporate's sustainable development goals. | It is expected that Nam Liong Global will excel in sound risk management, achieve stable revenue growth, and pursue sustainable long-term development.  |
|                                  |  |  | Legal person briefing                  | Annually    |   |  |   |   |
|                                  |  |  | Operational performance announcements  | Monthly     |   |  |   |   |
|                                  |  |  | Investor hotline/Emails                | Immediate   |   |  |   |   |
| Government Agencies              | Maintaining communication channels with the government is                              | Facilitate stakeholder communication   | Regulatory authorities' briefing       | Irregularly | Finance Department、Occupational Safety and Health | Participating in explanatory sessions organized by relevant authorities to enhance   | Ensuring compliance with legal regulations by cooperating with competent  | It is expected that Nam Liong Global will fully comply with both  |
|                                  |  |  | Personal visits                        | Irregularly |   |  |   |   |

| Stakeholder            | Description  | Major Concerns   | Communication Channel(s) and Frequency |             | Responsible Unit  | Communication Result(s)   | Response(s) from Nam Liong  | Response(s) from Stakeholder   |
|------------------------|--|--|--|-------------|---|---|---|--|
|                        | crucial for staying informed about the latest regulatory trends, avoiding legal violations, and ensuring sound operations. | Effective risk management<br>Fulfillment of sustainable development  | Phone calls/Emails                     | Immediate   | Department、<br>Admin General Affairs<br>Department<br>Human Resource Department | communication efficiency on specific topics.<br>Engaging in discussions with relevant authorities on specific topics based on case needs, facilitating consensus-building and obtaining relevant recommendations. | authorities for inspection and verification procedures.   | government regulations and international standards.  |
| Financial Institutions | Financial institutions play the role of crucial funding sources for the Corporate.   | Effective corporate governance<br>Effective risk management<br>Improvement of operational performance and strategies | Personal visits                        | Irregularly | Finance Department  | Visiting financial institutions as needed, maintaining close communication to secure stable source of funding   | Adhering to the principle of prudent management, Nam Liong Global has established long-term stable partnerships with multiple financial institutions. This ensures a continuous, sufficient, and stable flow of funding to support operational needs, thereby strengthening financial resilience. | We express our sincere gratitude to Nam Liong Global for the longstanding support and trust. We look forward to maintaining close communication and collaboration in the future.                                     |
| Local Communities      | Fulfillment of social responsibilities   | Fulfillment of social responsibilities   | Public welfare donations               | Irregularly | Admin General Affairs Department  | Maintaining close communication (A total donations of NT\$ 1.491 million were made in 2024.   | Provide support and assistance to organizations engaged in public welfare, community services, religious institutions, emergency services, and educational institutions.  | We express our sincere gratitude to Nam Liong Global for the long-term sponsorship and generous support of public welfare initiatives. Your close engagement with the community has fostered positive communication. |

\* Note: This table provides a brief description of the stakeholders' major concerns. Please refer to the relevant chapters in this Report for detailed response measures.

## 1.4 Management of Material Topics

### 1.4.1 Process to Assess Material Topics

Nam Liong Global's Sustainable Development Promotion Committee evaluates the Corporate's significant sustainability topics every three years based on operational activities, industry attributes, and the impacts generated throughout the value chain. This assessment involves stakeholder engagement and consultation with external sustainable development consultants, referring to the GRI 3: Material Topics 2021 for materiality, completeness and stakeholder inclusiveness. The evaluation process identifies the material topics that would significantly impact stakeholders, and the results are reported to the Sustainable Development Promotion Committee to determine the material topics for the current period. Material topics are reviewed annually and adjusted in a timely manner to align with changes in the operating environment. The detailed assessment process is as follows:

#### Step1. Identifying sustainability topics

Nam Liong Global, based on feedback from stakeholders, and referring to the topic standards specified in the **Global Reporting Initiative (GRI) Standards 2021**, the **Sustainability Accounting Standards Board (SASB) Standards for Apparel, Accessories and Footwear industry**, the **Task Force on Climate-Related Financial Disclosures (TCFD) framework**, industrial specifications, benchmarking with peer companies, as well as considering both actual and potential risks or opportunities, before proceeding to comprehensively identify sustainability topics relevant to Nam Liong Global. A total of 36 sustainability topics were identified during the reporting period.

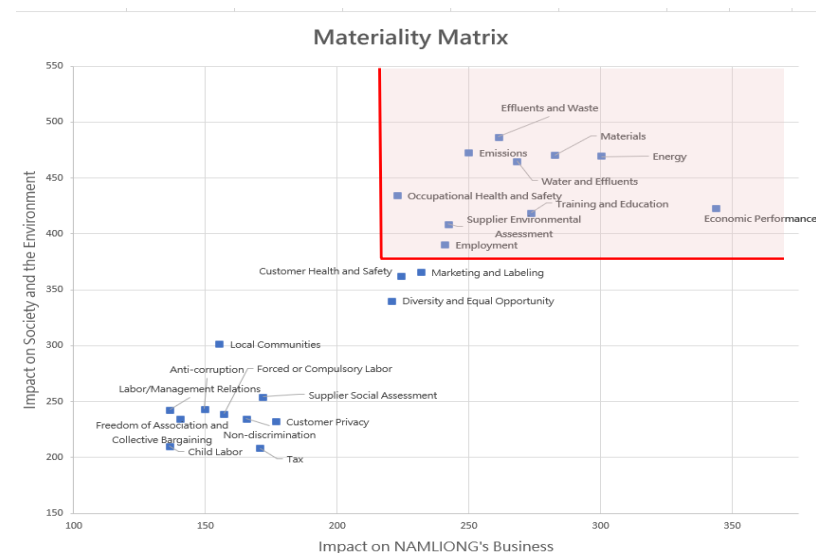
#### Step2. Identifying Material Topics

##### (1) Assessing impacts and possibility of occurrences

Each member of the Sustainability Development Promotion Committee completes impact questionnaires, assessing potential, actual, positive, and negative impacts of sustainability issues on a scale of 1 to 5, with score of 1 signifies No Impact, a score of 2 signifies Minimal Impact, a score of 3 signifies Impactful, a score of 4 signifies Significant Impact, and a score of 5 signifies Very Significant Impact. The potential impacts are assessed based on severity and the possibility of occurrences, with ratings on a scale of 1 to 3. Finally, the total impact scores for potential, actual, positive, and negative impacts of each sustainability issue will be calculated using a weighted average. **A total of 28 questionnaires were collected in 2022.** Assessments are conducted every 3 years, with the next one scheduled for 2025.

##### (2) Prioritizing and determining material topics

The Sustainable Development Promotion Committee and external sustainable development consultants discussed the threshold score to determine significant issues, screened the material topics for the current period, and deliberated on impact severity and occurrence possibility thresholds. Issues with a comprehensive score of **632** or higher were considered material, resulting in a total of **10** material topics.





Step3. Disclosing and continuous review of material topics

(1) Information disclosure

The **Sustainability Development Promotion Committee** assesses material topics based on corresponding international standards, reviews the management policies and objectives related to these issues, gathers annual data to ensure the comprehensive disclosure of crucial sustainability information in this Report, addressing the concerns of stakeholders. Upon completion, the Sustainability Report is subject to a preliminary review by the Sustainability Report Subcommittee, followed by a **secondary review** by the **Sustainable Development Promotion Committee** to ensure the appropriateness and accuracy of the disclosed information.

| Material Topics for the year 2024               |                                   |
|---|-----------------------------------|
| 1. Economic Performance                         | 6. Waste                          |
| 2. Materials                                    | 7. Water and Effluents            |
| 3. Supplier Environmental and Social Assessment | 8. Occupational Health and Safety |
| 4. Emissions                                    | 9. Employment                     |
| 5. Energy                                       | 10. Training and Education        |

(2) Continuous review

**Each year**, we systematically review the implementation of policies and the accomplishment rate of objectives related to material topics. This process aims to optimize both quantitative and quantitative targets of internal key performance indicators. Upon identifying the material topics for the next reporting periods, we compare the differences between current and previous periods, investigate the reasons for any variations, then report them in the Sustainability Report. Given the absence of significant changes in the Corporate’s operation, the internal meeting resolved to maintain the material topics selected for the **2024** Sustainability Report as those identified in the previous year.

1.4.2 Goal Setting and Achievement Status of Material Topics

Being the decision-making and supervisory department for managing material topics at **Nam Liong Global**, the **Sustainability Development Promotion Committee** tasked with the responsibilities of assigning subcommittees to oversee relevant management tasks, including inventorying and reviewing material topic management policies and proposing optimization suggestions. The committee convenes meeting at least twice a year to collectively discuss the management status of material topics and formulate the sustainable development direction and strategic goals for the upcoming year. The Committee **convened a total of 2 meetings in 2024** to collectively discuss the management status of material topics and formulate the sustainable development direction and strategic goals for the upcoming year.

| Material Topics                | KPIs and Goals  |   |  |  |  |
|--------------------------------|---|---|--|--|--|
|                                | Goals for the year 2024   | Progress Update for the year 2024   | Goals for the year 2025                | Medium-term Goals for the years 2026 to 2030 | Long-term Goals for the years 2031 to 2050 |
| Economic Performance (GRI 201) | Achieving 100% of the targeted revenue  | Total revenue amounted to NT\$ 2.669 billion, reflecting 97.95% of the target | Achieving 100% of the targeted revenue | Achieving 100% of the targeted revenue       |  |
|                                | Explanation: Benefiting from the optimization of product portfolio and strengthened marketing efforts, revenue grew compared to 2023. |   |  |  |  |

| Material Topics  | KPIs and Goals  |   |   |   |  |
|--|---|---|---|---|--|
|  | Goals for the year 2024   | Progress Update for the year 2024   | Goals for the year 2025   | Medium-term Goals for the years 2026 to 2030  |  |
| Materials (GRI 301)  | Utilizing 370 metric tons of recycled materials   | Utilized 161.24 metric tons of recycled materials   | Amount of priority raw materials purchased that is certified to a third-party environmental or social standard reaching 400 metric tons | Amount of priority raw materials purchased that is certified to a third-party environmental or social standard reaching 400 metric tons |  |
|  | Explanation: Due to the suspension of data collection or discontinuation of certain projects, the target for the year 2024 was not achieved. * <b>Note 1</b>  |   |   |   |  |
| Supplier Environmental and Social Assessment (GRI 308 and GRI 414) | 88% of Tier 1 suppliers scored above 60 on the sustainability self-assessment   | 86% of Tier 1 suppliers scored above 60 on the sustainability self-assessment   | 90% of Tier 1 suppliers scoring above 60 on the sustainability self-assessment  | 90% of Tier 1 suppliers scoring above 60 on the sustainability self-assessment  | 92% of Tier 1 suppliers scoring above 60 on the sustainability self-assessment   |
|  | Explanation: In 2024, suppliers were required for the first time to provide supporting documentation. Supplier grading based on their scores is scheduled for 2025.   |   |   |   |  |
| Emissions (GRI 305)  | Reducing greenhouse gas emissions by 10% in 2024, compared to 2022  | Greenhouse gas emissions amounted to 7,137.854 metric tons CO <sub>2</sub> e, reflecting a 6.8% decrease compared to 2022 | Reducing greenhouse gas emissions by 10%, compared to 2022  | Reducing greenhouse gas emissions by 18% by the year 2030, compared to 2022   | Commitment to achieve net-zero emissions by 2050                                 |
|  | Explanation: The decrease in total carbon emissions in 2024 was primarily attributed to a reduction in purchased electricity, along with adjustments to the overall GHG inventory operation targets in accordance with policy decisions made by the Sustainable Development Promotion Committee.  |   |   |   |  |
| Energy (GRI 302)   | Reducing energy consumption by 1% annually  | Total energy consumption decreased by 11.5% compared to 2022, while energy intensity increased by 25.9%                   | Achieving a 5% reduction in energy intensity compared to 2022   | Achieving a 10% reduction in energy intensity by the year 2030, compared to 2022  | Achieving a 50% reduction in energy intensity by the year 2050, compared to 2022 |
|  | Explanation: Since energy intensity more accurately reflects the effectiveness of energy conservation efforts than the reduction ratio in energy consumption, the indicator will be adjusted to energy intensity starting in 2025. The 25.9% increase in energy intensity for the year 2024 was primarily attributed to increased natural |   |   |   |  |

|  |  |  |   |   |   |
|--|--|--|---|---|---|
|  | gas consumption resulting from the commissioning of the Regenerative Thermal Oxidizer (RTO) installed at Niao Song Factory.  |  |   |   |   |
| Water and Effluents (GRI 303)            | Ensuring compliance with wastewater discharge regulations and reducing total water withdrawal by 1% compared to 2022   | Ensuring compliance with wastewater discharge regulations. WUI amounted to 57.215 metric ton, reflecting an 8.9% decrease compared to 2022 | Achieving a 2% reduction in WUI compared to 2022                      | Achieving a 5% reduction in WUI by the year 2030, compared to 2022    | Achieving a 20% reduction in WUI by the year 2050, compared to 2022   |
|  | Explanation: Since the original indicator, total water withdrawal, is influenced by order volume, water use intensity (WUI) provides a more accurate reflection of the effectiveness of water conservation efforts. Accordingly, the indicator has been adjusted to WUI starting in 2024.  |  |   |   |   |
| Occupational Health and Safety (GRI 403) | Zero significant work-related accidents  | Zero significant work-related accidents  | Maintaining a significant work-related accident rate below 1%         | Maintaining a significant work-related accident rate below 1%         |   |
|  | Explanation: The significant work-related accident rate for the year 2024 was 0%.  |  |   |   |   |
| Training and Education (GRI 404)         | Total person-hours of training and education amounting to 5,500 hours  | Total person-hours of training and education amounted for 4,545.5 hours  | Total person-hours of training and education amounting to 5,000 hours | Total person-hours of training and education amounting to 5,500 hours | Total person-hours of training and education amounting to 6,000 hours |
|  | Explanation: The targeted total person-hours of training and education for the year 2024 was not achieved, primarily due to a reduction of three training sessions compared to 2023 and the absence of additional project-based training needs. However, both the number of sessions conducted, and total participant attendance increased significantly. <ul style="list-style-type: none"><li>New recruit orientation: 100% completion rate</li><li>Annual training and education programs: 100% completion rate</li><li>On-the-Job trainings (OJT): 100% completion rate</li><li>Professional certification trainings: In compliance with regulatory requirements</li></ul> |  |   |   |   |

|                      |   |   |  |  |  |
|----------------------|---|---|--|--|--|
| Employment (GRI 401) | Yearly turnover rate increase of less than 0.15% compared to the previous year  | Yearly turnover rate amounted for 16.28%, reflecting a 0.2% decrease compared to 2023 | Maintaining a yearly turnover rate below 18% | Maintaining a yearly turnover rate below 17.5% | Maintaining a yearly turnover rate below 17% |
|                      | Explanation: Yearly turnover rate for the year decreased by 0.2% compared to 2023. Starting in 2025, the target will be adjusted to maintaining a yearly turnover rate below 18%, with ongoing improvements made each year. * <b>Note 2</b> |   |  |  |  |

\* Note 1: To align with the International Financial Reporting Standards (IFRS) S2, the indicator will be adjusted in 2025 to “Amount of priority raw materials purchased that is certified to a third-party environmental or social standard”.

\* Note 2: The 2024 Human Resource F.B.I. (Frustration, Belonging, Insight) Research Report indicates that the total turnover rate for the year 2023 was 24.2% for companies with over 500 employees and 20.9% for the traditional industries, respectively.

### 1.4.3 Material Topic-Economic Performance

| Material Topic: Economic Performance          |  |
|---|--|
| <b>Reason Considered Material</b>             | Establishing corporate vision and goals, incorporating sustainable business strategies, as well as evaluating financial performance indicators such as operating profit margins, stock prices, dividends, and the financial positions are fundamental elements of ensuring the Corporate’s sustainable operations.   |
| <b>Policies/Strategies</b>                    | Continuously implementing vital strategies such as optimizing product portfolios, improving production efficiency, and strictly controlling costs and expenses.  |
| <b>Categories and Descriptions of Impacts</b> | <ul style="list-style-type: none"> <li>• <b>Positive Impacts:</b> Higher demand for eco-friendly textiles resulting from increasing end customers' awareness of sustainability. Increased investor attention resulting from investment in sustainability.</li> <li>• <b>Negative Impacts:</b> Reduced end customer demand resulting from global inflation and forecasts of a slowdown in economic growth. Increased operational costs resulting from the implementation of the European Union Carbon Border Adjustment Mechanism (CBAM), the United States Clean Competition Act, the United Kingdom's Carbon Border Tax, and the imposition of domestic Carbon Fee by the Ministry of Environment.</li> </ul> |
| <b>Management Assessment Mechanisms</b>       | <ul style="list-style-type: none"> <li>• Publishing quarterly or annual financial reports regularly.</li> <li>• Reviewing objective accomplishment rates on a monthly basis.</li> </ul>  |
| <b>Prevention or Mitigation Measures</b>      | <ul style="list-style-type: none"> <li>• Conducting reviews of performance and developing strategic plans for the next three months for units that have not achieved their monthly revenue goals through Operational Review Meetings.</li> <li>• Continuously investing in the research &amp; development of eco-friendly, smart, and lightweight functional composite materials, while actively participating in international exhibitions to expand global markets, thereby injecting growth momentum into the Corporate’s operations.</li> </ul>  |



## 1.4.4 Material Topic-Materials

| Material Topic: Materials              |   |
|--|---|
| Reason Considered Material             | Raw materials are essential key resources in the production process. Their extraction and manufacturing involve high carbon emissions, significant energy consumption, and pollution risks, which increase the Corporate's pressure to maintain full compliance with carbon emission regulations and fulfill environmental responsibilities. International markets are continuously raising demands for recycled materials, low-carbon materials, and environmental certifications. By strengthening materials management, establishing stable and diversified green supply sources, and improving raw material utilization efficiency and recycling technologies, the Corporate can not only reduce operational risks but also enhance supply chain resilience and improve ESG performance, thereby expanding our competitive advantage in the global market.  |
| Policies/Strategies                    | Nam Liong Global adopts a green procurement policy to effectively mitigate environmental and health risks by selecting suppliers who comply with restricted substances standards and hold international certifications such as the Global Recycled Standard (GRS), the Forest Stewardship Council (FSC®), the OEKO-TEX® STANDARD 100, and the bluesign® standard. A supplier sustainability self-assessment mechanism is established to regularly evaluate their environmental and social conditions. Inventory pressure is reduced by coordinating material preparation and batched shipments, while simultaneously expanding in-house production lines to enhance autonomous manufacturing capabilities, thereby strengthening supply chain resilience.   |
| Categories and Descriptions of Impacts | <ul style="list-style-type: none"> <li>• <b>Positive Impacts:</b> Introduction of recycled raw materials certified with environmental standards such as GRS, FSC®, and OEKO-TEX® STANDARD 100, coupled with the ongoing development of the Eco-Family product series, effectively reduces potential risks to the environment and human health, thereby enhancing customer trust in product safety and environmental friendliness. With ongoing efforts to deepen green procurement, collaboration opportunities with international brand customers increase, thereby strengthening competitiveness in the sustainability market.</li> <li>• <b>Negative Impacts:</b> In response to international market demands for environmental standards on raw materials, investments are required in the development of eco-friendly materials, product design adjustments, and third-party environmental certifications, leading to increased production costs. Meanwhile, the textile industry in Taiwan faces challenges such as an aging workforce and the exit of small-scale processing plants, which impact the stability of material supply and thereby increase the burden of cost and delivery management.</li> </ul> |
| Management Assessment Mechanisms       | Implementation outcomes, such as the amount of raw materials purchased that are certified to third-party environmental or social standards, as well as the volume of in-house waste recycled and reused, are regularly monitored and reviewed during monthly management meetings to assess the progress of annual targets.  |
| Prevention or Mitigation Measures      | <p>Actively seeking and using environmentally friendly raw materials, reducing waste generation, and expanding opportunities for resource reuse to enhance resource efficiency and minimize environmental impact.</p> <p>To advance sustainability efforts and strengthen resource recycling mechanisms, the following measures are implemented:</p> <ol style="list-style-type: none"> <li>1. <b>Expanding procurement sources for recycled materials:</b> Actively seeking suppliers capable to providing recycled materials, ensuring consistent product quality to support sustainable production needs.</li> <li>2. <b>Advancing green research &amp; development along with carbon reduction technologies:</b> Actively investing in the R&amp;D of green products and carbon reduction technologies, with the progress of both related projects and the procurement of raw materials certified to third-party environmental or social standards regularly monitored and reviewed during monthly management meetings to assess the R&amp;D outcomes and sustainability benefits.</li> </ol>   |

### 1.4.5 Material Topic-Supplier Environmental and Social Assessment

| Material Topic: Supplier Environmental and Social Assessment |   |  |              |              |                    |
|--|---|--|--------------|--------------|--------------------|
| Reason Considered Material                                   | Human rights and environmental due diligence in supply chain is expected to become a top priority for the Corporate to enhance our competitiveness.   |  |              |              |                    |
| Policies/Strategies  | Our supplier management policies align with the Procedure for Procurement Management and the Procedure for Supplier Selection and Assessment, incorporating criteria such as corporate social responsibility, environmental protection, human rights and labor standards, and business ethics to assess both newly established and existing suppliers.  |  |              |              |                    |
| Categories and Descriptions of Impacts                       | <ul style="list-style-type: none"><li>• <b>Positive Impacts:</b> Strengthening the standardization and transparency of supplier management policies ensures consistency and traceability in the selection process, thereby enhancing the efficiency and compliance of supplier management. The use of a Sustainability Self-Assessment Questionnaire for Supplier helps raise suppliers’ awareness of key topics such as environmental protection, human rights, occupational safety, and business ethics, gradually fostering a responsible and accountable supply chain system.</li><li>• <b>Negative Impacts:</b> Overly stringent requirements may result in the loss of certain existing suppliers who are unable to comply, thereby impacting the stability of raw material supply in the immediate future. Small- and medium-sized suppliers may face resource constraints, making the accurate completion of the Sustainability Self-Assessment Questionnaire or the implementation of the actions described therein challenging.</li></ul> |  |              |              |                    |
| Management Assessment Mechanisms                             |   | Grade A  | Grade B      | Grade C      | Unqualified        |
|  | General Transaction Assessment Score  | 85 points or above   | 75-84 points | 66-74 points | 65 points or below |
|  | Sustainability Self-Assessment Method   | All raw material suppliers with an annual procurement amount exceeding NT\$ 2 million and initial procurement counterparties are required to complete the Sustainability Self-Assessment Questionnaire for Supplier. |              |              |                    |
|  | Supplier assessments are conducted in accordance with Procedure for Supplier Selection and Assessment.  |  |              |              |                    |
| Prevention or Mitigation Measures                            | <ul style="list-style-type: none"><li>• General Transaction Assessment Score: Tracked quarterly by the Quality Assurance Department, with all annual targets for 2024 being met.</li><li>• Sustainability Self-Assessment Score: Each procurement department notifies suppliers who score below 60 on the sustainability self-assessment of their deficiencies, requiring them to address and rectify these deficiencies.</li></ul>   |  |              |              |                    |

### 1.4.6 Material Topic-Emissions

| Material Topic: Emissions              |   |
|--|---|
| Reason Considered Material             | We have formulated strategies to reduce and manage GHG emissions in response to global climate change. We are committed to upholding intergenerational and environmental justice and ensuring a just transition. By fulfilling our shared responsibility to protect the earth's environment, we aim to contribute to the sustainable development of our nation. The management of emissions is designated as a significant issue. |
| Policies/Strategies                    | Operates in compliance with the Phase 3 Greenhouse Gas Periodic Regulatory Goals and the Taiwan's Comprehensive Carbon Reduction Action Plan for Manufacturing Sector, as set forth by the Ministry of Environment.   |
| Categories and Descriptions of Impacts | <ul style="list-style-type: none"> <li>• <b>Positive Impacts:</b> Securing orders from international brands through the development of low-carbon materials (Eco-Family series materials). Creating revenue from increased orders resulting from heightened brand confidence among customers in the Corporate.</li> </ul>   |

|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>• <b>Negative Impacts:</b> Year-over-year increase in operational costs resulting from the absence of a reduction plan for both energy consumption and carbon emissions, coupled with the increased costs for electricity and natural gas due to recent inflation. Increased corporate carbon management costs resulting from the Carbon Fee imposed by the Ministry of Environment, effective from 2026.</li> </ul> |
| <b>Management Assessment Mechanisms</b>  | The Greenhouse Gas Inventory and Carbon Footprint Subcommittee regularly conducts organizational GHG inventories and carbon footprint projects in accordance with the ISO 14064-1: Greenhouse Gases Inventory Management Guidelines and the Internal Verification Operating Guidelines for GHG Emissions, with a particular focus on reviewing and optimizing emission hotspots.  |
| <b>Prevention or Mitigation Measures</b> | <ul style="list-style-type: none"> <li>• Internal audits of GHG inventory are conducted annually to ensure the accuracy of inventory data and supporting documentation.</li> <li>• The Greenhouse Gas Inventory and Carbon Footprint Subcommittee regularly tracks and develops corresponding measures during its meetings.</li> </ul>  |

#### 1.4.7 Material Topic-Energy

| Material Topic: Energy                        |  |
|---|--|
| <b>Reason Considered Material</b>             | We are committed to implementing measures to reduce energy consumption in response to the challenges of climate change and align with the emission reduction goals of international customers. Renewable energy is also a primary focal point for sustainable development.   |
| <b>Policies/Strategies</b>                    | <p>To address energy issues, <b>Nam Liong Global</b> has formulated the following strategies and policies:</p> <ol style="list-style-type: none"> <li>1. Audit and assessment of energy resource, with ongoing energy resource management.</li> <li>2. Enhancing equipment efficiency and reducing energy losses.</li> <li>3. Promotion of renewable energy.</li> </ol>  |
| <b>Categories and Descriptions of Impacts</b> | <ul style="list-style-type: none"> <li>• <b>Positive Impacts:</b> Estimated annual reduction in electricity expenses of NT\$ 2 million, along with potential economic value of NT\$ 1.5 million in the form of Renewable Energy Certificates (RECs), resulting from the planned transition of existing renewable energy generation equipment to self-use. Reduction in both energy and natural gas consumption resulting from the introduction of new energy-saving technologies and machinery.</li> <li>• <b>Negative Impacts:</b> NT\$ 3.97 million increases in annual natural gas expenses resulting from an 37% increase in natural gas charges in 2024. Increased operational costs resulting from the upcoming imposition of Carbon Fee. NT\$ 1.6 million increases in annual electricity expenses resulting from a projected 8% increase in energy charges in 2025.</li> </ul> |
| <b>Management Assessment Mechanisms</b>       | <ul style="list-style-type: none"> <li>• Report energy intensity data from each major business unit during monthly management meetings as a basis for formulating, reviewing, and adjusting energy conservation initiatives across units.</li> <li>• Regularly monitor energy consumption and carbon emissions, conducting assessments and analysis. Identify areas for improvement and develop corresponding action plans based on the assessment results.</li> </ul>   |

|  |   |
|--|---|
| <b>Prevention or Mitigation Measures</b> | <ul style="list-style-type: none"> <li>Each department presents a review and improvement plan at the monthly management meetings for any energy management objectives that are not achieved.</li> <li>Provide employee training and awareness enhancement: Conduct training sessions on energy resource management and energy conservation, enhancing employees' understanding and awareness regarding energy-related issues. Encourage employee participation in energy conservation and provide incentives and rewards accordingly.</li> <li>Establishment of collaborative partnerships: Collaborate with suppliers, customers, and other stakeholders to establish partnerships, collectively promoting energy resource management and sustainable development.</li> <li>Technological innovation and improvements: Explore emerging energy technologies and solutions, introducing new technologies that align with corporate needs and sustainable development goals. Continuously improving energy infrastructure and equipment to enhance energy efficiency.</li> </ul> |
|--|---|

### 1.4.8 Material Topic-Waste

| Material Topic: Waste                         |   |
|---|---|
| <b>Reason Considered Material</b>             | Effectively managing and treating waste is crucial for <b>Nam Liong Global</b> to achieve environmentally sustainable. This includes continuous focus on environmental protection, regulatory compliance, and resource recycling to achieve the goals of a circular economy.  |
| <b>Policies/Strategies</b>                    | <p>To address waste issues, <b>Nam Liong Global</b> has formulated the following strategies and policies:</p> <ul style="list-style-type: none"> <li>Waste management: The Procedure for Waste Management outlines the proper storage, reporting, disposal, and treatment of waste, as well as ensuring compliance with emission standards. This procedure is periodically adjusted in accordance with related regulations and environmental requirements.</li> <li>Waste classification and treatment: Encouraging the sorting and recycling of waste, promoting circular economy model, resource utilization, and energy recovery of waste.</li> <li>Waste reduction: Implementing internal waste reduction measures, encouraging employees to conserve resources and minimize waste generation.</li> </ul> |
| <b>Categories and Descriptions of Impacts</b> | <ul style="list-style-type: none"> <li><b>Positive Impacts:</b> Reduced environmental impact and lower raw material procurement costs resulting from the implementation of in-house waste recycling and reuse. Decreased waste disposal costs resulting from reduced waste generation.</li> <li><b>Negative Impacts:</b> Adverse effects on the ecological environment and higher waste disposal costs resulting from increased waste.</li> </ul>   |
| <b>Management Assessment Mechanisms</b>       | The Occupational Safety and Health Department presents waste reports at the monthly management meetings. Impact reports are submitted when significant waste issues arise.  |
| <b>Prevention or Mitigation Measures</b>      | <ul style="list-style-type: none"> <li>Establish internal oversight and review mechanism. Each department presents a review and improvement plan at the monthly management meetings for any waste reduction objectives that are not achieved.</li> <li>Identify issues and engage qualified business waste disposal and treatment contractors for handling. Conduct periodic on-site inspections during waste transportation to ensure regulatory compliance.</li> </ul>  |

### 1.4.9 Material Topic-Water and Effluents

| Material Topic: Water and Effluents           |   |
|---|---|
| <b>Reason Considered Material</b>             | Enhancing water resource efficiency, and the treatment and reuse of discharged water are crucial for <b>Nam Liong Global</b> to achieve environmentally sustainable.  |
| <b>Policies/Strategies</b>                    | <p>To address water and effluents issues, <b>Nam Liong Global</b> has formulated the following strategies and policies:</p> <ol style="list-style-type: none"> <li>1. Water resources management: Establishing water resources management involves monitoring water consumption, developing water conservation plans, and enhancing water efficiency. Measures such as promoting recycling water and rainwater harvesting are implemented to reduce reliance on natural water resources.</li> <li>2. Effluents treatment: Establish strict effluents treatment system to ensure the quality of discharged water in compliance with regulations and environmental standards. Implement appropriate treatment technologies and monitoring measures to minimize negative impacts on water bodies and the ecological environment.</li> <li>3. Education and promotion: Increase awareness among employees and stakeholders regarding water resources conservation and effluents treatment. Conduct promotional activities and training to encourage the practice of water conservation and eco-friendly efforts.</li> </ol> |
| <b>Categories and Descriptions of Impacts</b> | <ul style="list-style-type: none"> <li>• <b>Positive Impacts:</b> Gradual increase in water recycling efficiency and the reuse of water resources. Reduced dependence on natural water sources resulting from increased water reuse.</li> <li>• <b>Negative Impacts:</b> Difficulties in production resulting from water shortages caused by reduced rainfall. Potential production and supply disruptions resulting from increased drought periods caused by climate change.</li> </ul>  |
| <b>Management Assessment Mechanisms</b>       | <ol style="list-style-type: none"> <li>1. Management measures: The Admin General Affairs Department and the Occupational Safety and Health Department conduct daily inspections of water consuming equipment and record water meter readings to monitor water consumption.</li> <li>2. Monitoring measures: Conduct daily on-site testing to ensure that quality of effluent complies with regulations and environmental standards.</li> </ol>  |
| <b>Prevention or Mitigation Measures</b>      | <ul style="list-style-type: none"> <li>• Recycling and reuse of water resources: Promote the use of recycled water and rainwater harvesting systems to reclaim reusable water resources for appropriate purposes. Continuously improve the treatment technology and facilities for effluents treatment to enhance processing efficiency and compliance with water quality standards.</li> <li>• Install water recycling and reuse systems and improve processing equipment to minimize associated energy losses.</li> </ul>   |

### 1.4.10 Material Topic-Occupational Health and Safety

| Material Topic: Occupational Health and Safety |  |
|--|--|
| <b>Reason Considered Material</b>              | Employees are vital assets for <b>Nam Liong Global</b> , therefore, we are committed to ensuring the physical and mental well-being of our employees, creating a safe working environment, and preventing work-related accidents and ill health. We continuously strive to improve safety and health performance to fulfill our commitment to safe and healthy workplace.  |
| <b>Policies/Strategies</b>                     | <p><u>To address issues related to occupational health and safety, <b>Nam Liong Global</b> has formulated the following strategies and policies:</u></p> <ol style="list-style-type: none"> <li>1. Comply with environmental, safety and health regulations and other relevant requirements.</li> <li>2. Dedicate efforts to improving processes to reduce environmental, safety, and health risks, as well as environmental impacts.</li> <li>3. Prioritize safety and health management, to prevent occupational injuries and ill health.</li> <li>4. Strengthen communication and participation, to create a friendly working environment.</li> </ol> |



|   |  |
|---|--|
| <b>Categories and Descriptions of Impacts</b> | <ul style="list-style-type: none"> <li>• <b>Positive Impacts:</b> Create a friendly working environment and reduce the incidents of occupational injuries and ill health. Increased employee job security and reduced hidden costs associated with occupational safety incidents.</li> <li>• <b>Negative Impacts:</b> Damage to the Corporate's reputation resulting from significant work-related accidents and occupational safety incidents.</li> </ul> |
| <b>Management Assessment Mechanisms</b>       | <ul style="list-style-type: none"> <li>• Convene quarterly meetings with the Occupational Health and Safety Committee to discuss and track improvements related to occupational accidents.</li> <li>• Provide training and education for both new recruits and existing employees to enhance awareness of workplace and occupational safety.</li> </ul>  |
| <b>Prevention or Mitigation Measures</b>      | In the event of an accident, an investigation, handling, and analysis of the occupational accident will be conducted in accordance with ISO 45001: 2018 Occupational Health and Safety Management System Standard and the Procedure for Environmental, Health and Safety Management. Subsequent corrective actions and preventive measures will also be implemented.   |

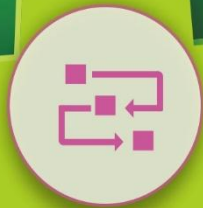
#### 1.4.11 Material Topic-Training and Education

| Material Topic: Training and Education        |  |
|---|--|
| <b>Reason Considered Material</b>             | The core competency of a corporate lies within its employees. A high-quality workforce enhances competitive advantage and contributes to operational performance. To achieve sustainable development, in addition to focusing on the cultivation and support of existing employees, the Corporate must also actively attract external talents. Consequently, a well-established and effective system for recruiting, developing, and retaining talent is necessary to ensure that the Corporate maintains a substantial and continuously growing human capital.  |
| <b>Policies/Strategies</b>                    | <b>Nam Liong Global's</b> training and education policy is defined as "Being pragmatic and diligent, providing carefully selected quality training". Nam Liong Global cultivates managerial and professional talents based on development needs of each department. This is achieved through diverse methods including course training, assignments of project tasks, participation in meetings, and job rotations.  |
| <b>Categories and Descriptions of Impacts</b> | <ul style="list-style-type: none"> <li>• <b>Positive Impacts:</b> The Corporate supports training and education, promotes lifelong learning, and establishes systematic approach to ensure employee training and education benefits. Aid in future problem-solving despite the time required to absorb and apply the training materials upon the conclusion of training and education.</li> <li>• <b>Negative Impacts:</b> Reduced managers' willingness to assign training and education due to the delayed visibility of learning outcomes. Difficulties in aligning long-term educational plans with immediate training requirements due to the constantly evolving nature of information and knowledge.</li> </ul> |
| <b>Management Assessment Mechanisms</b>       | Conduct annual internal management review procedure in accordance with ISO 9001 standards and assess the effectiveness of training and education through the PDCA cycle.   |
| <b>Prevention or Mitigation Measures</b>      | Conduct quarterly assessment during the Quality Management Committee and the Occupational Health and Safety Committee meetings to inspect the accomplishment of training and education arrangements in each business unit, ensuring that each business unit completes them within the specified time frame.  |

### 1.4.12 Material Topic-Employment

| Material Topic: Employment                    |   |
|---|---|
| <b>Reason Considered Material</b>             | Employees are the most valuable assets for Nam Liong Global, and harmonious labor/management relationship form the foundation for stable business development. Therefore, it is crucial for us to prioritize and care for our employees, enabling them to have fulfilling career paths. When employees feel valued and have opportunities for growth within the Corporate, they are more likely to remain committed and dedicated for the long term, fostering the Corporate's growth and sustainability.   |
| <b>Policies/Strategies</b>                    | <b>Nam Liong Global's</b> policy for labor/management relationships is defined as "Working together for shared results".  |
| <b>Categories and Descriptions of Impacts</b> | <ul style="list-style-type: none"> <li>• <b>Positive Impacts:</b> Continuous improvement and optimization of the Corporate's benefits and management systems. Becoming a wellness-focused organization resulting from enhanced Company benefits.</li> <li>• <b>Potential Negative Impacts:</b> Difficulties in becoming primary considerations for job seekers due to issues with the working environment and salary levels. Difficulties in talent recruitment resulting from an imbalance in supply and demand of talent due to the declining birthrate.</li> </ul> |
| <b>Management Assessment Mechanisms</b>       | Conduct analytical reviews of employee management through monthly management meetings.  |
| <b>Prevention or Mitigation Measures</b>      | A Whistleblowing and Whistleblowers Protection Procedure is established, allowing employees to file complaints with the Human Resource Department through written communication, phone calls, Emails, and other available channels.   |

\* Note: Tables above only outline key policies, strategies, and management assessment mechanisms. Please refer to relevant chapters in this Report for detailed management approaches.



# Corporate Governance

## II. Corporate Governance

### 2.1 Corporate Overview

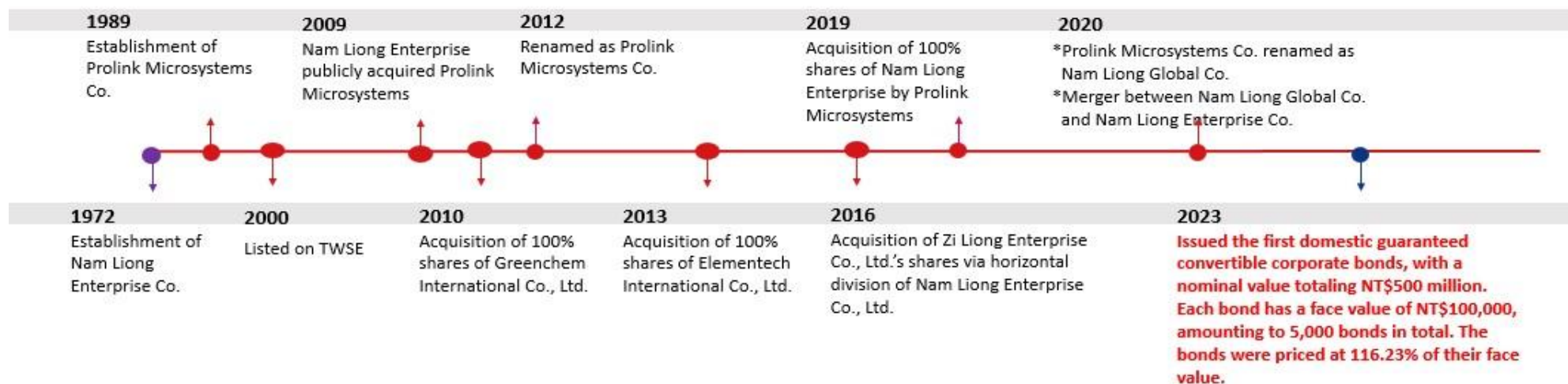
#### 2.1.1 Corporate Profile

**Nam Liong Global** was established in 1989, primarily engages in the production and sales of rubber sponges, sponge laminates, knit loops, fire retardant fabrics, abrasion resistant fabrics, and TPU membranes, and is renowned internationally for our expertise in high-polymer and high-elasticity foaming techniques, as well as producing advanced and functional composite materials. With a focus on addressing climate change, our future strategy emphasizes continuous R&D of sustainable Eco-Family series materials, alongside with vertical integration efforts in production and services. This aims to establish a differentiated and specialized competitive edge to meet the diverse needs of our customers across various industries. Our Head Office is located at Taipei City, with production facilities and operational sites located in Taiwan, Dongguan and Jiaxing in China, and Vietnam.

|                                  |  |
|----------------------------------|--|
| <b>Corporate Name</b>            | Nam Liong Global Corporation   |
| <b>Corporate Type</b>            | Publicly Listed Corporate  |
| <b>Date of Establishment</b>     | August 11, 1989  |
| <b>Head Office Location</b>      | 114 6F., No.349, Yangguang St., Neihu Dist., Taipei City   |
| <b>Industry Category</b>         | Wearing Apparel, Other Textiles and Products Manufacturing, Footwear Manufacturing   |
| <b>Main Products or Services</b> | <b>Nam Liong Global</b> is committed to specializing in <b>technological and functional products complimented by specialized and functional materials</b> . Our product categories span across footwear, bags, clothing, sports and medical devices, and specialized materials. We aim to become comprehensive material supplier, focusing on high-tech and functional eco-friendly textiles, polymer materials, and high resilience foaming eco-friendly materials. We possessed multiple patents and consolidated our market leadership through technological innovation, and continuous efforts in building and integrating complete supply chain system. We prioritize addressing out customer's demands and pain points, delivering exceptional product quality, and rapidly improving customer service to further enhance <b>Nam Liong Global's</b> business reputation. |
| <b>Paid-in Capital</b>           | NT\$ 1,224,032,390   |
| <b>Number of Employees</b>       | 516  |



- Corporate Milestones



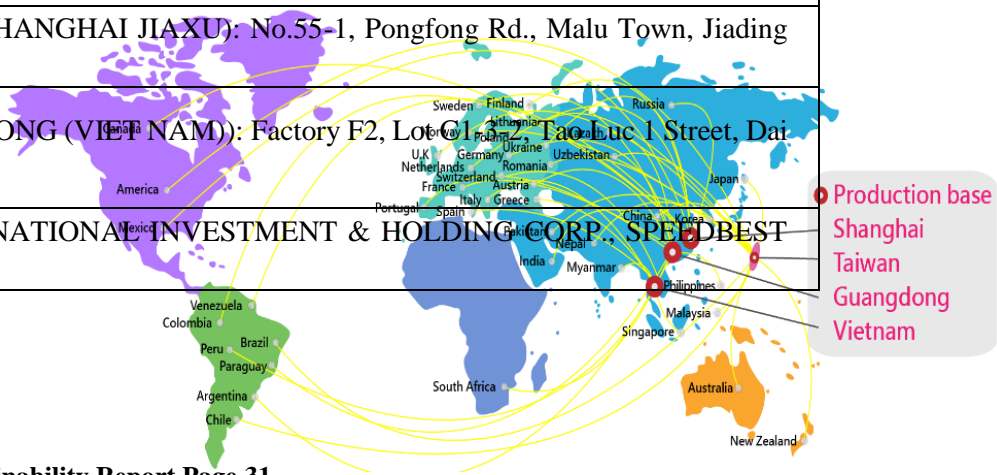
- Membership in Public Associations

**Nam Liong Global** continues to participate in industrial public associations, exchanging industry knowledge, information and practical experiences with peers and professionals. These participations aim to collectively respond to international developments and improve industry standards. In 2024, Nam Liong Global joined six public associations, as listed below:

| Association Name                                  | Position in Association |
|---|-------------------------|
| Taiwan Rubber & Elastomer Industries Association  | General member          |
| Tainan City General Industrial Association        | General member          |
| Taiwan Smart Textile Association                  | General member          |
| Cross-Strait CEO Summit                           | General member          |
| Southern Taiwan Textile Research Alliance (STTRA) | General member          |
| Taiwan Textile Research Institute (TTRI)          | General member          |

2.1.2 Operational Locations

| Region              | Product Category                       | Operational Locations   |
|---------------------|--|---|
| Taiwan              | Textile composite materials            | Nam Liong Global-Head Office: 6F., No.349, Yangguang St., Neihu Dist., Taipei City<br>Nam Liong Global-Tainan Branch, Plant: No.10, Ln.41, Zhouwei St., Yongkang Dist., Tainan City<br>Nam Liong Global-Niao Song Factory: No.127, Zhengbei 5th Rd., Sanmin Vil., Yongkang Dist., Tainan City<br>Nam Liong Global-Ren Ai Factory: No.357, Ren'ai St., Sanmin Vil., Yongkang Dist., Tainan City<br>Nam Liong Global-Dong He Factory: No.57, Ln.217, Sec.1, Changhe Rd., Annan Dist., Tainan City |
|                     | Sales of electronics                   | ELEMENTECH INTERNATIONAL CO., LTD. (ELEMENTECH INTERNATIONAL): 4F., No.267, Chongyang Rd., Nangang Dist., Taipei City   |
|                     | Chemical products                      | GREENCHEM INTERNATIONAL CO., LTD. (GREENCHEM INTERNATIONAL): No.8, Xingye Rd., Guogou Vil., Jiatai Industrial Park, Taibao City, Chiayi County  |
| China               | Textile composite materials            | JIAXING NANXIONG POLYMER CO., LTD. (JIAXING NANXIONG): Factory premises located north of Weiyi Rd., south of Pinghu Pond, and east of Ya'o Rd., Southlake Asia-Pacific Industrial Park, Jiaxing City, Zhe Jiang Province<br>DONG GUAN NAMLIONG RUBBER MANUFACTURERS CO., LTD. (DONG GUAN NAMLIONG): No.295, Xiang Fu Rd., Keng Kou, Liao Bu, Dong Guan City, Guang Dong   |
|                     | Manufacturing and sales of electronics | SUZHOU GREATSUN ELECTRONICS & COMMUNICATIONS CO., LTD. (SUZHOU GREATSUN): Plant No.2, No.6, Ziteng Rd., Liuhe Town, Taicang City, Jiangsu Province  |
|                     | Chemical products                      | GREENCHEM INTERNATIONAL SHANGHAI CO., LTD. (SHANGHAI JIAXU): No.55-1, Pongfong Rd., Malu Town, Jiading Dist., Shanghai City   |
| Vietnam             | Textile composite materials            | NAM LIONG ENTERPRISE CO., LTD. (VIET NAM) (NAM LIONG (VIET NAM)): Factory F2, Lot G152, Tao Luc 1 Street, Dai Dang Industrial Park, Tinh Binh Ward, Ho Chi Minh City  |
| Investment holdings |  | ELEMENTECH (HONG KONG) LTD., NAM LIONG INTERNATIONAL INVESTMENT & HOLDING CORP., SPEEDBEST INTERNATIONAL LTD.   |





## 2.2 Governance Structure

### 2.2.1 Governance Framework

#### 《A-Governance Framework Overview》

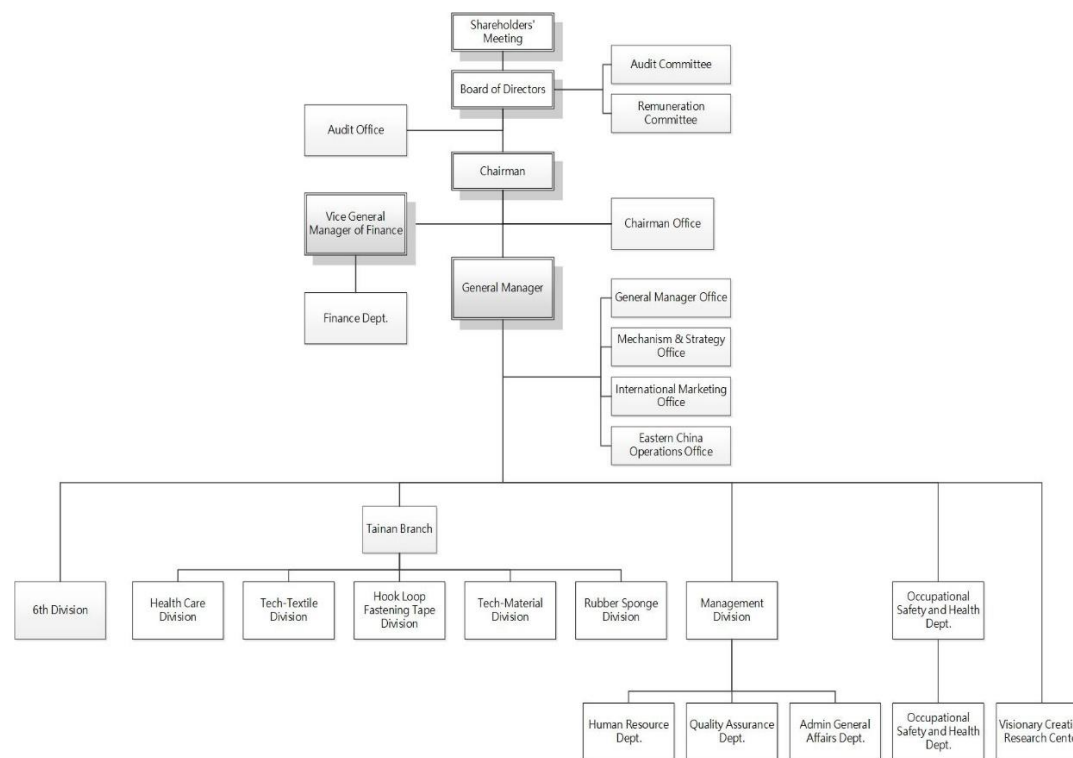
**Nam Liong Global's** highest authority body is the Shareholders' Meeting, which elects the Board of Directors. The Board of Directors acts as the highest governing body, responsible for the overall management decisions of the Corporate. In addition, functional committees such as the Remuneration Committee and the Audit Committee are established to supervise the Corporate's affairs, financial statements, compensation and remuneration, and other related matters. Furthermore, Audit Office is established to oversee the effectiveness of the Corporate's internal control system. Each committee is required to regularly report its performance and resolutions to the Board of Directors to maintain the interests of the Corporate and all stakeholders.

#### 《B-Compositions and Operations of the Board of Directors》

The Board of Directors plays a role in balancing and supervising between the owners and the operators of the Corporate. It exercises the rights and obligations entrusted by shareholders, formulates operational policies based on stakeholders' interest, and makes decisions regarding the Corporate's management, as well as supervising its operational status. Moreover, the Board deliberates on and determines strategies related to sustainable development, as well as tracking and ensuring the effectiveness of their implementation.

**Nam Liong Global's** board members are nominated through a candidate nomination system, where the Shareholders' Meeting elects 9 to 11 candidates to serve as directors for a term of 3 years. All directors are eligible for consecutive re-elections. The criteria for nomination and selection revolves around the candidates' independence, professional background, relevance to the Corporate's operational development, and the consideration of board diversity. The current board comprises 9 directors, including 3 independent directors, with a gender ratio of 7:2 (male to female).

**Nam Liong Global** generally convenes quarterly board meetings. In 2024, a total of 6 board meetings were convened, with an average attendance rate of 94.44%. Please refer to pages 20 to 21 and 51 to 53 of **Nam Liong Global's** 2024 Annual Report for detailed information regarding the attendance records of each Director and the agenda contents.



【Governance Framework of Nam Liong Global】

**Information on Nam Liong Global's Board of Directors** (Current term of office: June 23, 2022, to June 22, 2025)

| Position                 | Service duration | Name  | Gender | Age          | Positions held concurrently in Nam Liong Global              | Key positions held concurrently in other company   | Functional Committees |                        |
|--------------------------|------------------|---|--------|--------------|--|--|-----------------------|------------------------|
|                          |                  |   |        |              |  |  | Audit Committee       | Remuneration Committee |
| Juristic Person Director | 11.5             | Shao, Ten-Po (ZI LIONG ENTERPRISE CO., LTD.)            | Male   | 51 and above | Chairman   | Chairman of TIONG LIONG INDUSTRIAL CO., LTD.<br>Chairman of U-LONG HIGH-TECH TEXTILES CO., LTD.<br>Chairman of TIEN JIANG ENTERPRISE CO., LTD. |                       |                        |
| Juristic Person Director | 14.5             | Hsiao, Chung-Hu (ZI LIONG ENTERPRISE CO., LTD.)         | Male   | 51 and above | -  | Chairman of ELEMENTECH INTERNATIONAL CO., LTD.<br>Chairman of GREENCHEM INTERNATIONAL CO., LTD.<br>Chairman of DECORTEC CO., LTD.              |                       |                        |
| Director                 | 2.5              | Chang, Shun-Ching                                       | Male   | 51 and above | General Manager (Serving until 2024/12/31)                   | -  |                       |                        |
| Director                 | 14.5             | Pai, Ching-Jen  | Male   | 51 and above | Vice General Manager of Finance, and Chief Financial Officer | -  |                       |                        |
| Director                 | 11.5             | Hsiao, Yu-Chiao   | Female | 31-50        | Senior Manager   | -  |                       |                        |
| Juristic Person Director | 2.5              | Wang, Shih-Ting (EVER DEVELOPMENT INVESTMENT CO., LTD.) | Female | 31-50        | Executive Senior Manager                                     | -  |                       |                        |
| Independent Director     | 8.5              | Huang, Chung-Hui  | Male   | 51 and above | -  | Independent Director of O-TA PRECISION INDUSTRY CO., LTD.<br>Independent Director of FU CHUN SHIN MACHINERY MANUFACTURE CO., LTD.              | V                     | V                      |
| Independent Director     | 5.5              | Huang, Wen-Ming   | Male   | 51 and above | -  | -  | V                     | V                      |
| Independent Director     | 2.5              | Tsao, Ching-Ming  | Male   | 51 and above | -  | Consultant of FU CHUN SHIN MACHINERY MANUFACTURE CO., LTD.<br>General Manager of JUNG SHEN TECHNOLOGY CO., LTD.                                | V                     | V                      |

### Distribution of Professional Capabilities and Experiences Among Directors

| Position                 | Name  | Distribution of Professional Capabilities and Experiences Among Directors |                                      |                          |              |                          |                                    |            |                 |
|--------------------------|---|---|--------------------------------------|--------------------------|--------------|--------------------------|------------------------------------|------------|-----------------|
|                          |   | Operational judgement   | Accounting and financial analyticity | Operation and management | Risk-Solving | Industrial understanding | International market understanding | Leadership | Decision-making |
| Juristic Person Director | Shao, Ten-Po (ZI LIONG ENTERPRISE CO., LTD.)            | V   |                                      | V                        | V            | V                        | V                                  | V          | V               |
| Juristic Person Director | Hsiao, Chung-Hu (ZI LIONG ENTERPRISE CO., LTD.)         | V   |                                      | V                        | V            | V                        | V                                  | V          | V               |
| Director                 | Chang, Shun-Ching                                       | V   |                                      | V                        | V            | V                        | V                                  | V          | V               |
| Director                 | Pai, Ching-Jen  | V   | V                                    | V                        | V            | V                        |                                    | V          | V               |
| Director                 | Hsiao, Yu-Chiao   | V   | V                                    | V                        | V            | V                        |                                    | V          | V               |
| Juristic Person Director | Wang, Shih-Ting (EVER DEVELOPMENT INVESTMENT CO., LTD.) | V   |                                      | V                        | V            | V                        | V                                  | V          | V               |
| Independent Director     | Huang, Chung-Hui  | V   | V                                    | V                        | V            | V                        |                                    | V          | V               |
| Independent Director     | Huang, Wen-Ming   | V   | V                                    | V                        | V            | V                        |                                    |            | V               |
| Independent Director     | Tsao, Ching-Ming  | V   | V                                    | V                        | V            | V                        | V                                  |            | V               |

### 《C-Professional Development of Directors》

**Nam Liong Global** annually arranges educational courses for directors focusing on professional skills, knowledge, and sustainability-related issues to enhance their capabilities in navigating operational challenges. In 2024, a cumulative total of 54 hours were devoted to training programs and courses. Please refer to page 31 of **Nam Liong Global's** 2024 Annual Report for detailed information regarding the individual training records of each director.

## 《D-Remuneration Policy for Directors and Senior Management》

### Remuneration Structure for Directors and Senior Management Personnel

The remuneration of **Nam Liong Global's** directors include transportation reimbursement and director pays. The Remuneration Committee uses industry benchmarks and performance of individual director as the basis of adjustments in individual remunerations. Please refer to pages 15 to 16 and 19 to 20、23 of **Nam Liong Global's** 2024 Annual Report for detailed information regarding directors' remuneration, tiers, and payment standards. The remuneration of **Nam Liong Global's** senior management personnel is proposed by the Remuneration Committee and approved by the Board of Directors. It includes fixed salaries, retirement benefits, and performance bonuses calculated based on the accomplishment in performance indicators. The retirement system for senior management personnel aligns with that of other employees within the Corporate. Please refer to pages 17 to 19 of **Nam Liong Global's** 2024 Annual Report for detailed information regarding senior management personnel's remuneration and tiers.

### Connection Between the Remuneration of Directors and Senior Management with ESG Performance

**Nam Liong Global** plans to gradually introduce ESG performance indicators to connect individual remuneration with participation in ESG issues and the accomplishment of ESG objectives, thereby strengthening accountability of directors and senior management towards the Corporate's sustainability vision.

### Recoupment Mechanism

To ensure the Corporate's sustainability and ethical conduct, in the events of significant risk incidents impacting **Nam Liong Global's** reputation, or major internal mismanagement, or if directors or any employees face penalties due to wrongdoing, the initially approved remuneration or rewards shall be entirely revoked. If any director or employee engages in improper gains, **Nam Liong Global** will pursue legal claims and litigation as per the law.

## 《E-Performance Assessment of the Board of Directors》

**Nam Liong Global** conducts self-assessments for the Board of Directors, functional committees (including the Audit Committee, Remuneration Committee), and individual board members annually. Please refer to page 22 of **Nam Liong Global's** 2024 Annual Report for the results of the performance self-assessment for the year 2024.

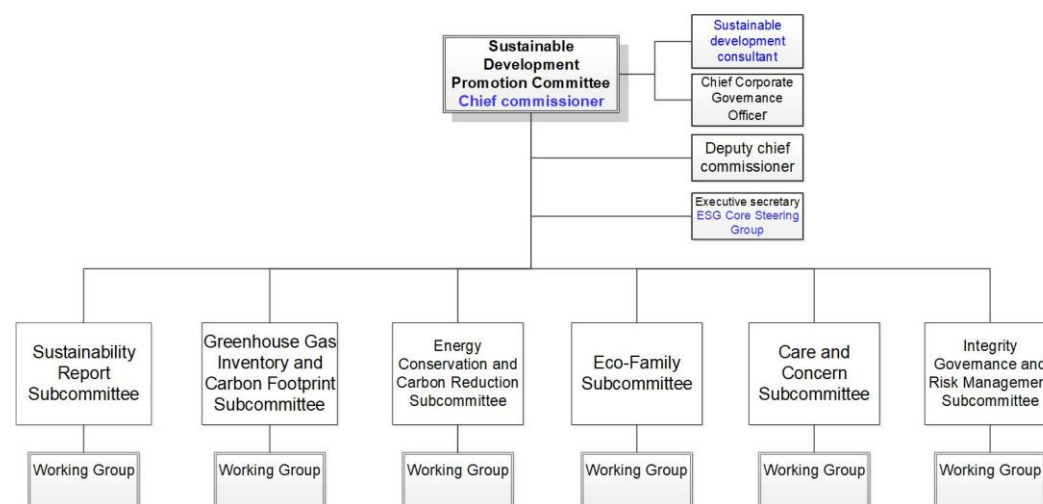
## 《F-Conflict of Interest Management in Performance Assessment of the Board of Directors》

At **Nam Liong Global**, the Rules of Procedure for Board of Directors' Meeting, as well as those of the Audit Committee and Remuneration Committee, all include regulations regarding avoidance of conflict of interest. In case a director's agenda involves personal interests, those of their spouse, close blood relations within the second degree, or companies where the director has a controlling or subordinate relationship, they must disclose these interests during the Board Meeting. If there is potential harm to the Corporate's interests, they are prohibited from participating in discussions, voting, or exercising proxy voting rights on these matters. The names of relevant directors, essential explanations, and details of avoidance are documented in the meeting records. Please refer to page 55 of **Nam Liong Global's** 2024 Annual Report for detailed information regarding the related-parties' transactions, and the cross-shareholding status between directors, controlling shareholders, or other stakeholders for the year 2024.

In addition, **Nam Liong Global** has established a Code of Conduct for Integrity Management and continuously monitors the development of domestic and international standards for integrity management. This information is used to review and enhance the Corporate's Integrity Management Policies and initiatives, aiming to improve the effectiveness of implementing integrity management within the Corporate. As of the end of 2024, **Nam Liong Global** has not experienced any significant incidents related to conflict of interest.

## 《G-Sustainable Development Promotion Committee》

To advance the Corporate's sustainable development, **Nam Liong Global** established the Sustainability Development Promotion Committee as a committee structured under the General Manager's oversight. The committee consists of 21 appointed members, serving as the Corporate's internal specialized department for sustainable development. The committee formulated the self-approved Organizational Regulations and Rules of Procedure for the Sustainability Development Promotion Committee, outlining its responsibilities and obligations. The Sustainability Development Promotion Committee is tasked with promoting consensus, preparing the identification and communication plan for sustainability issues concerning stakeholders, planning and advancing the Corporate's sustainability-related matters, preparing sustainable development goals, and regularly reporting progress and accomplishments to the Board of Directors. In 2024, a total of 2 meetings were convened, addressing topics such as the annual GHG inventory, the progress in compiling the Sustainability Report, and the progress of carbon footprint projects, with all related outcomes reported to the Board of Directors.



【Organizational Structure of the Sustainable Development Promotion Committee】

## 2.2.2 Functional Committees

### 《A-Audit Committee》

**Nam Liong Global's** Audit Committee comprises 3 independent directors, serving from June 23, 2022, to June 22, 2025. Its responsibilities include reviewing the Corporate's financial statements, overseeing the appointment and independence of certified public accountants, establishing or amending internal control systems, and ensuring the Corporate's compliance with relevant regulations. The committee generally convene meetings quarterly, with department heads, internal auditors, and certified public accountants to attend discussions as necessary. In 2024, a total of 5 meetings were convened with a member attendance rate of 100%. Please refer to pages 22 to 24 of **Nam Liong Global's** 2024 Annual Report for detailed information regarding the operation of Audit Committee.

### 《B-Remuneration Committee》

**Nam Liong Global's** Remuneration Committee consists of 3 members, all of whom are independent directors, meeting the requirements for independence, serving from June 12, 2023, to June 22, 2025. **Nam Liong Global** has established organizational regulations for this Committee, outlining its responsibilities and obligations in formulating and regularly evaluating the remuneration system and associated standards. The Committee generally convene meetings semi-annually. In 2024, a total of 6 meetings were convened with a member attendance rate of 100%.

## 2.3 Economic Performance

### 2.3.1 Economic Value

Each year in the fourth quarter, departmental units draft the budget for the following year. The Finance Department consolidates budgets related to sales, production, procurement, and salary expenses, compiles an estimated income statement, submits it for the General Manager's review, and presents it for the first Board Meeting in the following year. All daily accounting records and financial statement are prepared on accrual basis, according to the Business Entity Accounting Act and the International Financial Reporting Standards (IFRSs). The Finance Department conducts a monthly analysis comparing budget figures with actual reports, reviewing differences in amounts and reasons. In case of significant differences or influences due to force majeure, the Department shall present these matters to the Board for discussion and for the formulation of revised business objectives. After the supervisor's review, each quarterly financial statement is reviewed and certified by certified public accountants and then reported for the Board resolution following review by the Audit Committee.

**Nam Liong Global's** quarterly consolidated financial reports, annual consolidated financial reports, and individual financial reports are all publicly disclosed on **Nam Liong Global's** official website and the Taiwan Stock Exchange Corporation's (TWSE) Market Observation Post System (MOPS). This Report follows the accrual basis in presenting the economic value generated and distributed (EVG&D), compiling the data into an economic income and distribution statement.



| Overview of the Operating Performance for the Most Recent Three Years |           |           | Unit: NT\$ thousand | Note(s):   |
|---|-----------|-----------|---------------------|--|
| Item / Year   | 2022      | 2023      | 2024                |  |
| Operating Revenue   | 3,082,227 | 2,411,798 | 2,669,081           | <p>1. Payments to Investors: Refer to the distribution of dividends to all shareholders, as well as the interest due to lenders (including any form of debt or loan interest) and any unpaid dividends owed to preferred shareholders.</p> <p>2. Payments to the Government: Include all taxes (business taxes, income taxes, property taxes) and fines.</p> <p>3. Employee Remuneration (including employee benefits): The term “Employee Benefits” refers to the total monetary value of benefits provided to employees, such as Labor Insurance and National Health Insurance premiums and retirement contributions. This does not include costs related to education and training, protective equipment, and other expenses directly associated with employees' job duties. The term “Total Employee Benefits” refers to the total welfare expenses allocated by the Corporate to the Welfare Committee for providing non-monetary benefits to employees such as travel, medical check-ups, and festive seasons gift packages.</p> <p>4. Community Investment: Refers to donations and contributions.</p> <p>5. All values in the table are presented in New Taiwan Dollars (NT\$).</p> <p>6. Economic Value Retained: Direct economic value generated-Economic value distributed.</p> <p>7. Community Investment: For the years 2024, 2023 and 2022, the investments included political donations of NT\$ 840,000, NT\$ 300,000 and NT\$ 280,000, respectively.</p> <p>※ Direct economic value generated: Refers to revenue.</p> <p>※ Economic value distributed: Refers to Operating Revenue, Employee Remuneration and Employee Benefits, Payments to Investors, Payments to the Government by Country, and Community Investment.</p> |
| Operating Costs   | 2,262,133 | 1,806,711 | 1,931,002           |  |
| Operating Gross Profit  | 820,094   | 605,087   | 738,079             |  |
| Operating Profit and Loss   | 139,914   | 18,964    | 144,635             |  |
| Non-Operating Income and Expenses                                     | 51,585    | 21,203    | 49,757              |  |
| Pre-Tax Net Income  | 191,499   | 40,167    | 194,392             |  |
| Net Income for the Period After Tax                                   | 177,619   | 12,546    | 137,751             |  |
| Total Comprehensive Income for the Period                             | 262,852   | 48,922    | 52,766              |  |
| Earnings per Share (NT\$)   | 1.45      | 0.10      | 1.13                |  |
| Total Employee Benefits   | 5,521     | 4,205     | 4,041               |  |
| Dividends   | 79,555    | 30,598    | 61,202              |  |
| Employee Remuneration (including employee benefits)                   | 652,178   | 549,774   | 564,757             |  |
| Economic Value Retained   | 344,153   | 264,944   | 376,139             |  |
| Payments to Investors   | 110,225   | 58,037    | 85,848              |  |
| Payments to the Government  | 20,357    | 37,971    | 42,414              |  |
| Community Investment  | 2,534     | 2,012     | 2,331               |  |

## 2.3.2 Tax Policies

### Strategy and management approach to taxation

**Nam Liong Global** complies with tax regulations of each operational jurisdiction and abides by the Organization for Economic Cooperation and Development (OECD) Guidelines. It develops different tax strategies for diverse tax jurisdictions and implements responsible taxation based on functions and risks by establishing reasonable pricing principles within the group.

To efficiently manage tax risks, the Finance Department is responsible for assessing, identifying, and overseeing changes in tax regulations across various countries. It evaluates potential tax risks arising from the operational activities and implements suitable measures to manage and control them effectively. As part of the sustainability strategy, we aim to achieve a balance in corporate governance, environmental management, and social governance, creating better communication with stakeholders. The tax management at **Nam Liong Global** aim to minimize audit and tax risks while ensuring the group retains sufficient and reasonable tax reserves in each tax jurisdiction.

| Highest Governance Body Responsible for Tax-related Matters | Board of Directors  |
|---|---|
| Operation Unit  | Finance Department, convene <b>annual</b> discussion on the Corporate's tax strategies, and responsible for day-to-day tax administration and reporting practices   |
| Audit Unit  | Audit Department, conduct <b>annual</b> review of tax processing procedures, reporting processes, internal control systems, and compliance with tax regulations   |
| Compliance with Laws and Regulations                        | Filing and payment of taxes in accordance with local regulations and standards  |
| Strategies  | <ul style="list-style-type: none"><li>• Transactions among affiliates are conducted following standard Principles of Transaction and comply with the OECD Transfer Pricing Guidelines for Multinational Enterprise and Tax Administration</li><li>• No use of tax havens or tax planning for the purpose of tax evasion</li><li>• No transfer of Corporate profits to countries with low tax rate</li></ul> |
| Training of Governance Body                                 | Members of tax governance department regularly undergo training and education, either from regulatory authorities or within the Corporate to enhance the tax professionals' expertise and knowledge   |

### Tax Risk Management

Changes in tax laws and regulations can potentially increase Corporate's effective tax rate, affecting the tax burden and net profits. To effectively manage tax-related risks, the tax governance department regularly reviews the dynamic tax regulations of operational jurisdiction of each business units, identifies potential tax risks, reports them to the Board of Directors, as well as discusses and formulates responsive measures. In the events of new business activities or transactional behaviors arise, the potential tax implications are assessed beforehand, allowing for the development of the most suitable tax strategies.

### Whistleblowing Mechanism

An internal independent complaint channel is established within the Corporate, allowing employees or external stakeholders to raise concerns about unethical or illegal tax practices or any suspicions that might jeopardize the Corporate's tax integrity. These complaints are then processed by the Finance Department. No unethical or illegal tax behaviors occurred in the current year.

### Stakeholder Communication

At **Nam Liong Global**, we formulate our tax strategies by referencing regulations, interpretative letters, and news announcements published by supervisory authorities. We regularly participate in tax seminar or courses organized by tax authorities to stay updated on the latest regulatory information and engages in periodic discussions with certified public accountants to assess the potential impacts of future tax regulations on Nam Liong Global. Whenever required by regulations, **Nam Liong Global** secure endorsement from supervisory authorities for tax strategies requiring pre-assessment or for seeking tax incentive programs. **Nam Liong Global's** income taxes are verified and certified by external accounting firms to ensure **Nam Liong Global's** compliance with local tax regulations. Moreover, we cooperate with tax authorities' investigations across various regions, providing tax supplementary explanations and relevant documentation as required by regulatory agencies.

## 2.4 Responsible Business Conduct

### 2.4.1 Integrity Management

#### 《A-Integrity Management Regulations》

At **Nam Liong Global**, we formulate our integrity management policies in accordance with the Ethical Corporate Management Best Practice Principles, identifies potential negative impacts on stakeholders within the Corporate's business relationships and establishes preventive measures and remedial systems for specific risks. In addition, an independent oversight department has been established to monitor and improve the Corporate's commitment to responsible business practice, ensuring **Nam Liong Global's** compliance with integrity management standards and objectives.

Despite not having implemented the Responsible Business Alliance (RBA) Code of Conduct and its associated policies specifically related to human right responsibilities in business operations, **Nam Liong Global** has already embedded similar management systems concerning labor, health and safety, environment, and ethical standards within its existing management regulations. These elements will be unified into a group policy and commitment once the relevant methods are streamlines and consolidated. Currently, the Integrity Management policies and Codes of Ethical Conduct established in compliance with regulations are publicly disclosed in Nam Liong Global's annual reports and official website.

| Approval Unit      | Executing Unit     | Governmental Regulation  |
|--------------------|--------------------|--|
| Board of Directors | Finance Department | Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies |
| Board of Directors | Finance Department | Procedures for Ethical Management and Guidelines for Conduct                         |
| Board of Directors | Finance Department | Codes of Ethical Conduct for TWSE/GTSM Listed Companies                              |

#### 《B-Statistics on Anti-Corruption Training》

**Nam Liong Global** conducts integrity management-related training sessions, outlining prohibited behaviors in business operations. These include courses on professional ethics (trade secrets, intellectual properties, information usage, fair competition and antitrust practices), as well as anti-corruption courses (covering bribery, improper benefits, extortion, and money laundering). These sessions aim to prevent dishonest conducts. In 2024, a total of 14 anti-corruption training sessions were conducted, providing training for 59 individuals.

#### 《C-Stakeholder Communication and Prevention》

**Nam Liong Global** committed to guide and enable all members in operational units and stakeholders to comprehend the integrity management policies. This involves the implementation of a series of measures and management mechanisms, including signing relevant documents, conducting a total of 12 continuous educational training sessions via email, as well as conducting thorough due diligence investigations on suppliers to facilitate assessment and screening.

| Category of Individuals |                                     | Timing                     | Documents required for signature                               | Signing Percentage |
|-------------------------|-------------------------------------|----------------------------|--|--------------------|
| Workers                 | New recruits                        | At the time of employment  | Labor Agreement  | 100%               |
|                         | Current employees                   | At the time of employment  | Labor Agreement  | 100%               |
|                         | Governance and Management Personnel | At the time of appointment | Declaration of No Violation of Integrity Management Principles | 100%               |
| Business Partners       | New suppliers                       | During contract signing    | Supplier Contract  | 100%               |
|                         | Existing suppliers                  | During contract signing    | Supplier Contract  | 100%               |

《D-Reporting and Complaint Mechanism》

To mitigate the impact of any breaches in integrity or professional ethics, employees at all operational locations of **Nam Liong Global** can utilize the internal whistleblower process for complaints and disclosures. This process is also available for suppliers and stakeholders to report any illegal or unethical behavior. The Finance Department is responsible for receiving and investigating reports. They escalate to the independent directors in the events of the reported matters involves directors and managers. In addition, an independent audit office is established to supervise the follow-up procedures related to the reported incidents and integrate integrity management regulations in the annual regular business audit agenda. Complaints and reports may be filed via email at: namliong\_public@namliong-global.com.

2.4.2 Compliance with Laws and Regulations

**Nam Liong Global** violated 1 environmental regulation, 0 social regulations, 0 governance and economic regulations, and 0 products and services regulations in 2024. The number of major regulatory violations, nature of sanctions, infractions committed, and the improvement measures taken for each of the four aspects: environment, society, governance and economics, and products and services, are explained below:

| Aspect                   | No. | Operational Location | Explanations for Violations   | Article                             | Sanctions          |                 | Explanation of Improvement Methods  |
|--------------------------|-----|----------------------|---|-------------------------------------|--------------------|-----------------|---|
|                          |     |                      |   |                                     | Fines (Unit: NT\$) | Other Penalties |   |
| Environmental Regulation | 1   | Niao Song Factory    | The location, construction, equipment, signboards, and safety management measures for the storage of public hazardous substances reaching quantity for control did not comply with the Standards for Establishing Places for Manufacturing, Storing, Processing Public Hazardous Substances and Flammable Pressurized Gases, and Regulations on Safety Control for such Places. | Article 15 of the Fire Services Act | 80,000             | -               | The establishment of storage facilities for public hazardous substances has been initiated, with construction scheduled for completion in the second quarter of 2025 and the license expected to be obtained in the fourth quarter of 2025. |

\* Note: This table discloses fines amounting to NT\$ 10,000 or more.

2.4.3 Human Rights Policies

《A-Introduction to Human Rights Policies》

Referencing to multiple international human rights conventions, including the United Nations (UN) Universal Declaration of Human Rights, the UN Framework and Guiding Principles on Business and Human Right, the UN Global Compact, and the International Labor Organization Declaration of Fundamental Principles and Rights at Work, **Nam Liong Global** have formulated human rights policies such as non-discrimination, freedom of association and collective bargaining, prohibition of child labor, and prevention of forced or compulsory labor. These policies aim to safeguard the fundamental rights of employees and stakeholders. To ensure that suppliers and contractors also abide by **Nam Liong Global’s** human right policies, human rights clauses have been included in supplier contracts and code of conduct. All suppliers and contractors are required to sign and comply with these regulations.

## 《B-Human Rights Risks Identification and Explanation of Policies》

### Human Rights Risks Identification and Formulation of Policies

**Nam Liong Global** assesses human rights issues and entities with potential risks based on past incidents of human rights cases and industry-specific risks. Subsequently, we formulate human right policies and risk mitigation measures, including compensatory systems. Identified potential human rights issues for the year 2024 include discrimination, freedom of association and collective bargaining, child labor, forced or compulsory labor, labor disputes, sexual harassment, etc. There were **no** related complaints or audit records reported in 2024. The potential human rights risks are described as follows:

| Human Rights Issues                                      | Discrimination   | Freedom of Association and Collective Bargaining                                    | Child Labor   | Forced or Compulsory Labor / Labor Disputes                                     | Sexual Harassment                                       |
|--|--|---|---|---|---|
| <b>Policy</b>  | Procedure for Anti-Discrimination Management                         | Management Procedure for Protection of Freedom of Association and Religious Beliefs | Prohibition of Child Labor, Management Procedure and Remedial Measures for Misuse of Underage Workers   | Procedure for Anti-reprisal, Forced or Compulsory Labor, and Penal Labor        | Procedures for Sex Harassment Complaints and Resolution |
| <b>Highest Governing Body for Policy-related Matters</b> | General Manager  | General Manager   | General Manager   | General Manager   | General Manager   |
| <b>Supervisory Unit</b>                                  | Human Resource Department  | Human Resource Department   | Human Resource Department   | Human Resource Department   | Human Resource Department                               |
| <b>Audit Frequency</b>                                   | Irregularly  | Irregularly   | Irregularly   | Irregularly   | Irregularly   |
| <b>Applicable Parties</b>                                | All employees, external individuals, and civil society organizations | All employees   | All employees, Contractors, Suppliers   |   |   |
| <b>Investigation or Communication Mechanisms</b>         | Complaint boxes, and complaint channels                              | Complaint boxes, and complaint channels   | Recruitment document checks, pre-employment document review, and Contractor and Supplier Investigations | Complaint boxes, complaint channels, and Contractor and Supplier Investigations | Complaint boxes, and complaint channels                 |
| <b>Risk Level</b>  | Low  | Low   | Low   | Low   | Low   |

To ensure the effective implementation of its human rights policies, **Nam Liong Global** plans to establish a human rights due diligence (HRDD) checklist management cycle in 2025. This will involve the identification of potential human rights issues, the conduct of risk assessments, and the design of mitigation measures, along with continuous improvement, thereby ensuring the C commitment to and responsibility for fulfilling its human rights policies.

## 《C-Human Rights Education Training》

To ensure that employees, external workers, suppliers, and external stakeholders are fully aware of **Nam Liong Global's** human rights policies, in addition to providing human rights policy education and training for new recruits upon their arrival, we regularly employ various methods such as cloud office announcements, educational training, and other means to educate and raise awareness. This is aimed at ensuring that all personnel understand their rights and Corporate's regulations. In 2024, the cumulative total training hours related to human right policy at **Nam Liong Global** amounted to 156 hours, with a total of 78 new recruits completing the training.

| Human Rights Education Training Records   | 2022 | 2023 | 2024 |
|---|------|------|------|
| Total person-hours of training and education regarding human rights amounted for new recruits | 222  | 122  | 156  |
| Ratio of human rights education training for new recruits                                     | 100% | 100% | 100% |

## 《D-Human Rights Communication Channels and Incident Explanation》

### Communication and Remedial Measures for Human Right Policies or Incidents

**Nam Liong Global** has established a platform for feedback and a suggestion mailbox to facilitate communication between all workers and external stakeholders with the dedicated department responsible for human rights issues. This includes suggestions for policy improvements, alerting potential risks, and reporting cases violating human rights. To ensure the impartiality of investigations and reviews in reported or filed cases, a cross-departmental team within the Human Resource Department is responsible for investing and reviewing human rights-related incidents, as well as developing improvement measures. In 2024, **no** incidents violating human rights or carrying potential risks were identified. The human rights incidents identified in 2024, along with the corresponding corrective measures, are as follows:

| Human Rights Issues                              | Number of Cases Received | Number of Cases Not Accepted | Number of Cases Investigated | Explanation:<br><b>Nam Liong Global</b> conducts annual audits of our global operational sites and suppliers, with particular focus on those identified as having significant potential risks, to verify whether any human rights incidents have occurred. |
|--|--------------------------|------------------------------|------------------------------|--|
| Discrimination                                   | 0                        | 0                            | 0                            |  |
| Freedom of Association and Collective Bargaining | 0                        | 0                            | 0                            |  |
| Child Labor                                      | 0                        | 0                            | 0                            |  |
| Forced or Compulsory Labor / Labor Disputes      | 0                        | 0                            | 0                            |  |
| Sexual Harassment                                | 0                        | 0                            | 0                            |  |

## 2.5 Risk Management

### 2.5.1 Risk Management Organization

The Corporate's capability in risk management plays a critical role in addressing risks and opportunities arising from both internal and external factors. **Nam Liong Global** actively responds to risks and opportunities stemming from global trends and the environment by regularly reviewing the impacts of these risks and opportunities, aiming to enhance the Corporate's sustainable competitiveness.

**Nam Liong Global** oversees its risk management through various departments. In the event of sudden major risks, relevant emergency response teams should be established to promptly address and manage different risk scenarios, ensuring compliance with legal regulations and minimizing potential losses and impacts. The Audit Office conducts regular annual audits on the risk factors associated with various operations and reports the auditing outcome to the Audit Committee and the Board of Directors quarterly.

| Unit                       | Responsibilities for Managing Risks Within Respective Units  |
|----------------------------|--|
| Technical Unit             | Identifying potential risk factors in product design and development, as well as developing and implementing measures to control related risk factors.   |
| Production Management Unit | Searching for qualified suppliers and items, identifying the risk factors associated with material procurement and inventory management, as well as implementing measures to control related risk factors. |
| Production Unit            | Collecting specific activity information during the production process, evaluating potential risk factors, as well as implementing measures to control related risk factors.                               |
| Quality Assurance Unit     | Identifying potential risk factors for product quality, as well as implementing measures to control related risk factors.  |
| Management Representatives | Providing resources for significant risk control, leading the organizational efforts in product safety identification, as well as approving the control measures.  |



## 2.5.2 Risk Identification and Mitigation Measures

The primary risk management units within **Nam Liong Global** are the various departmental units responsible for their specific functions. The highest decision-making and control department is the Board of Directors, assisted by the Audit Committee and the Remuneration Committee. These committees help the Board identify controllable product risks. They assess significant product risks, establish critical control points, and reduce potential product risks. In addition, in environmental risk management, **Nam Liong Global's** Niao Song Factory is certified to ISO 14001 Environmental Management Systems, while other facilities follow the principles of ISO 14001 for managing environmental risks.

| Risk Aspect | Risk Issue Identification | Risk Mitigation Measures   |
|-------------|---------------------------|--|
| Social      | Human Resources Risks     | <ul style="list-style-type: none"> <li>Nam Liong Global implements a comprehensive talent development program, planning professional training based on the requirements of each position.</li> <li>Continuously expands diverse educational resources, covering annual training sessions, external professional programs, monthly digital learning sessions, project-specific training, and on-the-job training, thereby fostering a comprehensive learning environment that promotes employees' continuous advancement.</li> <li>Provides flexible working hours based on employees' needs to foster a friendly workplace environment, while promoting a diverse and inclusive corporate culture to support employees in achieving work-life balance, thereby enhancing team cohesion and job satisfaction.</li> <li>Establishes comprehensive employee care and retention mechanisms by conducting regular communication to understand employees' needs and responding promptly with improvements, thereby enhancing overall workplace happiness. Competitive compensation and benefits packages are provided, along with various reward and recognition programs, to acknowledge employee performance and retain key talent.</li> </ul> |
| Economic    | Operational Risks         | <ul style="list-style-type: none"> <li>The original plan to expand the Jiaxing Nanxiong facility with the construction of a second-phase plant was delayed due to local policy uncertainties over the past two years, impacting the original investment plan. Recently, the feasibility of overseas plant expansion has been reassessed to address anticipated customer requirements for third-country supply chains in the future.</li> <li>The global market turbulence and tariff issues caused by the US-China Trade War have led to customer order delays, cautiousness, or even shifting to other materials. This situation has affected China's export market. To address this risk, the expanded production capacity will provide greater flexibility for production adjustments and geared towards the active development of green and eco-friendly materials. There will be ongoing improvements to production equipment, as well as plans for replacements, to adapt to an uncertain future.</li> </ul>   |
| Economic    | Exchange Rate Risk        | <ul style="list-style-type: none"> <li>To mitigate the impact of fluctuations in exchange rates on the value of foreign currency assets and potential fluctuations in future cash flows, the Corporate primarily utilizes natural hedging by matching foreign currency assets and liabilities to reduce the impact of exchange rate fluctuations and avoid associated risks.</li> </ul>  |

| Risk Aspect    | Risk Issue Identification  | Risk Mitigation Measures  |
|----------------|--|---|
| Economic       | Interest Rate Risks  | <ul style="list-style-type: none"> <li>Nam Liong Global is committed to identifying, evaluating, and avoiding market uncertainties to reduce the potential negative impacts of market fluctuations on the Corporate's financial performance.</li> <li>The management regularly monitors the volatility of market interest rates, adjusting the allocation of financial assets' fixed and variable rate based on market conditions and capital requirements to achieve our financial management objectives.</li> </ul>   |
| Economic       | Operational Risks (Information Security)   | <ul style="list-style-type: none"> <li>Nam Liong Global has established a comprehensive network firewall and computer security protection system to manage, maintain and ensure the security of essential business functions like operations, production, R&amp;D, and financial accounting.</li> <li>Critical systems have been equipped with a high-availability (HA) structure and supplemented with a backup mechanism to guarantee uninterrupted services and prevent data loss. In addition to implementing a HA architecture to ensure stable operation of the mainframe, off-site backups are also performed via fiber-optic networks to remote storage devices. These measures ensure the uninterrupted operation of critical information systems and data preservation, thereby reducing the risk of unexpected disasters or human error leading to system disruptions.</li> <li>The HA architecture undergoes at least one annual drill to verify the effectiveness and feasibility of the contingency plan, with continuous improvements and updates implemented to improve the continuity of operations.</li> <li>Nam Liong Global is certified to the ISO 27001: Information Security, Cybersecurity and Privacy Protection Management Systems and completed recertification on June 13, 2024, ensuring that our information security management aligns with international standards and strengthening cybersecurity protection mechanisms to safeguard the critical information assets of both the Corporate and our customers.</li> </ul> |
| Economic       | Earning or loss of highly-risky, high-leverage investment, capital loan and guarantee and derivatives trades | Nam Liong Global has refrained from engaging in highly-risky, high-leverage investment, and derivative commodity transactions in the recent fiscal year. Capital loans and providing guarantees are conducted cautiously in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees. All pertinent details are disclosed and announced in compliance with the regulatory requirements in each financial report.  |
| Sustainability | Risks related to sustainability reporting  | Nam Liong Global has integrated the reporting items mandated in the Reference Items for Assessing the Effectiveness of Internal Control Systems into our implementation guidelines of both the internal control system and the internal audit for sustainability information management, as part of our ongoing efforts to continuously improve sustainability information management. Periodic adjustments are made to further enhance the integrity of sustainability information management.   |

## 2.6 Climate-related Risks and Opportunities

### 2.6.1 Climate Governance Organization

The schedule and implementation progress of the **Nam Liong Global**'s greenhouse gas inventory and its verification are reported to the Board of Directors on a quarterly basis. The Sustainable Development Promotion Committee consists of six functional subcommittees: 1. Sustainability Report Subcommittee, 2. Greenhouse Gas Inventory and Carbon Footprint Subcommittee, 3. Energy Conservation and Carbon Reduction Subcommittee, 4. Eco-Family Subcommittee, 5. Care and Concern Subcommittee, and 6. Integrity Governance and Risk Management Subcommittee, which meet twice a year. At the beginning of each year, these subcommittees review the Corporate's strategies and objectives related to climate change, oversee actions to address climate-related risks and opportunities, assess progress, and plan future initiatives. These findings are then reported to the Board of Directors.

### 2.6.2 Climate-related Risks and Opportunities Identification and Assessment

The Integrity Governance and Risk Management Subcommittee is authorized by the Sustainable Development Promotion Committee to lead the identification of potential climate risks and opportunities. This subcommittee conducts a comprehensive identification process every three years to pinpoint significant risks and opportunities for the Sustainable Development Promotion Committee and conducts an annual review to ensure the relevance of climate-related risk and opportunity items.

In 2023, **Nam Liong Global** conducted our first climate-related risk assessment survey with 45 participants, which include members and seed members of the Sustainable Development Promotion Committee. This survey highlighted **12 climate-related risks and 10 climate-related opportunities** and pinpointed the high-risk factors for further analysis. In collaboration with external consultants, the Corporate identified significant climate-related risks and opportunities and developed corresponding response strategies. Climate change mitigation efforts will focus on low-carbon production, energy management, and carbon disclosure, whereas climate change adaptation efforts will concentrate on strengthening disaster prevention infrastructure and enhancing the climate resilience of the supply chain.

#### 《A-Categories of Risks and Opportunities》

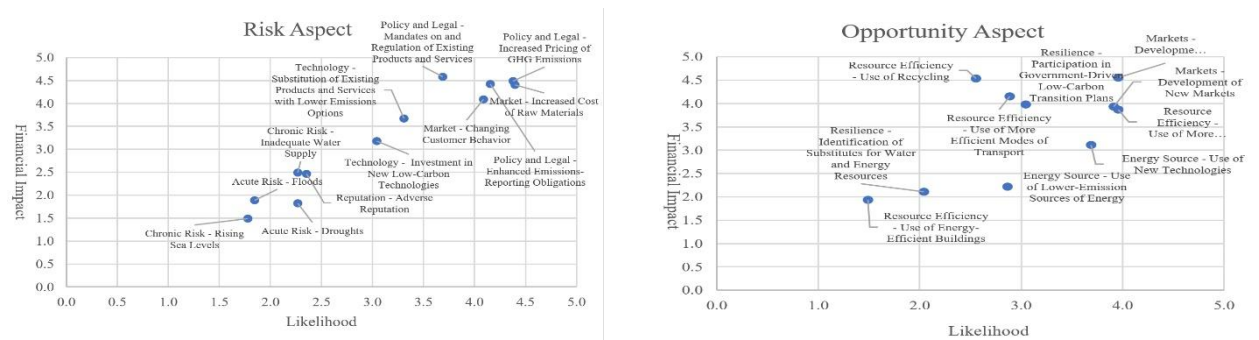
| Category                      | Risks and Opportunities |  |
|-------------------------------|-------------------------|--|
| Transition Risks              | Policy and Legal        | Increased pricing of GHG emissions, enhanced emissions-reporting obligations, mandates on and regulation of existing products and service  |
|                               | Technology              | <ul style="list-style-type: none"> <li>Substitution of existing products and services with lower emissions options (such as assessing the potential for transitioning existing products to low-carbon production)</li> <li>Investment in low-carbon technology: 1. Necessity for now process or design development, 2. Risk of unsuccessful R&amp;D resulting from new technologies</li> </ul> |
|                               | Market                  | <ul style="list-style-type: none"> <li>Changing customer behavior</li> <li>Increased cost of raw materials: 1. Increased production costs due to changing input prices and output requirements, 2. Abrupt and unexpected shifts in energy costs</li> </ul>   |
|                               | Reputation              | Adverse reputation (costs associated with the loss of goodwill due to negative external perceptions of the Corporate)  |
| Physical Risks                | Acute                   | Acute risks: Floods, droughts  |
|                               | Chronic                 | Chronic risks: Rising sea levels, inadequate water supply  |
| Climate-Related Opportunities | Energy Source           | Use of more efficient production processes, use of more efficient modes of transport, use of recycling (circular economy), use of energy-efficient buildings   |
|                               | Resource Efficiency     | Use of lower-emission sources of energy, use of new technologies   |
|                               | Products/Services       | Development of low emission goods and services   |
|                               | Resilience              | Participation in government-driven low-carbon transition plans, identification of substitutes for water and energy resources   |

## 《 B-Climate-Related Risks and Opportunities Matrix》

Based on the responses collected from the internal survey, the Corporate assessed the likelihood and associated financial impact of various climate-related risks and opportunities. Subsequently, a risks and opportunities matrix were constructed using the average risk values derived from the survey.

## 《 C-Climate Change Risk and Opportunity Assessment Results》

Based on the **likelihood** and **financial impacts** results collected from the risks and opportunities survey, transition risk/opportunity values were calculated (transition risk/opportunity value=likelihood \* financial impact). Following further evaluation by the Sustainable Development Promotion Committee in collaboration with external experts and considering the Corporate's characteristics and supply chain relationships, the risks and opportunities were refined and consolidated. This process identified **three major transition risks and two significant climate-related opportunities**. The results of the climate-related risk and opportunity assessment for the year 2024 remain unchanged from those of the previous year. Detailed information is provided in the table below:



| Category                    | Risk Items          |  | Inclusion | Explanation  |
|-----------------------------|---------------------|--|-----------|--|
| Transition Risk             | Policy and Legal    | Increased pricing of GHG emissions, enhanced emissions-reporting obligations   | Yes       | -  |
|                             |                     | Mandates on and regulation of existing products and service  | No        | Following the discussion by the Integrity Governance and Risk Management Subcommittee, it was concluded that this risk item will not be included due to the absence of clear requirements and regulations for current products and services. |
|                             | Market              | Increased cost of raw materials, changing customer behavior  | Yes       | -  |
|                             | Technology          | Substitution of existing products and services with lower emissions options  | Yes       | -  |
|                             |                     | Investment in low-carbon technology  | No        | This risk item will not be included due to lack of breakthrough advancements in current industry processes and technologies.   |
|                             | Reputation          | Adverse reputation   | No        | This risk item will not be included as the industry is not currently classified as a carbon-intensive sector.  |
| Physical Risk               | Acute Risks         | Floods, droughts   | No        | This risk item will not be included as the Corporate is not located in a flood-prone area and has access to alternative water sources.   |
|                             | Chronic Risks       | Inadequate water supply, rising sea levels   | No        | This risk item will not be included due to the Corporate's elevation above sea level.  |
| Climate-related Opportunity | Markets             | Development of low emission goods and services, development of new markets   | Yes       | -  |
|                             | Resource Efficiency | Use of more efficient production processes   | Yes       |  |
|                             |                     | Use of more efficient modes of transport, use of recycling, use of energy-efficient buildings                                | No        | These opportunity items will not be included due to the lack of significant development opportunities for this area within the existing industry.  |
|                             | Energy Source       | Use of new technologies, use of lower-emission sources of energy   | No        |  |
|                             | Resilience          | Participation in government-driven low-carbon transition plans, identification of substitutes for water and energy resources | No        |  |

## 2.6.3 Scenario Analysis and Climate Risk and Opportunity Impact Assessment

Based on the identified significant risks and opportunities, **Nam Liong Global** has established scenarios for analysis. Given that climate-related risks and opportunities will affect future strategies and financial planning, the Shared Socioeconomic Pathway 5 (SSP5)-Baseline Scenario was employed to evaluate the resilience of the Corporate's climate strategies.

| Item                | Transition Risk Modeling (International Energy Agency (IEA) 2023)   |  | Physical Risk Modeling (Intergovernmental Panel on Climate Change Sixth Assessment Report Working Group III (IPCC AR6 WGIII))  |  |
|---------------------|---|--|--|--|
|                     | Announced Pledges Scenario (APS)  | Net Zero Emissions by 2050 Scenario (NZE)  | SSP1-Representative Concentration Pathway 2.6 (RCP2.6)   | SSP5-RCP 8.5   |
| Description         | In commitment to achieving net-zero emissions by the year 2050, the Corporate will focus on reducing emissions, including ensuring alignment with national targets set by various countries for the period from 2030 to 2050. By 2100, the global average temperature is expected to be 2.1°C higher than pre-industrial era. | The global energy sector aims to achieve net-zero emissions by the year 2050. Developed economies are expected to reach net-zero earlier than other economies, with the goal of limiting the global temperature rise to 1.5°C. | Scenario with low emissions, with the emissions projected to be reduced by 50% by the year 2050, and the temperature rise kept under 2°C. This scenario offers a potential to meet the Paris Agreement's targets of limiting the temperature increase under 2°C or even 1.5°C.   | Business as usual (BAU): Emissions continue to rise, and the global temperature increase is expected to approach 4°C by the year 2100. |
| Source of Reference | <b>The World Energy Outlook 2023</b><br>CO2 prices for electricity, industry and energy production in selected regions by scenario (Table B.2)  |  | <b>Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP)</b><br>Inundation due to sea-level rise under the AR6 SSP1-2.6 and SSP5-8.5 scenarios<br>Maximum number of consecutive dry days (CDD) outlined in the Taiwan Climate Change Summary 2024 (County/City Scale) under the AR6 SSP1-2.6 and SSP5-8.5 scenarios<br><b>National Science and Technology Center for Disaster Reduction</b><br>Disaster Risk Adaptation (Dr.A)-Vulnerability: Tainan City |  |

## Overview of the Impact of Risks and Opportunities on the Corporate

| Category         | Risk Item        |  | Risk Position | Risk Item Identification   | Financial Impacts and Risk Mitigation Measures   |
|------------------|------------------|--|---------------|--|--|
| Transition Risks | Policy and Legal | Increased pricing of GHG emissions       | The Corporate | <ol style="list-style-type: none"> <li>1. An annual carbon fee will be imposed in Taiwan starting in 2026. This fee will initially apply to large electricity consumers and will gradually be extended to other general businesses.</li> <li>2. International efforts in advancing carbon taxes and Carbon Border Adjustment Mechanism (CBAM).</li> </ol>  | <ul style="list-style-type: none"> <li>● <b>Financial Impacts</b> <ol style="list-style-type: none"> <li>1. The Climate Change Response Act was enacted on February 15, 2023, and will take effect in 2025, initially targeting major carbon emitters. Consequently, it is expected that <b>Nam Liong Global</b> will face the imposition of carbon fees within the next three years. Fines for inaccurate reporting range from NT\$ 200,000 to NT\$ 2,000,000, while fines for excess emissions could reach up to NT\$ 1,500 per metric ton. In 2024, <b>Nam Liong Global</b>'s energy consumption amounted to 7,894.4381 MWh. Once stable mass production associated with the expansion of the Wang Hang Factory is achieved, annual electricity consumption and natural gas consumption is estimated to increase by approximately 12% and 5%, respectively, resulting in a 1.25% increase in overall carbon emissions compared to the year 2024.</li> <li>2. According to Article 12 of the Renewable Energy Development Act, large electricity consumers are required to increase their use of renewable energy. Consumers with contract capacities exceeding a specified threshold shall either install a set of capacity of renewable energy or storage equipment, or alternatively, purchase Renewable Energy Certificates (RECs) or pay a fee if installation is not feasible. <b>Nam Liong Global</b>'s current contract capacity is 2,526 kW. Once the solar power generation at both the Niao Song Factory and Ren Ai Factory is redirected to self-consumption in the future, the Corporate will comply with the Tainan City's regulations that mandate businesses with a capacity of 800 kW or more to install renewable energy systems equivalent to 10% of their total energy consumption within three years of the announcement. The estimated cost for purchasing Renewable Energy Certificates (RECs) under the bundled REC system is NT\$ 5,500 per certificate.</li> </ol> </li> <li>● <b>Risk Mitigation Measures</b> <ol style="list-style-type: none"> <li>1. The Corporate plans to begin using solar power generated by the Ren Ai Factory (108.5 kW) for internal consumption starting in 2026.</li> <li>2. The cost of implementing ISO 14064-1 GHG Inventory is estimated at NT\$ 480,000, with an expected annual assurance fee of NT\$ 300,000.</li> </ol> </li> </ul> |
| Transition Risks | Policy and Legal | Enhanced emissions-reporting obligations | The Corporate | <ol style="list-style-type: none"> <li>1. Regulations mandate that companies shall either install renewable energy systems, purchase Renewable Energy Certificates (RECs), or invest in energy-efficient equipment.</li> <li>2. Direct or indirect operational disruptions resulting from government-imposed power restrictions due to unstable or insufficient power supply caused by the implementation of green energy policies.</li> </ol> |  |



| Category                      | Risk Item           |  | Risk Position                         | Risk Item Identification   | Financial Impacts and Risk Mitigation Measures   |
|-------------------------------|---------------------|--|---------------------------------------|--|--|
| Transition Risks              | Market              | Changing customer behavior                 | Customers                             | As customers demand monitoring and reduction of carbon emissions, the Corporate may, in the future, be required to comply with the brand customer's supply chain-wide carbon reduction initiatives. Non-compliance may lead to potential loss of orders. | <ul style="list-style-type: none"> <li>● <b>Financial Impacts</b><br/>The Corporate is experiencing growing customer demand for low-carbon products with verified carbon footprints verification driven by the need to enhance their brand image and reputation. This poses a risk of losing orders, which could affect market share and potentially lead to reduced revenue or increased operational costs. While the short-term impact is anticipated to be minimal, there is a medium-to long-term risk of order loss. However, there is insufficient data to accurately estimate the financial impact.</li> <li>● <b>Risk Mitigation Measures</b><br/>International juristic persons' requirements for the Corporate to participate in the Carbon Disclosure Project (CDP) or the Science Based Targets initiative (SBTi) will incur assurance and internal operation costs, including consulting fees. The estimated annual fee for the CDP is USD 3,100. The cost for the SBTi assurance, covering both near-term and net-zero targets, is USD 12,750. In addition, there will be a USD 4,750 fee for updating targets every five years, and the cost for external assurance of product carbon footprints is estimated at NT\$ 300,000 every two years.</li> </ul> |
| Climate-Related Opportunities | Market              | Increased cost of raw materials            | The Corporate, and upstream suppliers | Nam Liong Global may face increased procurement costs due to the suppliers adopting or developing new energy conservation and carbon reduction technologies, installing carbon reduction equipment, and purchasing renewable energy and carbon credits   | <ul style="list-style-type: none"> <li>● <b>Financial Impacts</b><br/>The Corporate anticipates an increased production expenses due to meet market demands for low-carbon materials and rising electricity costs. The cost of procuring raw materials is expected to rise by NT\$ 14 million annually, and electricity prices are expected to increase by 10.725% each year.</li> <li>● <b>Risk Mitigation Measures</b> <ol style="list-style-type: none"> <li>1. The Corporate calculates the product carbon footprint for green products, including hook loop fastening tapes and functional fiber tapes, technical textiles and products, polymeric foams, and functional membranes and laminated fabrics. Moving forward, the Corporate will continue to seek feasible energy conservation solutions.</li> <li>2. Based on the revenue from low-carbon products, an annual gross profit of approximately NT\$ 29 million is anticipated.</li> </ol> </li> </ul>   |
| Climate-Related Opportunities | Market              | Development of new markets                 | The Corporate                         | Securing orders for green materials from brand customers.  |  |
| Climate-Related Opportunities | Resource Efficiency | Use of more efficient production processes | The Corporate                         | Identifying energy conservation solutions through analysis of product carbon footprints.   | Inventory all energy-consuming equipment by department, factoring in their age and energy usage, and replacing outdated machinery. This initiative is projected to reduce electricity and natural gas emissions by approximately 193 metric tons by 2030.  |

2.6.4 Climate-related Indicators and Objectives

Upon completion of the GHG inventory and baseline survey of energy consuming equipment, specific risk transition plans and control indicators will be developed. Energy conservation measures currently implemented are detailed as follows: To further advance energy conservation and carbon reduction efforts, and in line with the Corporate’s corporate social responsibility and sustainable production goals, the Corporate has taken effective measures to reduce paper usage and greenhouse gas emissions. These include recycling and reusing materials within the factory, promoting the practice of turning off lights when not in use, replacing malfunctioning air conditioners with variable-frequency units, transitioning to the use of LED lighting throughout the facility, and implementing electronic forms and approval processes. An objective has been set to reduce greenhouse gas emissions by 10% by 2025, compared to the baseline year of 2022.

Medium-to Long-Term Climate Change Management Goals (Using 2022 as the Baseline Year)

| Item                   | Indicators   | 2024              | 2025   | Medium-term Goals for the year 2030 | Long-term Goals for the year 2050 |
|------------------------|--|-------------------|--|-------------------------------------|-----------------------------------|
| Environmental Products | Percentage of total sales revenue from green products or products made of recycled materials | 3.96%             | Achieving 5% of total sales revenue from green products or products made of recycled materials |                                     | -                                 |
| Mitigation             | Percentage of renewable energy usage   | 0%                | 0%   |                                     | Achieving 5%                      |
|                        | Recycling rate of waste  | 61.87%            | Achieving 58%  | Achieving 58%                       | Achieving 60%                     |
|                        | Reduction in greenhouse gas emissions  | Decreased by 6.8% | Decreased by 10%   | Decreased by 18%                    | Net-zero emissions                |
| Adaptation             | Water consumption  | Decreased by 8.9% | Decreased by 2%  | Decreased by 5%                     | Decreased by 20%                  |

\* Note: This table is calculated based on Nam Liong Global’s individual data.

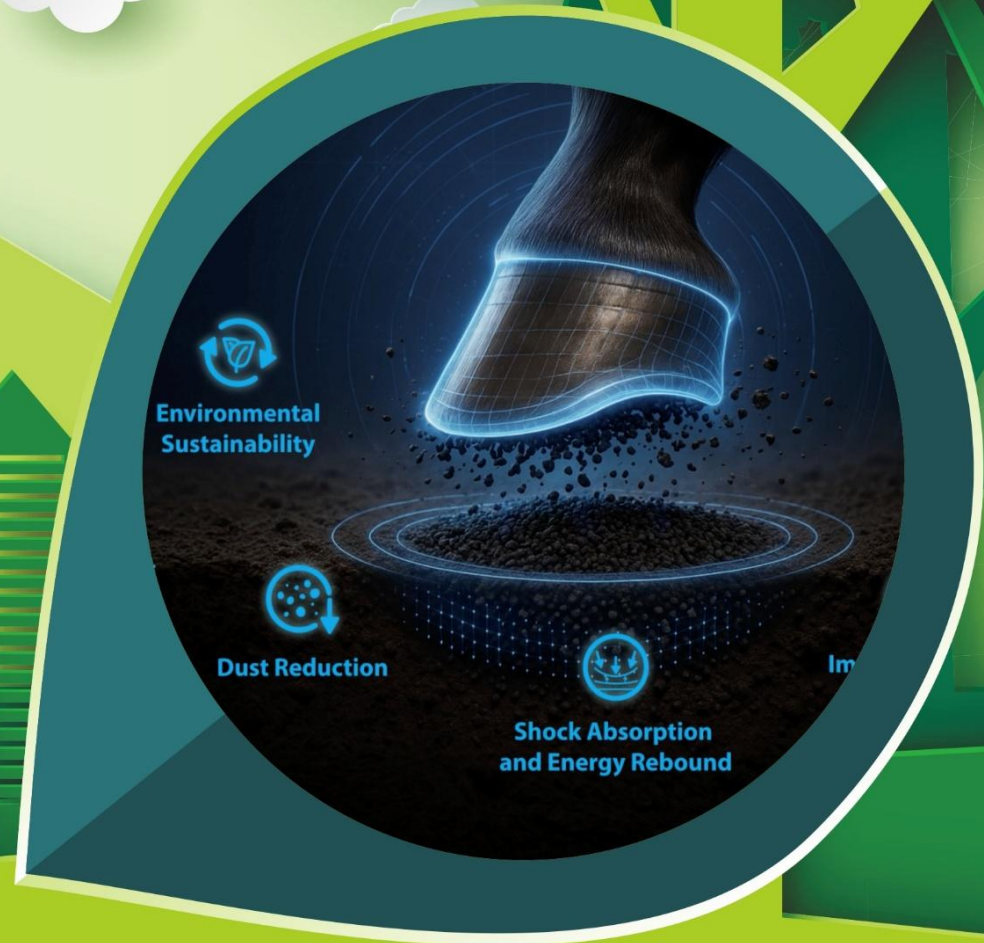
## 2.7 Information Security

To ensure the effective implementation, operational efficiency, oversight, and continuous maintenance of **Nam Liong Global's** information security management system, as well as safeguarding the confidentiality, integrity, and availability of critical information systems, Information Security Policy has been formulated. This policy serves as a clear guiding principle for employees in their daily work, ensuring the protection of all employees' rights, and expecting all employees to comprehend, implement, and uphold it to achieve operational objectives.

1. **Enhancing information security awareness and reinforcing security controls:** Supervising and educating all employees to implement information security practices, developing the concept of “Maintaining Information Security Should Be Everyone’s Responsibility”. Conducting ongoing information security education annually to enhance awareness. Should there be any violation regarding information security regulations, addressing responsibilities and applying appropriate disciplinary actions according to related policies.
2. **Comprehensive information security measures to ensure operational continuity:** By ensuring all employees implement the information security management system, we aim to safeguard information assets from external threats or improper internal management, preventing risks such as leakage, damage or loss. We select suitable information security measures to mitigate risks to an acceptable level, continuously monitoring, reviewing, and auditing the Information Security Management System (ISMS) to ensure ongoing operations and achieve sustainable business objectives.
  - **Nam Liong Global's information security management covers 14 management issues** to prevent incidents such as improper use, leakage, tampering, or destruction of data due to human error, intentional actions, or natural disasters, minimizing risks and threats to the Corporate.
  - Please refer to the Procedure for Information Security Objective Management for details on the goals and responsibilities to be fulfilled through the implementation of **Nam Liong Global's** information security management system, which includes: 1. The management team is responsible for establishing and reviewing the policy. 2. Information security managers shall implement the policy through appropriate standards and procedures. 3. All personnel and contracted suppliers must abide by procedures to maintain the information security policy. 4. All personnel are responsible to reporting security incidents and any identified vulnerabilities. 5. Any deliberate breaches of information security regulations or laws will subject to relevant norms or legal actions.
  - **The policy should be reviewed at least annually** to ensure compliance with applicable government regulations, technology, and business conditions, and to reflect the latest developments and standards related to information security. Any amendments to the policy shall only take effect after being reviewed by the Chief Information Security Officer and approved by the General Manager. The approved amendments shall be communicated to all employees and collaborating units through written, electronic, or other forms of notification.
  - **Nam Liong Global is certified to the ISO 27001: Information Security, Cybersecurity and Privacy Protection Management Systems** and completed recertification in June 2024, ensuring alignment with international standards. To further enhance the Corporate's information security capabilities, we continuously strengthen cybersecurity measures and regularly review and improve relevant policies to safeguard the security and stability of information assets, thereby minimizing risks and impacts arising from human error, intentional actions, or natural disasters.



**[ISO/IEC 27001 certificate]**



# Products and Services

## III. Products and Services

### 3.1 Products and Services

#### 3.1.1 Products and Services Overview

The product and service offerings of **Nam Liong Global**, along with their primary applications, are outlined as follows:

| Operational Locations   | Product Category            | Products and Services   |
|---|-----------------------------|---|
| Nam Liong Global, Jiaxing Nanxiong, Dong Guan<br>Namliong, Nam Liong (Viet Nam) | Textile composite materials | Polymeric foams   |
|   |                             | Hook loop fastening tapes and functional fiber tapes          |
|   |                             | Functional membranes and laminated fabrics                    |
|   |                             | Technical textiles and products                               |
|   |                             | Health technology topical products and sleep-related beddings |
| Greenchem International, Shanghai Jiayu   | Specialty chemicals         | Functional additives  |
|   |                             | Antimicrobial and anti-fungal agents                          |
| Elementech International, Suzhou Greatsun                                       | Electronics                 | Power supplies  |

#### (1) **Polymeric foams**

Nam Liong Global is professional on developing and manufacturing the closed-cell foams with many kinds of polymers. We are committed to using the natural, renewable or recycled raw materials to replace some of the petrochemical contents as much as possible for lowering the environment impact to the earth. Our products are approved by Oeko-Tex Standard 100, USDA BioPreferred program, Global Recycle Standard (GRS), etc.

#### (2) **Functional membranes and laminated fabrics**

This includes functional membranes, laminated fabrics, and specialty chemicals. From the professional production of various functional films, to various lamination processes – Polyurethane Reactive (PUR), oily and coated (or extruded), Nam Liong Global provides customers with a complete, professional and comprehensive solution. By focusing on product quality and optimized lead times, Nam Liong Global positions itself as the best choice of cooperated partner.



### **(3) Hook loop fastening tapes and functional fiber tapes**

The hook loop fastening tapes product line includes both standard and specialty hook loop fastening tapes, as well as brushed loops, molded hooks, and knit loops. These tapes can be further processed into back-to-back hook loops and other customized products. Our production capabilities support a wide range of finishing processes, including screen printing, transfer printing, hot stamping, imprinting, die-cutting, rounding, flattening, sewing, ultrasonic welding, and silicone backing. These processes, combined with the fastening properties of the tapes, offer various functional straps and fastening solutions, as well as customized retail packaging for finished products such as oriented polypropylene (OPP) self-adhesive tapes, hang tags, color boxes, and blister packs.

### **(4) Technical textiles and products**

With different raw materials, manufacturing technologies, and end-user applications, the Tech-Textile Division has developed its products into nine categories, namely abrasion resistant fabrics, cut resistant fabrics, puncture resistant fabrics, anti-slip fabrics, stretchable fabrics, reflective fabrics, fire retardant fabrics, multi-functional fabrics, and functional yarns & finished products. To enhance our product and market positioning further, Nam Liong Global has registered the trademarks ARMORTEX® and ZEROMELTS® (fire retardant fabrics) since 1995. These brands have gained tremendous reputation in various markets ever since.

### **(5) Health technology topical products and sleep-related beddings**

H&H products focus on health-enhancing functionalities, extending the Group's materials into health technology products that combine functionality and technological sophistication. Product offerings include energy-boosting bedding, supportive gear, and performance apparel, with expansions into horizontal rhythm vibration beds and vertical rhythm vibration plate machines. The H&H brand manages complete product operations while offering original equipment manufacturer (OEM) services.



【BIO-II bio-based rubber sponges】



【ECOMATE® bio-based membranes】



【Eco collection hook and loop fastening tapes】



【ARMORTEX® abrasion resistant fabrics】



【Sleep-related beddings】

### **(6) Power supplies (Elementech International, Suzhou Greatsun)**

Elementech International and Suzhou Greatsun specialize in the production, sales, and R&D of power supplies. With advanced technological capabilities and high operational flexibility, they have served numerous domestic and overseas customers, accumulating cooperative experience with hundreds of manufacturers.

### **(7) Specialty chemicals (Greenchem International, Shanghai Jiaxu)**

Greenchem International and Shanghai Jiaxu specialize in a wide range of functional additives for textile polymers. They provide customers with a comprehensive portfolio of high-quality, low-pollution products offering functionalities such as antibacterial, dust-proof, mosquito-repellent, mothproof, moisture absorbing, water-repellent, fire retardant, and ultraviolet (UV) resistance.



### 3.1.2 Eco-Family Green Products and Our Commitments

#### Green, Sustainable, Recyclable: Brand New Display of Eco-Family

Nam Liong Global integrates its innovative products through the Eco-Family framework, emphasizing the core principle of “**Replace, Recycle, Reduce**”. These 3Rs are essential for achieving the Corporate’s environmental goals and advancing towards sustainable and green development. For more details, please refer to the official website: <https://www.namliong.com.tw/zh-TW/ESG/CAT-eco-family.html>

- ✧ **【Eco-Family of Nam Liong Global】** Explore potential renewable materials, including agricultural or fishery industrial waste, to process and remanufacture into eco-friendly alternatives to petrochemical products. The use of these alternative materials will help reduce dependence on finite petrochemical resources and minimize environmental impact.
- ✧ **【Effective recycling and reuse of resources】** Emphasizing recycling and reusing resources helps maximize the use of both internally and externally collected materials, reducing waste. Effective resource recovery and reuse not only minimize waste generation but also contribute positively to the environment.
- ✧ **【Development of solvent-free lamination processing technology】** Nam Liong Global is dedicated to advancing solvent-free lamination processing technology to minimize potential risks to both the environment and human health. By minimizing solvent use, this approach improves air quality and lowers volatile organic compound (VOC) emissions, offering a safer and more environmentally friendly solution.
- ✧ **【Achievement of a green and sustainable future】** Nam Liong Global is committed to developing alternatives to petrochemical materials and increasing the value of waste by reintroducing recycled materials from both internal and external sources. The Corporate also focuses on creating processes that reduce waste and solvent use, thereby minimizing the consumption of natural resources and energy while making a positive impact on environmental protection. Through the Eco-Family framework, Nam Liong Global partners with brand customers to advance towards a greener and more sustainable future.



3.1.3 Carbon Footprint Management of Low-Carbon Products

In response to the phased implementation of global trade carbon taxes and the net zero transition, **Nam Liong Global** has conducted the calculation of product carbon footprints to strengthen carbon management and enhance green competitiveness in international markets. In 2024, the material divisions, namely the Tech-Material Division, Rubber Sponge Division, Hook Loop Fastening Tape Division, and Tech-Textile Division, each completed a carbon footprint verification (CFV). The initial self-assessment indicates that bio-based products have approximately 20% lower carbon emissions compared to non-bio-based products, highlighting their potential in green product development. In 2025, **Nam Liong Global** will further expand the verification scope to all business units, covering all four material divisions and the finished products division, with a total of 8 product inventories scheduled. This phased capacity development in internal carbon accounting and management lays the groundwork for future product carbon neutrality and alignment with international green trade requirements.

| Department                        | Product Category           |
|-----------------------------------|----------------------------|
| Tech-Material Division            | Bio-based membranes        |
| Rubber Sponge Division            | Bio-based sponge laminates |
| Hook Loop Fastening Tape Division | Black hooks                |
| Tech-Textile Division             | Abrasion resistant fabrics |

3.2 Product Health and Safety

3.2.1 Product Quality Management

**Nam Liong Global** prioritizes product quality management and has established the Review Measures for the Quality Management System. The laboratory of the Quality Assurance Department at Nam Liong Global is equipped with advanced testing equipment and staffed by a professional team capable of performing accurate and reliable inspections. Through the implementation of quality control and testing procedures aligned with the ISO 9001 system, we ensure the consistency and reliability of product quality, thereby enhancing customer satisfaction and fortifying our competitive position in the market.

- (1) Implementing quality control measures throughout the product design and development stages to ensure the product's compliance with both design specifications and customer requirements.
- (2) Implementing supplier management to ensure that all materials procured from suppliers comply with required quality standards.
- (3) Implementing control measures throughout the production process to ensure product consistency and reliability. This includes managing production processes, implementing standard operating procedures (SOPs), conducting quality inspections and testing, and continuously monitoring the process.
- (4) Upon completion of the manufacturing process, the laboratory of the Quality Assurance Department at **Nam Liong Global** establishes testing specifications based on international standards and relevant regulations for each department.
- (5) Collecting customer feedback and complaints and further integrating them into the product quality management cycle. Analyze the collected feedback to continuously improve the product, thereby enhancing both product quality and customer satisfaction.
- (6) Collaborating with reputable brand customers to enhance the product’s credibility and recognition. The reputation and influence of these brand customers help establish a strong foundation of trust in the market.

In the gradual realization of the green corporate vision at Nam Liong Global, each department integrates environmental management into the process through green product design. Simultaneously, by managing relationships with supply chain partners, efforts are made to reduce potential negative impacts on environmental aspects. This direction is aimed at advancing sustainable development. The departments have achieved certifications in aspects such as the development of bio-based materials and waste reduction, gradually gaining recognition from international brand customers. For details regarding certification achievements, please refer to the official website: <https://www.namliong.com.tw/zh-TW/page/quality-control.html>. All environmental system certifications obtained are explained below.

《A-International Environmental Certifications》

As the awareness of environmental issues and their implications intensifies among society, the stringency of environmental regulations imposed by both national and international agencies has likewise increased. These regulations not only demand organizations to demonstrate their commitment but also urge them to minimize environmental pollution whenever possible. In compliance with legal requirements and expectations, both **Nam Liong Global’s** Niao Song Factory and JIAXING NANXIONG POLYMER CO., LTD. have actively pursued and obtained multiple internationally recognized environmental certifications.

| ISO 14001: 2015 Environmental Management System                        |   | bluesign® Standard   |  |
|--|---|--|--|
| Nam Liong Global Niao Song Factory<br>(Certificate No.: 20001995 UM15) | Jiaxing Nanxiong Polymer Co., Ltd.<br>(Certificate No.: 04623E10026R0M) | Nam Liong Global Niao Song Factory<br>(Certificate No.: 023.388.007) | Jiaxing Nanxiong Polymer Co., Ltd.<br>(Certificate No.: 023.388.003) |

《B-International Product Certifications》

**Nam Liong Global** continuously promotes raw material and product safety management, with certain products certified to the Global Recycled Standard (GRS) and OEKO-TEX®STANDARD 100. The relevant details are as follows:

| Global Recycled Standard (GRS)   |  |
|--|--|
| Plastics, membranes, woven fabrics, knitted fabrics, woven anti-slip fabrics, knitted anti-slip fabrics, hook loop fastening tapes, and related products<br>(Obtained by Nam Liong Global, certificate no.: IDF-22-451904) | Plastic pellets, membranes, and related products<br>(Obtained by Jiaxing Nanxiong Polymer Co., Ltd., certificate no.: IDF-23-547185) |

| OEKO-TEX® ClassI Certification   |   |  | OEKO-TEX®ClassII Certification   |  |
|--|---|--|--|--|
| UREMAX®, ECOMATE®100% TPU membranes, and PU membranes<br>(Obtained by Jiaxing Nanxiong Polymer Co., Ltd., certificate no.: 19.HCN.84408) | More-Tex™ hook loop fastening tapes<br>(Obtained by Nam Liong Global, certificate no.: TPAO 048622) | UREMAX® and ECOMATE® TPU membranes (Obtained by Nam Liong Global, certificate no.: TP001 159432) | Polymeric foams (Obtained by Nam Liong Global, certificate no.: TPAO 040585) | ZEROMELTS® fire retardant fabrics<br>(Obtained by Nam Liong Global, certificate no.: TP015 183361) |

《C-International Certifications for Bio-Based Materials》

**Nam Liong Global** remains committed to fulfilling our responsibility as a global corporate citizen and has progressively obtained certification marks for products containing bio-based materials, reflecting our ongoing efforts to reduce the use of petrochemical raw materials.

| United States Department of Agriculture (USDA) BioPreferred Certification   |
|---|
| Products from the SEAMATE®BIO-II™, and Ecomate® series are certified to the USDA BioPreferred certification for bio-based products: <a href="https://www.biopreferred.gov/">https://www.biopreferred.gov/</a> |

《D-Higg Facility Environmental Module (FEM) and Facility Social & Labor Module (FSLM)》

**Nam Liong Global** has completed the 2024 Higg FEM and FSLM self-assessment on the Worldly technology platform for the Plant, Niao Song Factory, and Ren Ai Factory. To further enhance the effectiveness of sustainability management, the Corporate plans to continue reporting in 2025 while simultaneously compiling and verifying supporting documentation.

## 3.2.2 Product Risk Assessment

### Assessment of the health and safety impacts of product and service categories:

Nam Liong Global's lineup of consumer-facing products includes Class I medical equipment and general goods such as bedding, protective gears (knee guards, back supports), sports equipment, clothing, and footwear. The Class I medical equipment and general goods are respectively managed align with ISO 13485 and ISO 9001 standards, and neither category poses any health or safety risks.

## 3.2.3 Customer Privacy Management

While enhancing our customer service quality, **Nam Liong Global** places significant emphasis on safeguarding customer privacy and intellectual property. We sign confidentiality agreements with our customers to protect their confidential information, ensuring that employees prioritize confidentiality during transactions. Internally, we implement ISO 27001: Information Security, Cybersecurity and Privacy Protection Management Systems, and establishing secure information networks among domestic and foreign facilities. Continuous training is provided, with dedicated project teams implement and enhance management procedures and regulatory compliance mechanisms for information security control. This demonstrates our commitment to corporate social responsibility in safeguarding personal data. Throughout the reporting period, **Nam Liong Global** has thoughtfully protected customer's privacy and personal data, with no incidents of privacy infringement or loss of customer data.

## 3.3 Marketing and Labeling of Products

### Forest Stewardship Council Chain of Custody (FSC™COC) Certification of Rubber Sponge Division

The BIO-II™ bio-based rubber sponge produced by **Nam Liong Global's** Rubber Sponge Division is 100% certified to the Forest Stewardship Council (FSC). To ensure compliance with regulations of the latest version of FSC-STD-50-001 and the proper use of the FSC™ trademark, Nam Liong Global has established a Procedure for FSC Trademark Management. This includes the review and utilization of the FSC™ Label on product label.

### Electronics-Power supplies

Power supplies are certified to Underwriters Laboratories (UL) and the Federal Communications Commission (FCC) for the United States, Underwriters Laboratories of Canada (cULF) and the Innovation, Science and Economic Development Canada (ISED) for Canada, the European Conformity (CE) marking for the European Union (EU), the Bureau of Standards, Metrology and Inspection (BSMI) for Taiwan, and the China Compulsory Certificate (CCC) for China, with all certifications labeled on the product exterior.

### Incidents of non-compliance concerning product and service information and labeling

In 2024, **Nam Liong Global** recorded **no** incidents of non-compliance concerning product and service information and labeling, **nor** any incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.

### Health Care Division

**Nam Liong Global's** Health Care Division is certified to the ISO 13485: Medical Devices and has acquired the Manufacturing License of Medical Device (License Number: QMS2057) issued by the Ministry of Health and Welfare. Nam Liong Global abides by the labeling regulations for medical devices and related service offering as specified in the Medical Devices Act, namely Article 32 and Article 33.

### Product labels, instructions, or packaging







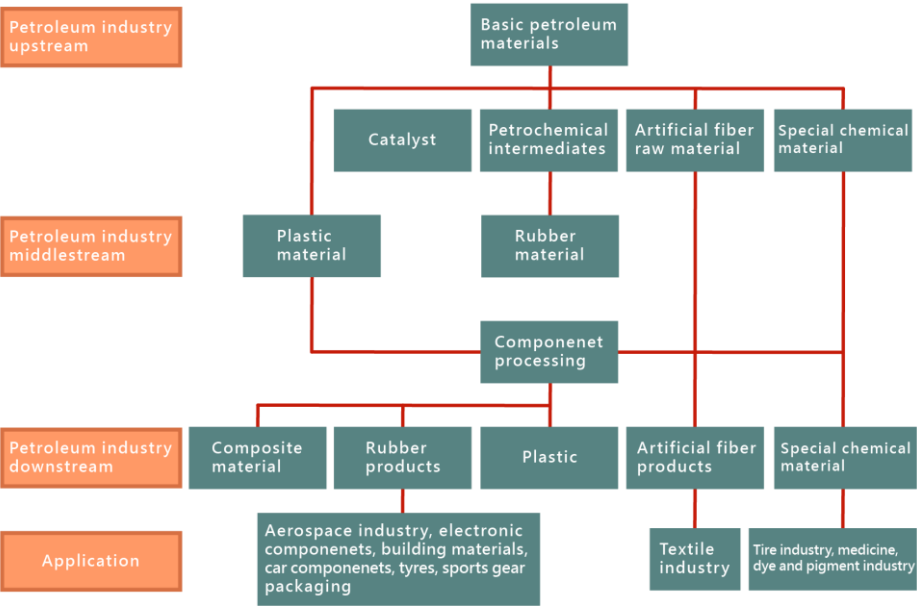
# Sustainable Supply Chain

IV. Sustainable Supply Chain

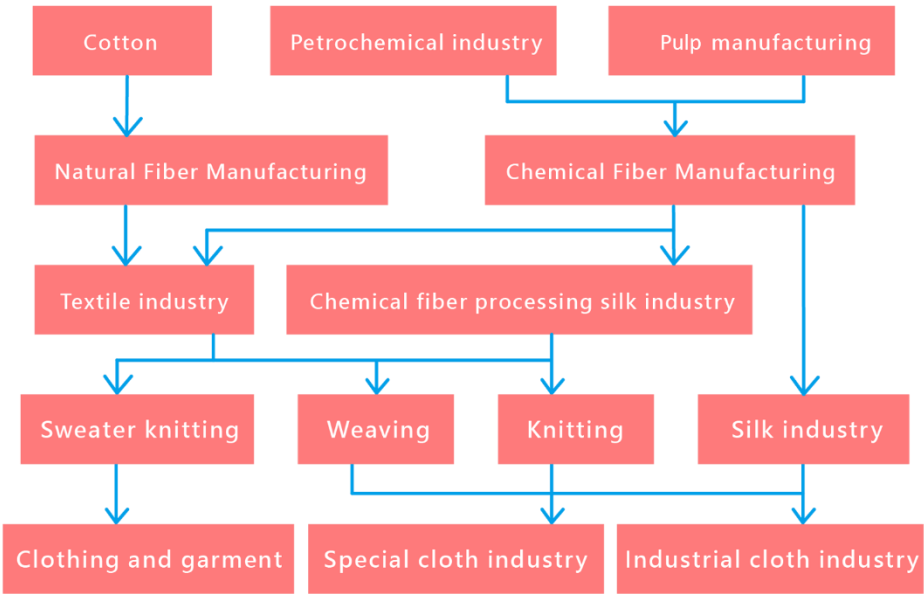
4.1 Industrial Supply Chain

4.1.1 Industry Overview

Nam Liong Global primarily focuses on textile composites, including polymer elastic foam composite materials, functional membranes and laminated fabrics, hook loop fastening tapes, and specialty textiles and protective gears. We are primarily engaged in the textile, apparel, and luxury industry, whereas our subsidiaries are engaged in chemical products (specialty chemical products), electronic products (power supplies), and other supplementary products.

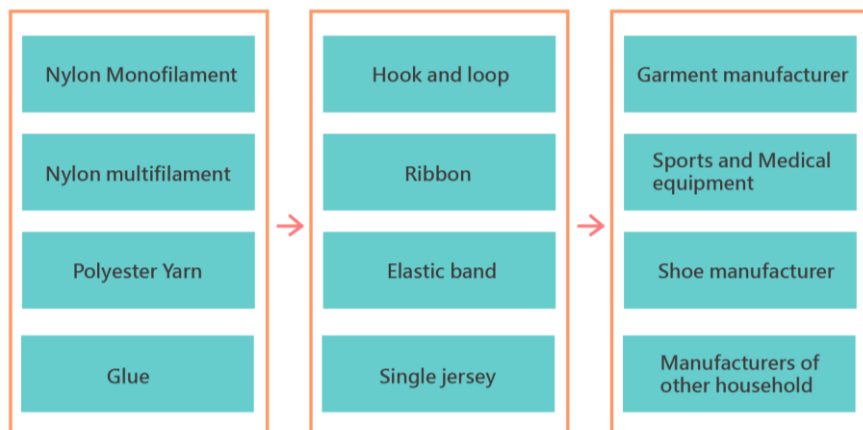


【Polymeric foams, functional membranes, and laminated fabrics】

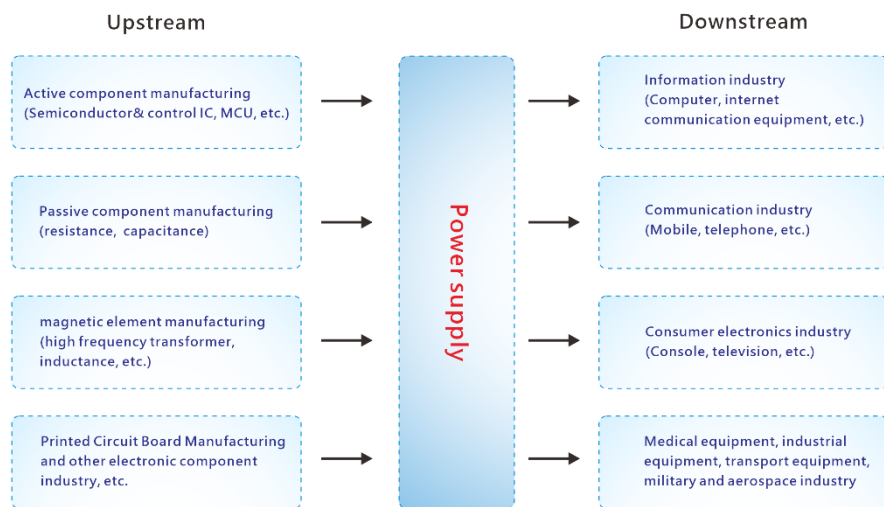


【Technical textiles and products】

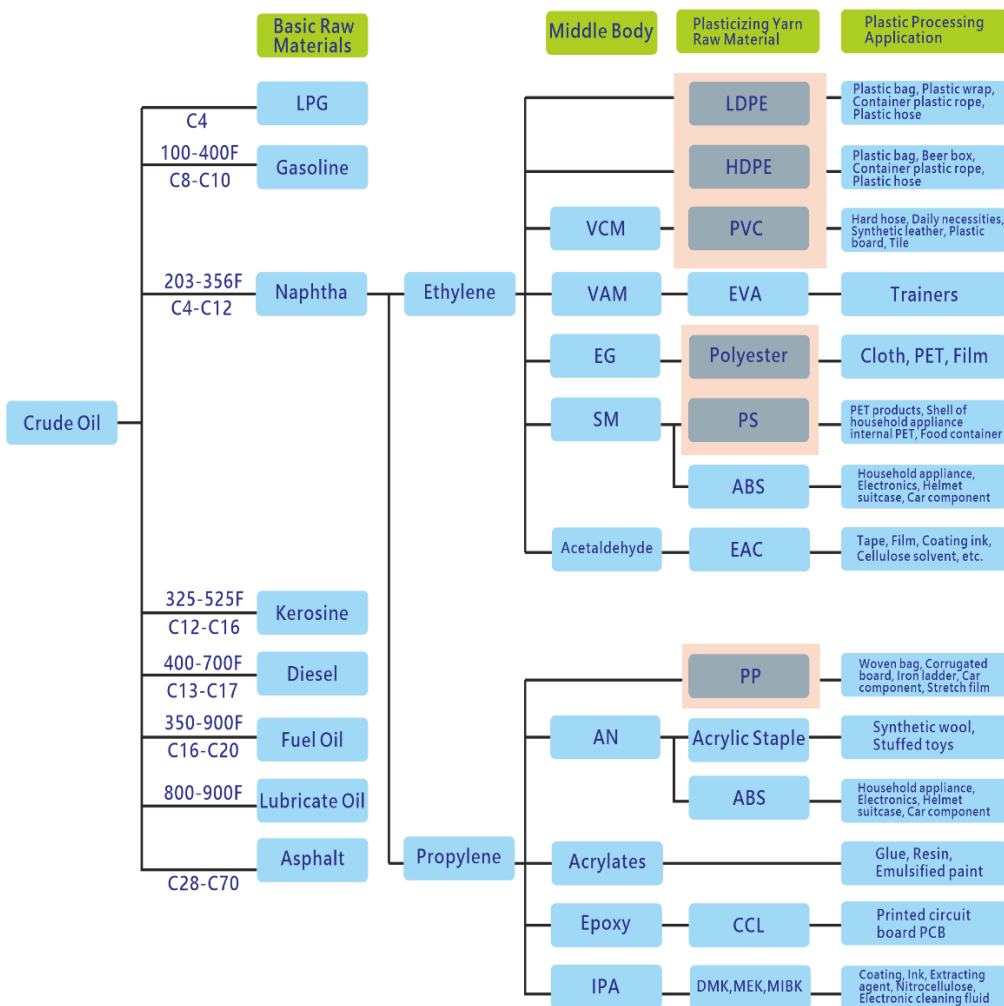




### 【 Hook loop fastening tapes and functional fiber tapes 】



### 【 Power supplies 】



### 【 Specialty chemicals 】

## 4.1.2 Supply Chain Structure

In 2024, **Nam Liong Global** engaged in transactions with 369 suppliers, including 341 domestic suppliers (approximately 81.45%) and 28 international suppliers (approximately 18.55%). Further analysis shows that the procurement value from raw material suppliers accounted for 89.75%, labor suppliers for 8.19%, and engineering suppliers for 2.06%. The procurement percentage breakdown is as shown in the table below.

### Nam Liong Global

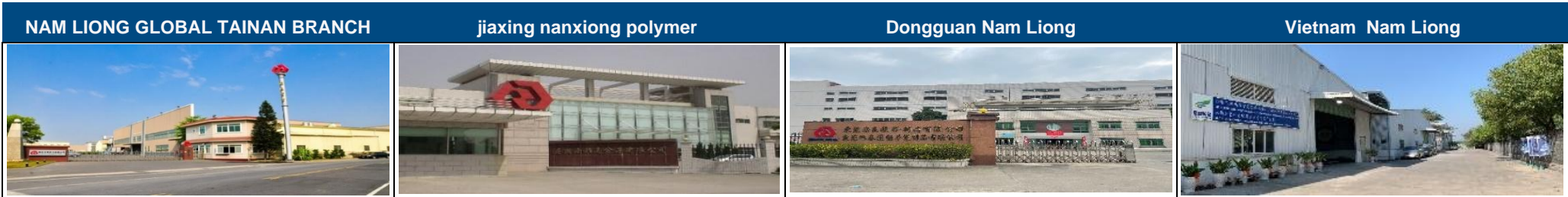
| Contract Type                            | Procurement Region | 2023            |  | 2024            |  | <b>Procurement Policy:</b><br>Due to the diverse regulations in different locations where Nam Liong Global operates, including Taiwan, China, Vietnam, and other areas, each procurement department have established additional individual assessment standards for different types of cases. They set specific terms in contracts to ensure that suppliers meet requirements (such as ISO, JIS, DIN, EN, etc.). Nam Liong Global sustains our business philosophy, aiming not only to enhance competitiveness but also to maintain corporate ethics, promote environmental conservation, and fulfill social responsibilities. |
|--|--------------------|-----------------|--|-----------------|--|--|
|  |                    | Household Units | Percentage of the Procurement Amount in relation to the Total Procurement Amount (%) | Household Units | Percentage of the Procurement Amount in relation to the Total Procurement Amount (%) |  |
| Goods (Raw Materials)                    | Domestic           | 250             | 72.60  | 230             | 71.56  |  |
|  | Foreign            | 30              | 16.90  | 25              | 18.19  |  |
| Labor (Contracting and Services)         | Domestic           | 62              | 4.90   | 85              | 8.19   |  |
|  | Foreign            | 0               | 0.00   | 0               | 0.00   |  |
| Engineering (Construction and Equipment) | Domestic           | 38              | 5.50   | 26              | 1.70   |  |
|  | Foreign            | 1               | 0.10   | 3               | 0.36   |  |
| Total                                    |                    | 381             | 100.00   | 369             | 100.00   |  |

\* Note: Domestic refers to local area in Taiwan; Foreign refers to regions outside Taiwan (China, the United States, Vietnam, etc.)

Major operating subsidiaries

| Contract Type                               | Procurement Region | 2024             |  |                    |  |                      |  |
|---|--------------------|------------------|--|--------------------|--|----------------------|--|
|   |                    | Jiaxing Nanxiong |  | Dong Guan Namliong |  | Nam Liong (Viet Nam) |  |
|   |                    | Household Units  | Percentage of the Procurement Amount in relation to the Total Procurement Amount (%) | Household Units    | Percentage of the Procurement Amount in relation to the Total Procurement Amount (%) | Household Units      | Percentage of the Procurement Amount in relation to the Total Procurement Amount (%) |
| Goods<br>(Raw Materials)                    | Domestic           | 134              | 85.49  | 55                 | 76.04  | 2                    | 5.15   |
|   | Foreign            | 2                | 12.76  | 5                  | 22.75  | 5                    | 92.73  |
| Labor<br>(Contracting and Services)         | Domestic           | 16               | 0.67   | 9                  | 1.21   | 2                    | 0.68   |
|   | Foreign            | 0                | 0.00   | 0                  | 0.00   | 0                    | 0.00   |
| Engineering<br>(Construction and Equipment) | Domestic           | 20               | 1.08   | 0                  | 0.00   | 1                    | 0.07   |
|   | Foreign            | 0                | 0.00   | 0                  | 0.00   | 2                    | 1.37   |
| Total                                       |                    | 172              | 100.00   | 69                 | 100.00   | 12                   | 100.00   |

\* Note: Domestic refers to the region where the subsidiary is located, such as China and Vietnam; Foreign refers to regions outside the subsidiary’s operating location.



## 4.2 Supply Chain Management

### 4.2.1 Supply Chain Management Policies

The procurement and supplier management operations at **Nam Liong Global** are currently conducted independently by each business unit's procurement department without the establishment of a centralized procurement center within the Corporate. The primary evaluation criteria managed by the individual business units include aspects such as **quality, delivery time, pricing and coordination**. Starting in 2023, **Nam Liong Global** conducts a Sustainability Self-Assessment Questionnaire for raw material suppliers with an annual procurement amount exceeding NT\$ 2 million and initial procurement counterparties. This survey aims to continuously monitor and understand the sustainability management plans and execution within the supply chain.

**Nam Liong Global**'s business units have established supplier management criteria aligned with product attributes and system verification requirements. These criteria apply to all products certified to the Forest Stewardship Council (FSC®), Global Recycled Standard (GRS), bluesign® standard, and OEKO-TEX® STANDARD 100, as well as to medical devices. Specifically, regarding GRS certified products, suppliers are required to provide a CSR declaration statement, aligning with international labor conventions, domestic labor standards, and United Nations conventions regarding child rights and the elimination of discrimination against women. Specifically, regarding GRS certified products, suppliers are required to provide a CSR declaration statement, aligning with international labor conventions, domestic labor standards, and United Nations conventions regarding child rights and the elimination of discrimination against women. This ensures compliance with the GRS certification requirements by adhering to regulations related to labor, human rights, environmental, and occupational health and safety.

### 4.2.2 Supply Chain Audit Effectiveness

#### General Transaction Assessment

Nam Liong Global primarily follows the Procedure for Supplier Selection and Assessment for supplier management. The procurement department assesses and scores suppliers monthly, using data from the enterprise resource planning (ERP) System. This assessment evaluates four performance aspects, namely quality, delivery time, pricing, and coordination. Quarterly, the scores collected from the three-month assessment period are averaged to determine supplier ratings. Results are then recorded in the Qualified Supplier List and are subject to managerial review. The individual supplier whose the total scores for the first three items fall below 50 points is deemed under observation. The procurement department issues a verbal warning and requests the supplier to make improvements. Those assessed as failing must cease procurement immediately. The procurement and quality assurance units are responsible for verifying the supplier's actual improvements. Only after successful verification can procurement from them resume. However, exceptions may be granted by department-level managers for procurement based on special requirements or exclusive supply arrangements, with strengthen quality control during production and inspection. Details of such exceptions shall be recorded in the Remarks section of the Qualified Supplier List.

The supplier evaluation results for the year 2024 are detailed in the table below. All units have achieved their respective targets, with the Tech-Material Division recorded a 2.0% increase in evaluation scores compared to the 2023 average.

| Unit                              | Control Item                                 | Indicator Period | Target Value for the year 2024 | Q1   | Q2   | Q3   | Q4   |
|-----------------------------------|--|------------------|--------------------------------|------|------|------|------|
| Rubber Sponge Division            | Overall average score of supplier assessment | Quarter          | 90 ↑                           | 98.0 | 99.0 | 99.0 | 99.5 |
| Hook Loop Fastening Tape Division | Overall average score of supplier assessment | Quarter          | 90 ↑                           | 97.4 | 97.6 | 97.6 | 97.6 |
| Tech-Material Division            | Overall average score of supplier assessment | Quarter          | 90 ↑                           | 92.7 | 96.0 | 97.8 | 98.6 |
| Tech-Textile Division             | Overall average score of supplier assessment | Quarter          | 80 ↑                           | 97.4 | 98.5 | 97.1 | 97.0 |

## Sustainable Supply Chain Assessment

In 2024, **Nam Liong Global** distributed a total of 106 copies of the Sustainability Self-Assessment Questionnaires for Suppliers to both raw material suppliers with an annual procurement amount exceeding NT\$ 2 million and initial procurement counterparties, for the purpose of assessing their performance in sustainability management. A total of 77 questionnaires were returned, of which 66 suppliers scored above 60 points, representing 86% of the total, while 11 suppliers scored below 60 points, representing 14% of the total. The assessment results indicate that most suppliers possess adequate sustainability management capabilities, with 14% requiring improvement. Moving forward, the Corporate will continue to increase both the response rate and the pass rate to above 80% and will implement on-site audits for key suppliers to enhance the effectiveness of sustainability management practices. The results are outlined in the table below:

| Supplier Category                                   | Number of questionnaires distributed (copies) | Number of responses received (copies) | Response rate (%) |
|---|---|---------------------------------------|-------------------|
| Initial procurement counterparties                  | 26  | 20                                    | 77                |
| Annual procurement amounts exceeding NT\$ 2 million | 80  | 57                                    | 71                |
| Total   | 106   | 77                                    | 73                |

### 4.2.3 Sustainable Supply Chain Management by the SASB Standards

**Nam Liong Global** additionally conducted a survey and assessment of suppliers' performance in terms of environmental management, social, and human rights matters in accordance with the SASB indicators when distributing the Sustainability Self-Assessment Questionnaires. The consolidated results are presented in the table below:

| SASB Indicator   | Sustainability Supply Chain Self-Assessment Questionnaire-SASB Indicators Response Summary   | Result | Unit                |
|--|--|--------|---------------------|
| Supply Chain<br>SASB-CG-AA-000.A1                              | Number of Tier 1 Suppliers   | 77     | Number of suppliers |
|  | Number of <b>Suppliers beyond Tier 1 (Direct transactions)</b>   | 3,333  | Number of suppliers |
| Environmental Impacts in the Supply Chain<br>SASB-CG-AA-430a.1 | Percentage of supplier facilities in compliance with wastewater discharge permits and/or contractual agreement by Tier 1 Suppliers                                     | 64.94  | %                   |
|  | Percentage of supplier facilities in compliance with wastewater discharge permits and/or contractual agreement by <b>Suppliers beyond Tier 1 (Direct transactions)</b> | 18.39  | %                   |

|   |  |        |                           |
|---|--|--------|---------------------------|
| Environmental Impacts in the Supply Chain<br><b>SASB-CG-AA-430a.2</b> | Percentage of supplier facilities that have completed the CASCALE's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment by Tier 1 Suppliers  | 6.49   | %                         |
|   | Percentage of supplier facilities that have completed the CASCALE's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment by <b>Suppliers beyond Tier 1 (Direct transactions)</b>  | 3.39   | %                         |
| Labor Conditions in the Supply Chain<br><b>SASB-CG-AA-430b.1</b>      | Percentage of supplier facilities that have been audited to a labor code of conduct by Tier 1 Suppliers  | 23.38  | %                         |
|   | Percentage of supplier facilities that have been audited to a labor code of conduct by <b>Suppliers beyond Tier 1 (Direct transactions)</b>  | 20.22  | %                         |
|   | Percentage of total audits conducted by a third-party auditor  | 22.40  | %                         |
| Labor Conditions in the Supply Chain<br><b>SASB-CG-AA-430b.2</b>      | 1. Non-conformance rate for suppliers' labor code of conduct audits  | 2.60   | %                         |
|   | 2. Associated corrective action rate for suppliers' labor code of conduct audits   | 100.00 | %                         |
|   | Nam Liong Global has continued to monitor the corrective actions of suppliers that recorded violations of local labor regulations resulting in penalties in 2023. According to the 2024 questionnaire survey, these suppliers have not recorded any further violations.  |        | Descriptions and Analysis |
|   | <b>Description of the greatest risks in the supply chain by labor</b> <ul style="list-style-type: none"> <li>• 100.0% of suppliers recorded no incidents of forced or compulsory labor. This includes withholding identity papers, requiring compulsory deposits, and compelling workers, under threat of firing, to work extra hours to which they have not previously agreed.</li> <li>• 98.7% of suppliers recorded no labor complaints or protests. 97.4% of suppliers recorded no violations of local labor regulations resulting in penalties.</li> <li>• 97.4% of suppliers have not employed or engaged child labor. 97.4% of suppliers recorded no incidents of discrimination or sexual harassment.</li> </ul> |        | Descriptions and Analysis |
| Labor Conditions in the Supply Chain<br><b>SASB-CG-AA-430b.3</b>      | <b>Description of the greatest risks in the supply chain by environmental, health and safety</b> <ul style="list-style-type: none"> <li>• 98.7% of suppliers recorded no environmental complaints or protests. 31.2% of suppliers used recycled raw materials in their priority products or services.</li> <li>• 81.8% of suppliers provided employees with training sessions on occupational health and safety and the prevention of labor risks.</li> </ul>  |        | Descriptions and Analysis |





Friendly to the Environment

# V. Environmental Friendliness

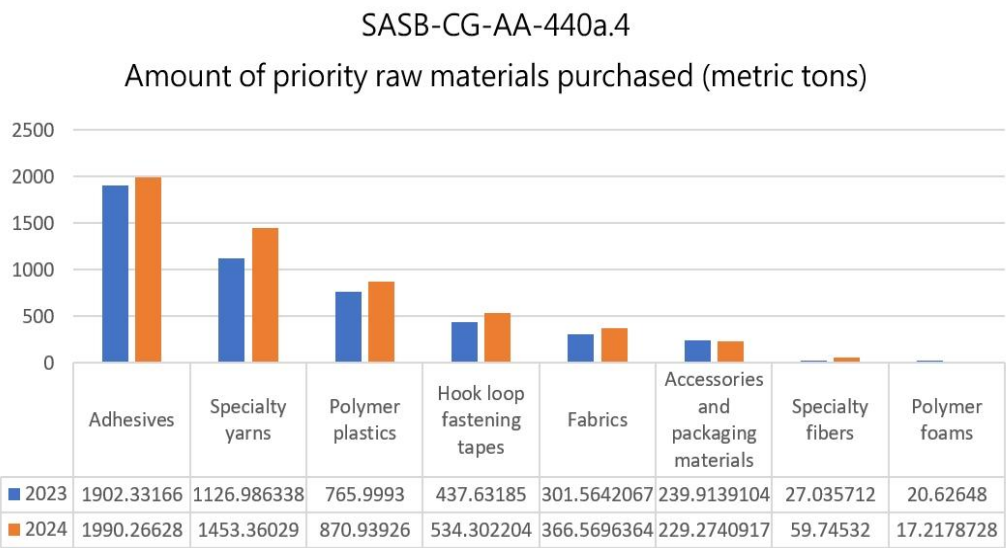
## 5.1 Materials Management

### 5.1.1 Materials Management Policies

Nam Liong Global primarily sources raw materials from **external suppliers**. The eight priority procurement items include adhesives (including additives for adhesives, chemical agents, and rubber feedstocks), specialty yarns, polymer plastics, hook loop fastening tapes, fabrics, accessories and packaging materials, specialty fibers, and polymer foams. The total procurement volume of raw materials, based on the top 80% by procurement value for the year 2024, amounted to **5,521.7** metric tons, of which **32.08** metric tons were renewable materials.

To optimize resource utilization, and minimize both waste generation and environmental impact, Nam Liong Global recycles raw materials while maintaining product quality and safety. Recycled materials, including foam materials, nylon, and production scraps, are reintroduced into the production process based on their type and condition. In 2024, a total of 76.41 metric tons of waste were recycled and reused in-house, accounting for **1.38%** of the overall raw materials used.

Moving forward, **Nam Liong Global** remains committed to our sustainability-driven philosophy, focusing on **increasing the procurement of renewable materials and enhancing in-house recycling and reuse of waste**, with the objective of maximizing resource efficiency and minimizing environmental impact while ensuring product quality and safety. We will continue to explore eco-friendly alternative raw materials that comply with international standards such as the **Global Recycled Standard (GRS)** and the **Forest Stewardship Council (FSC)** certification, thereby advancing the development of a green supply chain. In addition, we will manage the sourcing and composition of raw materials to ensure that our products are in full compliance with international environmental initiatives, regulations, and directives, thereby reinforcing our environmental responsibility and advancing toward sustainability.



## 5.1.2 Material Procurement Management by the SASB Standards

Nam Liong Global places great importance on the potential impacts on environmental management and social and human rights arising from the material procurement process. The assessment of related risks, opportunities, and impacts is described as follows:

| Metric   | SASB-CG-AA-440a.3 Implementation Statement  |
|--|---|
| 1. Environmental and/or social factor(s) most likely to threaten sourcing                  | <ul style="list-style-type: none"> <li><b>In terms of environmental factors</b>, increasingly stringent regulations related to climate change and net zero carbon emissions are driving up the costs of raw material production and transportation. The over-exploitation of natural resources may result in issues such as land degradation and water scarcity, further leading to supply shortages, price fluctuations, and potential quality instability. In addition, the production of raw materials involves carbon emissions, wastewater discharge, chemical pollution, and high energy consumption, all of which pose long-term environmental impacts and consequential challenges to the Corporate's operational sustainability.</li> <li><b>In terms of social factors</b>, geopolitical tensions and global economic instability have increased the uncertainty of international trade, thereby raising the complexity of procurement and supply chain management. Meanwhile, the textile industry in Taiwan faces challenges such as capacity relocation, the exit of small-scale processing plants, and an aging skilled workforce, resulting in increased difficulty in sourcing raw materials and affecting supply chain stability. In addition, supply chain operations may involve issues such as poor labor conditions, the use of child labor, and inadequate occupational safety, posing potential risks to both the Corporate's fulfillment of social responsibilities and reputation.</li> </ul>  |
| 2. Business risks and/or opportunities associated with environmental and/or social factors | <ul style="list-style-type: none"> <li><b>In terms of risks</b>, as the world moves toward net zero carbon emissions, the use and import of raw materials with high carbon emission may be restricted, resulting in increased compliance pressures and environmental costs for businesses. International markets placing growing emphasis on environmental, social, and governance (ESG) performance, and brand customers are imposing increasingly stringent requirements on green supply chains, non-compliance may lead to potential loss of orders. In addition, fluctuations in raw material prices and supply chain instability may affect production costs and operational efficiency, thereby increasing overall business risk.</li> <li><b>In terms of opportunities</b>, the increasing global demand for environmentally friendly materials is driving the expansion of markets for recyclable, low-carbon, and bio-based materials. Businesses that comply with environmental regulations and hold sustainability certifications are more likely to gain favor with international brands, thereby enhancing their market competitiveness. In addition, developing and certifying green products can strengthen corporate image, create sustainable business opportunities, and enhance businesses' capacity for sustainable development.</li> </ul>   |
| 3. Management strategy for addressing business risks and opportunities                     | <ul style="list-style-type: none"> <li><b>In terms of supply chain management</b>, Nam Liong Global collaborates with suppliers who comply with restricted substances standards and sources raw materials certified to third-party environmental or social standards to effectively mitigate potential environmental and health risks. These standards include the Global Recycled Standard (GRS), the Forest Stewardship Council (FSC®) certification, the OEKO-TEX®STANDARD 100, and the bluesign® standard. A supplier sustainability self-assessment mechanism is established to regularly evaluate their environmental and social conditions. In addition, inventory pressure is reduced and supply chain resilience strengthened through coordinated supplier material preparation and batched shipments, while in-house production lines are expanded to enhance autonomous manufacturing capabilities and quality control, thereby mitigating potential supply chain disruptions.</li> <li><b>In terms of materials management</b>, Nam Liong Global continues to promote waste recycling and reuse initiatives, including the reintroduction of in-house production scraps and the off-site pyrolysis oil refining of waste rubber, thereby improving material utilization efficiency and reducing waste disposal costs. In addition, the Corporate advances environmentally friendly processes and green materials through the expansion of the Eco-Family product series, focusing on the use of recycled and bio-based materials, as well as solvent-free or water-based processes, with the objective of effectively mitigating the environmental impact throughout the product lifecycle.</li> <li>Moving forward, <b>Nam Liong Global</b> remains committed to continuously conducting organization-wide greenhouse gas (GHG) inventories and product carbon footprint assessments, enhancing data-driven management capabilities to support our sustainability-oriented decision-making. The Corporate will also deepen strategies for green supply chains and material recycling and reuse, collaborating with suppliers and customers to advance sustainable operations.</li> </ul> |



## 5.2 Management of Chemical Substances in Products

### 5.2.1 Management of Chemical Substances in Products by the SASB Standards

Nam Liong Global places great importance on the management of chemical substances. The relevant management policies, as well as the assessment of associated risks and hazards, are described as follows:

| Metric  | Implementation Statement   |
|---|--|
| <p><b>SASB-CG-AA-250a.1</b><br/>Discussion of processes to maintain compliance with restricted substances regulations</p> <p><b>SASB-CG-AA-250a.2</b><br/>Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products</p> | <ul style="list-style-type: none"> <li>• <b>Nam Liong Global</b> is certified to the ISO 45001: Occupational Health and Safety Management Systems. The Corporate has established a comprehensive Management Procedure for Environmental, Health, and Safety Regulation Identification. This procedure involves the quarterly or irregularly collection of regulations, including new, revised, and deleted provisions, regarding environmental protection, occupational safety, fire safety and other relevant regulatory aspects. The collected information is used to continuously update and develop management procedures and measures within the facility concerning occupational health and safety, chemical management, environmental protection, and fire safety. This approach ensures that the facility's safety management regulations are strengthened and remain in compliance with relevant regulatory requirements.</li> <li>• <b>Nam Liong Global</b> has established comprehensive management and risk assessment procedures for the evaluation and management of raw materials and organic solvents in accordance with the Regulations for the Labeling and Hazard Communication of Hazardous Chemicals set forth by the Ministry of Labor and the Standards for Establishing Places for Manufacturing, Storing, Processing Public Hazardous Substances and Flammable Pressurized Gases, and Regulations on Safety Control of Such Places set forth by the National Fire Agency, Ministry or the Interior. In terms of management, the Corporate ensures that all containers for raw materials and organic solvents are clearly labeled and accompanied by up-to-date Safety Data Sheets (SDS). The handling, storage, and use of these materials are categorized in accordance with the Regulations for the Labeling and Hazard Communication of Hazardous Chemicals, with regular inventory checks conducted. Each subsidiary has established operational standards for the management of chemical substances in accordance with international management systems such as ISO 14001, ISO 9001, or ISO 45001, ensuring that all containers for raw materials and organic solvents are clearly labeled and accompanied by valid SDS. These SDS are regularly updated, and routine inventory checks are conducted. Although Greenchem International and Shanghai Jiayu have not implemented ISO management systems, they have established alternative control mechanisms that periodically review regulations related to occupational safety, environmental protection, and fire safety, thereby ensuring internal compliance with legal requirements and continuously enhancing the management of chemical substances and safety protection standards.</li> <li>• In terms of risk assessment, <b>Nam Liong Global</b>, including out subsidiaries, consolidates information concerning firefighting, spill response, safe handling, and storage of each raw material and organic solvent based on the details recorded in the SDS. This information is used to evaluate and enhance the facility's emergency response procedures and related measures. In addition, training and education sessions are conducted to strengthen employees' awareness of potential chemical hazards and emergency response capabilities. This comprehensive approach serves as an effective management measure to prevent disasters, reduce the impact of accidents, and minimize environmental pollution incidents.</li> <li>• <b>Nam Liong Global</b>, including our subsidiaries, reported zero fire incidents and zero casualties in the current year, resulting in a casualty rate of 0% relative to the total number of employees. The Corporate has established a Management Procedure for Emergency Response to effectively manage fire-related risks, which defines the structure and responsibilities of the fire emergency response organization. A fire protection plan has been submitted in accordance with regulatory requirements, and fire prevention managers have been appointed at each facility. The Corporate conducts fire drills twice a year to promote fire safety awareness and enhance employees' knowledge regarding fire prevention. Regular fire evacuation drills are conducted to ensure that employees are familiar with emergency escape routes and procedures. In addition, fire safety equipment is inspected and maintained regularly to ensure it remains in proper working condition.</li> </ul> |

## 5.3 Energy Resource Governance

### 5.3.1 Energy Resource Management

#### Energy Resource Management

**Nam Liong Global** follows the in-house energy management framework, implementing a cyclical management approach to understand organizational energy consumption, identify areas for improvement, establish energy policies and objectives. Through internal audits, we assess the implementation of management policies and the accomplishments of goals, aiming for continual improvements and optimization of energy policies.



【Nam Liong Global's Ren Ai Factory】

#### Energy Strategy and Action Plan

| No. | Strategy   | Action Plan   |
|-----|--|---|
| Z   | Audit, assessment, and continuous management of energy resources | <ul style="list-style-type: none"> <li>● Conduct regular energy audits to assess the energy consumption of each department and facilities within the Corporate.</li> <li>● Analyze energy consumption patterns, identify areas of high energy consumption, and potential energy wastage. Establish a continuous energy management system to ensure efficiency and conservation in energy consumption. Develop energy management policies and goals, conducting periodic assessments and monitoring to ensure energy consumption aligns with environmental and economically sustainable practices.</li> </ul>  |
| 2   | Enhance equipment efficiency and reduce energy loss              | <ul style="list-style-type: none"> <li>● Regularly assess the energy efficiency of each department within the Corporate and provide training and guidance to improve energy consumption effectiveness. Raise awareness among employees regarding the importance of energy conservation by offering corresponding training and education.</li> <li>● Develop energy conservation action plans for systems such as chiller systems, compressed air systems, and boiler systems. Install energy-efficient lighting systems, such as replacing LED lights for conventional lighting equipment.</li> <li>● Encourage the shutdown of unnecessary electronic devices and lighting, as well as introducing energy-saving modes and auto-off features. Utilize energy-saving air compressor and conduct periodic leak checks and maintenance. Implement heat recovery equipment in the boiler system to reduce energy consumption and regularly inspect steam pipelines for insulation and leak detection.</li> </ul> |
| 3   | Employee engagement and training                                 | <ul style="list-style-type: none"> <li>● Encourage employees to contribute energy conservation suggestions and ideas, developing a corporate culture centered around energy conservation. Promote energy conservation information to strengthen employees' awareness of the importance of electricity conservation. Enhance employees' understanding of energy management.</li> </ul>   |
| 4   | Promotion of renewable energy                                    | <ul style="list-style-type: none"> <li>● Promote photovoltaic-battery energy storage system (PV-BESS) solutions to reduce reliance on fossil fuels.</li> </ul>  |

### 5.3.2 Energy Consumption

Nam Liong Global, following the ISO 14064-1: 2018 Greenhouse Gases guidelines for GHG inventories, conducted as internal audit of our primary energy usage categories, which predominantly include **natural gas and purchased electricity**. To calculate energy consumption, we implemented the updated Heat Content of Energy Products 2021 announced by the Bureau of Energy, Ministry of Economic Affairs. This involved multiplying energy usage by the unit heat value, converting it into gigajoules (GJ).

In 2024, **Nam Liong Global** recorded a total internal energy consumption of **86,302.828** GJ, reflecting an increase of **4,536.562** GJ, or **5.5%**, compared to 2022. The internal electricity consumption amounted to **7,894,438** kWh, reflecting a decrease of **935,542** kWh, or **10.6%**, compared to 2022. In 2024, energy intensity increased by 25.9% and 3.9% compared with 2022 and 2023, respectively, primarily attributed to increased natural gas consumption resulting from the commissioning of the Regenerative Thermal Oxidizer (RTO) at Niao Song Factory. In addition, lower revenue in 2024 compared with 2022 further contributed to the rise in energy intensity. In response to relevant environmental regulations, Nam Liong Global has installed an RTO and other equipment at Wang Hang Factory. Assuming revenue remains stable, the operation of such equipment is expected to continue driving energy intensity upward. With Wang Hang Factory scheduled for official commissioning in 2025, overall energy consumption is expected to increase in line with operational demands.

| Internal Energy Consumption Analysis Summary |                               | Nam Liong Global        |                                      |                         |                                      |                         |                                      |
|--|-------------------------------|-------------------------|--------------------------------------|-------------------------|--------------------------------------|-------------------------|--------------------------------------|
|  |                               | 2022                    |                                      | 2023                    |                                      | 2024                    |                                      |
|  |                               | Energy Consumption (GJ) | Percentage of Energy Consumption (%) | Energy Consumption (GJ) | Percentage of Energy Consumption (%) | Energy Consumption (GJ) | Percentage of Energy Consumption (%) |
| Non-Renewable Energy                         | Natural Gas                   | 47,013.420              | 57.50                                | 50,022.141              | 62.79                                | 55,522.918              | 64.33                                |
|  | Gasoline                      | 847.021                 | 1.04                                 | 707.611                 | 0.89                                 | 693.163                 | 0.80                                 |
|  | Diesel                        | 1,581.991               | 1.93                                 | 1,567.827               | 1.97                                 | 1,661.871               | 1.93                                 |
|  | Liquefied Petroleum Gas (LPG) | 200.624                 | 0.24                                 | 50.923                  | 0.06                                 | 4.899                   | 0.01                                 |
| Purchased Energy                             | Conventional Electricity      | 32,123.210              | 39.29                                | 27,318.168              | 34.29                                | 28,419.977              | 32.93                                |
|  |                               | 8,829,980 kWh           | -                                    | 7,588,380 kWh           | -                                    | 7,894,438 kWh           | -                                    |
|  | Green Energy                  | 0.000                   | 0.00                                 | 0.000                   | 0.00                                 | 0.000                   | 0.00                                 |
| Energy Sold                                  | Solar Power                   | 1,852.844               | -                                    | 1,307.250               | -                                    | 1,484.359               | -                                    |
| Total Annual Energy Consumption (GJ)         |                               | 81,766.266              | 100.00                               | 79,666.670              | 100.00                               | 86,302.828              | 100.00                               |
| Net Revenue (NT\$ million)                   |                               | 2,005.5255              |                                      | 1,611.6601              |                                      | 1,681.0089              |                                      |
| Energy Intensity (GJ / NT\$ million)         |                               | 40.7705                 |                                      | 49.4314                 |                                      | 51.3399                 |                                      |



## Energy Consumption-Subsidiaries

| Internal Energy Consumption<br>Analysis Summary |                                  | 2024                       |  |                            |  |                            |  |
|---|----------------------------------|----------------------------|--|----------------------------|--|----------------------------|--|
|   |                                  | Jiaxing Nanxiong           |  | Dong Guan Namliong         |  | Nam Liong (Viet Nam)       |  |
|   |                                  | Energy<br>Consumption (GJ) | Percentage of<br>Energy<br>Consumption (%) | Energy<br>Consumption (GJ) | Percentage of<br>Energy<br>Consumption (%) | Energy<br>Consumption (GJ) | Percentage of<br>Energy<br>Consumption (%) |
| Non-Renewable<br>Energy                         | Natural Gas                      | 0.000                      | 0.00                                       | 0.000                      | 0.00                                       | 0.000                      | 0.00                                       |
|   | Gasoline                         | 336.330                    | 2.55                                       | 178.489                    | 3.86                                       | 0.000                      | 0.00                                       |
|   | Diesel                           | 275.562                    | 2.10                                       | 63.261                     | 1.37                                       | 14.058                     | 1.55                                       |
|   | Liquefied Petroleum<br>Gas (LPG) | 147.760                    | 1.12                                       | 40.628                     | 0.88                                       | 2.645                      | 0.29                                       |
| Purchased<br>Energy                             | Conventional<br>Electricity      | 9,451.404                  | 71.64                                      | 4,343.242                  | 93.90                                      | 891.548                    | 98.16                                      |
|   |                                  | 2,625,390 kWh              | -  | 1,206,456 kWh              | -  | 247,652 kWh                | -  |
|   | Green Energy                     | 2,981.511                  | 22.59                                      | 0.000                      | 0.00                                       | 0.000                      | 0.00                                       |
| Energy Sold                                     | Solar Power                      | 0.000                      | -  | 0.000                      | -  | 0.000                      | -  |
| Total Annual Energy Consumption<br>(GJ)         |                                  | 13,192.568                 | 100.00                                     | 4,625.619                  | 100.00                                     | 908.250                    | 100.00                                     |
| Net Revenue (NT\$ million)                      |                                  | 564.2954                   |  | 287.8448                   |  | 66.4486                    |  |
| Energy Intensity (GJ / NT\$ million)            |                                  | 23.3788                    |  | 16.0698                    |  | 13.6685                    |  |

## Energy Consumption-Subsidiaries

| Internal Energy Consumption Analysis Summary |                               | 2024                     |                                      |                         |                                      |                         |                                      |                         |                                      |
|--|-------------------------------|--------------------------|--------------------------------------|-------------------------|--------------------------------------|-------------------------|--------------------------------------|-------------------------|--------------------------------------|
|  |                               | Elementech International |                                      | Suzhou Greatsun         |                                      | Greenchem International |                                      | Shanghai Jiaxu          |                                      |
|  |                               | Energy Consumption (GJ)  | Percentage of Energy Consumption (%) | Energy Consumption (GJ) | Percentage of Energy Consumption (%) | Energy Consumption (GJ) | Percentage of Energy Consumption (%) | Energy Consumption (GJ) | Percentage of Energy Consumption (%) |
| Non-Renewable Energy                         | Natural Gas                   | 0.000                    | 0.00                                 | 0.000                   | 0.00                                 | 0.000                   | 0.00                                 | 0.000                   | 0.00                                 |
|  | Gasoline                      | 0.000                    | 0.00                                 | 0.000                   | 0.00                                 | 121.071                 | 25.92                                | 110.240                 | 53.50                                |
|  | Diesel                        | 0.000                    | 0.00                                 | 0.000                   | 0.00                                 | 2.590                   | 0.55                                 | 0.000                   | 0.00                                 |
|  | Liquefied Petroleum Gas (LPG) | 0.000                    | 0.00                                 | 0.000                   | 0.00                                 | 0.000                   | 0.00                                 | 0.000                   | 0.00                                 |
| Purchased Energy                             | Conventional Electricity      | 125.910                  | 100                                  | 714.890                 | 100.00                               | 343.451                 | 73.53                                | 95.825                  | 46.50                                |
|  |                               | 34,975.8 kWh             | -                                    | 198,579.8 kWh           | -                                    | 95,403 kWh              | -                                    | 26,618 kWh              | -                                    |
|  | Green Energy                  | 0.000                    | 0.00                                 | 0.000                   | 100.00                               | 0.000                   | 0.00                                 | 0.000                   | 0.00                                 |
| Energy Sold                                  | Solar Power                   | 0.000                    | -                                    | 0.000                   | -                                    | 0.000                   | -                                    | 0.000                   | -                                    |
| Total Annual Energy Consumption (GJ)         |                               | 125.910                  | 100.00                               | 714.890                 | 100.00                               | 467.112                 | 100.00                               | 206.065                 | 100.00                               |
| Net Revenue (NT\$ million)                   |                               | 53.9416                  |                                      | 78.5730                 |                                      | 29.4512                 |                                      | 140.6158                |                                      |
| Energy Intensity (GJ / NT\$ million)         |                               | 2.3342                   |                                      | 9.0984                  |                                      | 15.8605                 |                                      | 1.4654                  |                                      |

### 5.3.3 Energy Conservation Measures

Nam Liong Global is committed to improving energy efficiency throughout our operations and has established an objective to reduce energy intensity by 10% by the year 2030 compared with the base year of 2022. To systematically implement energy conservation measures, **Nam Liong Global** conducts energy planning in accordance with internal energy planning guidelines and energy management standards, prioritizing equipment efficiency in future replacement and upgrades. The Rubber Sponge Division at **Nam Liong Global** implemented an energy conservation project on two-roller machines, achieving a total energy savings of **770** GJ and a reduction in emissions of **105.6** tons of CO<sub>2</sub>e. The Division plans to continue implementing similar improvement projects on other identical equipment in 2025.

5.4 Emission Monitoring

5.4.1 Greenhouse Gas (GHG) Inventory

The boundaries of **Nam Liong Global**’s 2024 GHG inventory include the Head Office, Tainan Branch and Plant, Niao Song Factory, and Ren Ai Factory. Through this inventory process and statistical analysis, it aims to comprehend the greenhouse gas (GHG) emissions of Nam Liong Global and further aspires to commit to GHG reduction efforts in the future, contributing to the mitigation of global warming and fulfilling our responsibility as a corporate citizen. Additionally, in 2024, an Indirect Greenhouse Gas Emission Source Identification Meeting was convened, during which it was resolved to include both **Category 3.1 Emissions from Upstream transport and distribution for goods, and Category 4.1 Emissions from Purchased goods** into the scope of future inventories.

- ✧ In 2024, **Nam Liong Global**’s total greenhouse gas emissions amounted to **7,137.854** metric tons of CO<sub>2</sub>e, reflecting a decrease of **6.8%** compared with 2022.
- ✧ Emission intensity: Calculated per NT\$ millions of net revenues. The emission intensity for the year 2024 amounted to **4.246** metric tons of CO<sub>2</sub>e per NT\$ million.
- ✧ Emission factors: Primarily derive from the GHG Emission Factor Management Table version 6.0.4 announced by the Ministry of Environment, and the Global Warming Potential (GWP) adapted from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report.

| Emissions<br>Category                                 | Nam Liong Global   |         |         |                         |            |            |                   |            |            |                |          |          | Total emissions (tCO <sub>2</sub> e) |            |            |
|---|--------------------|---------|---------|-------------------------|------------|------------|-------------------|------------|------------|----------------|----------|----------|--------------------------------------|------------|------------|
|   | Taipei Head Office |         |         | Tainan Branch and Plant |            |            | Niao Song Factory |            |            | Ren Ai Factory |          |          |                                      |            |            |
|   | 2022               | 2023    | 2024    | 2022                    | 2023       | 2024       | 2022              | 2023       | 2024       | 2022           | 2023     | 2024     | 2022                                 | 2023       | 2024       |
| Scope 1   | 3.4611             | 4.1140  | 3.8601  | 2,951.9117              | 2,650.6567 | 2,765.3421 | 231.0539          | 418.0330   | 566.2561   | 54.5539        | 60.6827  | 60.4321  | 3,240.9806                           | 3,133.4864 | 3,395.8904 |
| Scope 2   | 43.8538            | 13.1799 | 11.8681 | 2,108.7000              | 1,777.2144 | 1,763.7540 | 1,948.9635        | 1,695.4574 | 1,682.9844 | 313.1766       | 275.9879 | 283.3572 | 4,414.6939                           | 3,761.8396 | 3,741.9637 |
| Total   | 47.315             | 17.294  | 15.728  | 5,060.612               | 4,427.871  | 4,529.096  | 2,180.017         | 2,113.490  | 2,249.241  | 367.731        | 336.671  | 343.789  | 7,655.675                            | 6,895.326  | 7,137.854  |
| Net Revenue (NT\$ million)                            |                    |         |         |                         |            |            |                   |            |            |                |          |          | 2,005.5255                           | 1,611.6601 | 1,681.0089 |
| Emissions Intensity (tCO <sub>2</sub> e/NT\$ million) |                    |         |         |                         |            |            |                   |            |            |                |          |          | 3.817                                | 4.278      | 4.246      |

| Emissions Category                                    | Subsidiaries-2024 |                    |                      |                          |                 |                         |                 |
|---|-------------------|--------------------|----------------------|--------------------------|-----------------|-------------------------|-----------------|
|   | Jiaxing Nanxiong  | Dong Guan Namliong | Nam Liong (Viet Nam) | Elementech International | Suzhou Greatsun | Greenchem International | Shanghai Jiaxun |
| Scope 1   | 68.9172           | 69.8013            | 2.4389               | 1.5246                   | 6.2666          | 24.3282                 | 8.0757          |
| Scope 2   | 1537.4284         | 1218.2582          | 167.5614             | 16.5785                  | 116.2883        | 45.2210                 | 12.6170         |
| Total emissions (tCO <sub>2</sub> e)                  | 1606.346          | 1288.060           | 170.000              | 18.103                   | 122.555         | 69.549                  | 20.693          |
| Net Revenue (NT\$ million)                            | 564.2954          | 287.8448           | 66.4486              | 53.9416                  | 78.5730         | 29.4512                 | 140.6158        |
| Emissions Intensity (tCO <sub>2</sub> e/NT\$ million) | 2.847             | 4.475              | 2.558                | 0.336                    | 1.560           | 2.361                   | 0.147           |

5.4.2 Reduction of GHG Emissions

In 2024, **Nam Liong Global** initiated the following carbon reduction action plans:

| Emission Reduction Measure              |   | Action Plans |
|---|---|--------------|
| Energy Conservation and Management      | <ul style="list-style-type: none"><li>● Replacing the motor units of kneader mixers and roller machines to variable frequency drives.</li><li>● Replacing conventional mercury-vapor lamps with LED lights.</li><li>● Replacing chiller units with cooling water circulation pipelines.</li><li>● The administrative and warehouse departments are promoting energy conservation to prevent energy waste.</li></ul> |              |
| Natural Gas Conservation and Management | <ul style="list-style-type: none"><li>● Regularly inspect and maintain steam pipelines and boilers to ensure their proper functioning.</li><li>● Purchasing energy-efficient dyeing machines and incorporating features such as steam containment covers to prevent steam leakage, splash recovery designs, and energy-saving indirect steam heating within the facility.</li></ul>                                 |              |

5.4.3 Ozone-Depleting Substances (ODS) Inventory

**Nam Liong Global** places great importance on our responsibility for ozone layer protection and continues to implement strict equipment management and refrigerant control measures. In 2024, a small portion of air conditioning and refrigeration equipment remained using R-22 refrigerant, totaling **0.0116** metric tons of consumption. These ozone-depleting refrigerants will be gradually replaced with eco-friendly alternatives. In addition, the production processes of all **Nam Liong Global** subsidiaries do not employ equipment that generates ozone-depleting substances (ODS).

5.4.4 Other Air Pollutant Emissions

Air Pollution Control and Management

**Nam Liong Global** primarily generates air pollutants from stationary sources, such as emissions produced during boiler and Regenerative Thermal Oxidizer (RTO) combustion. Secondary sources of air pollution include **mobile sources** like emission from fuel-operated vehicles within the facility. To effectively monitor and manage the emission of air pollutants within the facility, in addition to installing pollution control equipment, **Nam Liong Global** commissions third-party inspection organizations to conduct emissions testing exhaust ductwork within the facility at the **testing frequency prescribed in the Stationary Pollution Source Operating Permit**, ensuring compliance with or performance exceeding regulatory standards. In 2024, all scheduled stationary source emissions testing and related air pollutant measurements conducted at **Nam Liong Global** facilities were in full compliance with emission standards.

| Air Pollution Control Equipment and Treatment Efficiency |                                     |                      |
|--|-------------------------------------|----------------------|
| Air Pollutant  | Control Equipment                   | Treatment Efficiency |
| Particulate Pollutants (Par)                             | Baghouse Dust Collector             | 90.0%                |
| Particulate Pollutants (Par)                             | Scrubbing Tower                     | 95.0%                |
| Volatile Organic Compounds (VOCs)                        | Regenerative Thermal Oxidizer (RTO) | 96.3%                |

In 2024, Nam Liong Global’s emissions of criteria air pollutants increased compared with 2023. Nitrogen oxides (NOx), sulfur oxides (SOx), volatile organic compounds (VOCs), hazardous air pollutants (HAPs), and particulate pollutants (Par) rose by 37.75%, 149.16%, 29.47%, 9.64%, and 60.77%, respectively, primarily attributed to the increased energy and raw material consumption resulting from higher order volume and production across facilities. The air pollutant emission statistics for the year 2024 are described in the table below:

| Air Pollutant Emission Concentration Testing   |   |                         |
|--|---|-------------------------|
| Criteria air pollutant   | Actual measured emission concentration (ppm)              | Emission Standard (ppm) |
| Nitrogen oxides (NOx)  | The Plant: 0.0429; Niao Song Factory: 0.0148              | 150                     |
| Sulfur Oxides (SOx)  | The Plant: 0.0022; Niao Song Factory: 0.0018              | 100                     |
| Volatile Organic Compounds (VOCs)  | The Plant: 1.52; Niao Song Factory: 36                    | 65                      |
| Dimethylformamide (DMF)  | The Plant: Exempted; Niao Song Factory: ND (Not Detected) | 20                      |
| Particulate Pollutants (Par)   | The Plant: 0.179; Niao Song Factory: 0.077                | 50                      |
| <p>* Note 1: The table presents the value recorded in the Regular Stationary Source Emissions Testing for the year 2024.</p> <p>* Note 2: In compliance with the emission standards specified under government regulations or the Stationary Pollution Source Operating Permit.</p> <p>* Note 3: Among the subsidiaries, Jiaying Nanxiong, Dong Guan Namliong, and Nam Liong (Viet Nam) are required by local environmental authorities to submit periodic monitoring reports, which do not include the air pollutant data presented in the table. Elementech International, Suzhou Greatsun, Greenchem International, and Shanghai Jiaxu are not required to install exhaust ductwork or conduct monitoring under applicable local environmental regulations.</p> |   |                         |

| Air Pollutant Emissions at Nam Liong Global (Unit: kilogram)   |                   |           |           |
|--|-------------------|-----------|-----------|
| Item   | 2022              | 2023      | 2024      |
| Nitrogen oxides (NOx)  | 1,228.00          | 1,999.57  | 2,754.49  |
| Sulfur Oxides (SOx)  | ND (Not Detected) | 102.95    | 256.51    |
| Volatile Organic Compounds (VOCs)  | 54,546.19         | 51,432.30 | 66,586.63 |
| Hazardous Air Pollutants (HAPs)  | 14,676.41         | 12,896.40 | 14,139.81 |
| Particulate Pollutants (Par)   | 40.93             | 73.01     | 117.38    |
| <p>* Note 1: Calculated based on declaration amount of Nam Liong Global’s annual Air Pollution Control Fee.</p> <p>* Note 2: All factors are based on the GHG Emission Factor Management Table announced by the Ministry of Environment.</p> <p>* Note 3: Both the Head Office and Ren Ai Factory are not required to install exhaust ductwork or conduct monitoring under applicable local environmental regulations.</p> |                   |           |           |

**Nam Liong Global** primarily emits volatile organic compounds (VOCs) and hazardous air pollutants (HAPs) due to engage in adhesion and coating processes. **Nam Liong Global** is committed to enhancing the raw materials used in the process by gradually shifting towards water-based or solvent-free adhesives. In addition, a Regenerative Thermal Oxidizer (RTO) has been installed at the Niao Song Factory to reduce emissions of related air pollutants. Future plans include assessing the feasibility and implementing post-combustion capture systems and heat recovery systems to improve the efficiency of the RTO and reduce natural gas consumption, as well as the gradual installation of relevant control facilities.

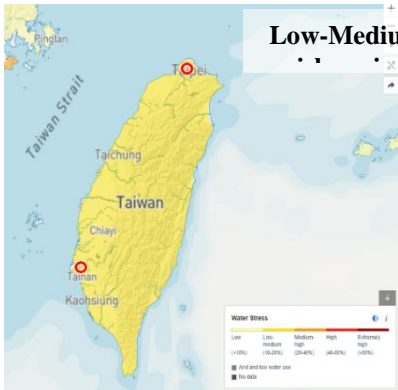
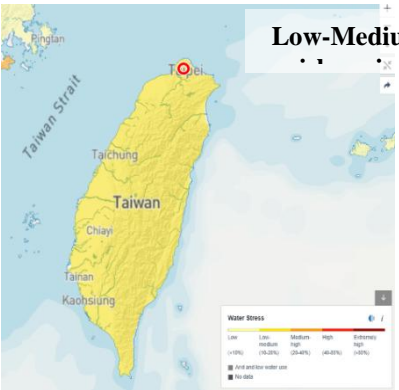
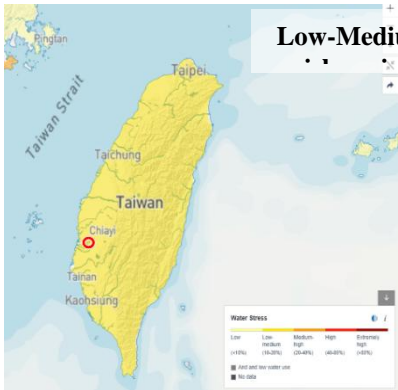

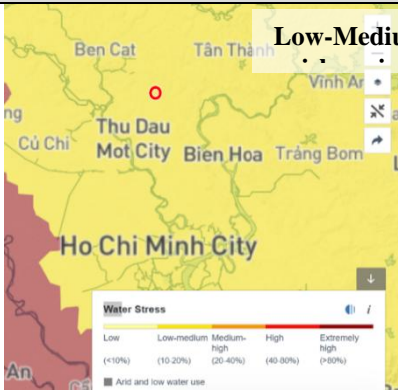
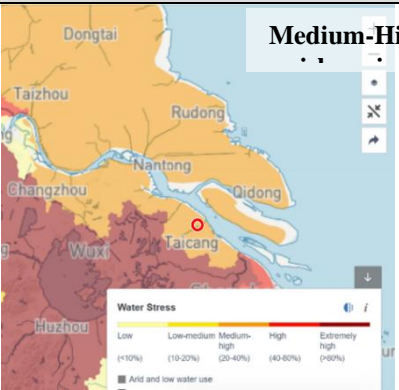
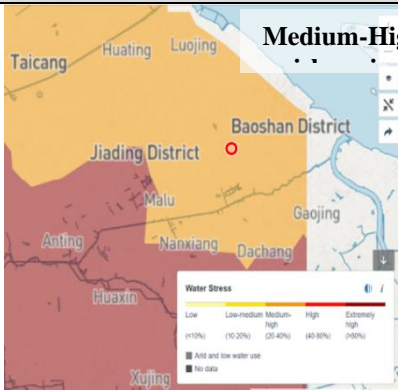
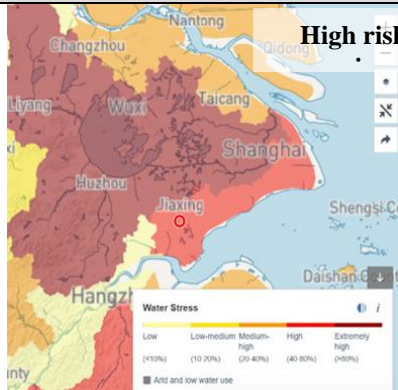


5.5 Water Resources Management

5.5.1 Assessment of Water-related Impacts

Assessment of Water-related Impacts

Nam Liong Global conducted an overall water risk assessment for our operational sites with reference to the World Resources Institute (WRI) Aqueduct Water Risk Atlas. Although Jiaxing Nanxiong is in a high-risk area, no significant water-related incidents, such as shortages or flooding, have occurred. The water risks for each operational site are as follows:

| Nam Liong Global   | Elementech International  | Greenchem International  | Dong Guan Namliong   |
|--|---|--|--|
|   |   |   |   |
| Nam Liong (Viet Nam)   | Suzhou Greatsun   | Shanghai Jiaxu   | Jiaxing Nanxiong   |
|  |  |  |  |

## Water Resources Management Policy

1. In response to water risks associated with climate change, **Nam Liong Global** has implemented water conservation and recycling measures at the Tainan Branch and Plant, which rely heavily on water resources due to dyeing and finishing processes. These measures are intended to mitigate environmental impact, reduce operating costs, and enhance operational resilience in the face of severe environmental conditions. Implemented measures include the installation of water-saving faucets in the factory area aims to reduce daily water wastage, as well as the recycling of treated discharged water for reuse in the sludge dewatering machine, creating a circular water resources system that further minimizes environmental impact. The anticipated daily water savings are expected to reach 20-30 metric tons. Moving forward, the following actions will continue to be promoted: Implement and enhance employees' awareness of water conservation.
2. Continuously strengthen the consumption management and diversion of water at source production process to improve overall water efficiency and effectively reduce the concentration of wastewater, thereby lowering the cost of wastewater treatment.
3. Promote the replacement of outdated production equipment with up-to-date, water-efficient devices, upgrade wastewater treatment facilities, and actively implement mechanisms for recycling and reusing wastewater.

## Water Quality Management Indicators for Effluents

**Nam Liong Global** establishes water quality management standards for effluents based on local regulations and norms. The daily treated wastewater consistently **meets the Effluent Standards**.

| Production Location            | Basis of Effluent Standards   | Potential of Hydrogen (pH) | Suspended solids (SS) mg/L | Chemical Oxygen Demand (COD) mg/L | Biochemical Oxygen Demand (BOD) mg/L | True Color | Free Available Residual Chlorine (AS) mg/L |
|--------------------------------|---|----------------------------|----------------------------|-----------------------------------|--------------------------------------|------------|--|
| <b>Tainan Branch and Plant</b> | Article 7-1 of the Water Pollution Control Act for Printing, Dyeing, and Finishing industry | 6.0-9.0                    | 30                         | 160                               | 30                                   | 300        | 2.0  |
|                                | Regular effluents testing results (Dated 2024.05.15)  | 7.4                        | 16.5                       | 90.4                              | 29.6                                 | 19         | <0.066                                     |
|                                | Regular effluents testing results (Dated 2024.10.14)  | 7.6                        | 13.5                       | 14.6                              | 1.2                                  | 37         | 0.18                                       |
|                                | Conformance of testing results with applicable standards                                    | Yes                        | Yes                        | Yes                               | Yes                                  | Yes        | Yes  |

\* Note: Niao Song Factory, Ren Ai Factory, and production sites of all subsidiaries discharges no industrial wastewater.

## 5.5.2 Withdrawal, Discharge and Consumption of Water

**Nam Liong Global** follows the Management Procedure for Water Pollution for water resources management. In 2024, Nam Liong Global had a total water withdrawal of **96,179** metric tons, reflecting an increase of **6.3%** compared to 2023, and a total water discharge of **90,036** metric tons, reflecting a decrease of **4.8%** compared to 2023. This resulted in a total water consumption of **6,143** metric tons for the year 2024. In 2024, total water withdrawal increased by **5,713** metric tons, primarily attribute to higher water demand for dyeing and finishing processes driven by the growth in sales of hook loop fastening tapes. In 2024, water use intensity (WUI) amounted to **57.2150** metric tons/NT\$ million, representing an 8.9% decrease compared with **62.7756** metric tons/NT\$ million in 2022, indicating that our water resources management efforts are gradually yielding results.

### Nam Liong Global

| Item<br>(Unit: metric tons)                        | Nam Liong Global   |      |      |                         |        |        |                   |       |       |                |       |       |         |        |        |
|--|--------------------|------|------|-------------------------|--------|--------|-------------------|-------|-------|----------------|-------|-------|---------|--------|--------|
|  | Taipei Head Office |      |      | Tainan Branch and Plant |        |        | Niao Song Factory |       |       | Ren Ai Factory |       |       | Total   |        |        |
|  | 2022               | 2023 | 2024 | 2022                    | 2023   | 2024   | 2022              | 2023  | 2024  | 2022           | 2023  | 2024  | 2022    | 2023   | 2024   |
| <b>Total withdrawal (Third-party water supply)</b> | 1,171              | 833  | 758  | 112,861                 | 77,658 | 82,654 | 7,369             | 5,941 | 6,769 | 4,497          | 6,034 | 5,998 | 125,898 | 90,466 | 96,179 |
| <b>Total discharge</b>                             | 1,171              | 833  | 758  | 94,979                  | 81,816 | 76,511 | 7,369             | 5,941 | 6,769 | 4,497          | 6,034 | 5,998 | 108,016 | 94,624 | 90,036 |
| <b>Total consumption</b>                           | 0                  | 0    | 0    | 17,882                  | -4,158 | 6,143  | 0                 | 0     | 0     | 0              | 0     | 0     | 17,882  | -4,158 | 6,143  |

### Subsidiaries

| Item<br>(Unit: metric tons)                        | 2024             |                    |                        |                          |                         |                         |                         |
|--|------------------|--------------------|------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
|  | Jiaxing Nanxiong | Dong Guan Namliong | Nam Liong (Viet Nam)   | Elementech International | Suzhou Greatsun         | Greenchem International | Shanghai Jiaxu          |
| <b>Total withdrawal (Third-party water supply)</b> | 10,259           | 17,548             | 969                    | 1,256                    | 601                     | 691                     | 517                     |
| <b>Total discharge</b>                             | 10,259           | 17,548             | 969                    | 1,256                    | 601                     | 691                     | 517                     |
| <b>Total consumption</b>                           | 0                | 0                  | 0                      | 0                        | 0                       | 0                       | 0                       |
| <b>Water risk region</b>                           | High risk region | Low risk region    | Low-Medium risk region | Low-Medium risk region   | Medium-High risk region | Low-Medium risk region  | Medium-High risk region |

## 5.6 Waste Management

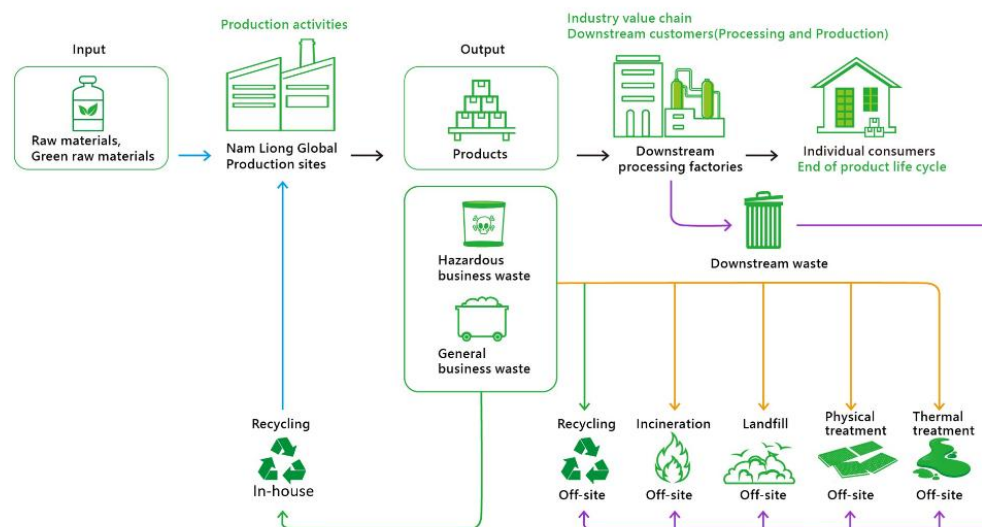
### 5.6.1 Assessment of Waste-related Impacts

**Nam Liong Global** is certified to ISO 14001 Environmental Management Systems. Hazard identification and associated risk assessments are conducted annually, followed by the implementation of appropriate control measures to manage and mitigate risks. This systematic approach enables us to effectively manage environmental impacts, ensure compliance with regulatory requirements, and drive continuous improvement in environmental performance.

### 5.6.2 Waste Management Policies

To ensure effective waste management, **Nam Liong Global** has established a Procedure for Waste Management to manage the storage, reporting, disposal, and treatment of waste. This procedure is periodically adjusted in accordance with implementation conditions and amendments to waste cleanup regulations. The Plant's waste cleanup planning and management are conducted based on the waste cleanup plan approved by the competent authority.

Waste generated by **Nam Liong Global**'s operations comprises domestic waste (including waste generated by employees' daily routine and production activities), primary business waste such as waste wood (pallets) and mixtures thereof, waste fibers and cotton (fabric) mixtures, non-hazardous dust and mixtures thereof, waste plastic mixtures, waste rubber mixtures, and organic sludges. Previously, except for organic sludge being processed through thermal treatment (incineration not included), these wastes are all externally transported to incinerators or landfills for disposal, which subsequently increases the environmental burdens. Recognizing that these business waste still holds other reusable values, following regulations outlined in the Management Measures for Reusing Business Waste announced by the Ministry of Economic Affairs, **Nam Liong Global** outsources a significant portion of waste plastics and rubbers to relevant processing plants for pyrolysis oil refining. In addition, solvent recovery equipment has been installed across all facilities to extract solvents from adhesive residues generated during adhesive bonding and coating processes. The recovered solvents are subsequently reused in cleaning operations, thereby advancing the goal of a circular economy. The Waste Flow Diagram (WFD) for production facilities at **Nam Liong Global** is shown below:



5.6.3 Waste Disposal

In 2024, **Nam Liong Global** generated a total of **618.571** metric tons of business waste, with hazardous business waste accounting for **1.060** metric tons, which represents **0.171%** of total waste generated. Non-hazardous business waste accounting for **617.511** metric tons, representing **99.829%** of total waste generated. In 2024, the total amount of business waste decreased by **197.179** metric tons, or **24.2%**, compared to 2023. Apart from striving to reduce total waste generation at its source, **Nam Liong Global** endeavors to enhance the value of existing waste resources by continuously promoting recycling and reuse of resources, both in-house and off-site, in compliance with local regulations and feasible technologies.

Disposal, Transfer, and Reuse of Business Waste

In 2024, reused business waste amounted to **382.714** metric tons, representing **61.87%** of the total business waste generated for the year. Of this, hazardous business waste accounted for **0.17%**, and non-hazardous business waste accounted for **61.70%**. The recycling rate increased by **5.9%** compared with the **55.94%** recycling rate recorded in 2023. The primary types of reused business waste were waste rubber and organic solvents. The reuse methods implemented include:

|   |  |
|---|--|
| 1 | Sending produced waste plastics to a physical treatment facility for crushing and pelleting before being delivered to the final treatment facility for use as auxiliary fuel in cogeneration boilers or adding it into rubber production as materials after processing into pellets at other treatment facilities. |
| 2 | Reusing organic solvents within the facilities, such as wiping machineries.  |

Direct Disposal of Business Waste

Business waste subjected to direct disposal are disposed of through physical treatment, incineration, and thermal treatment. All waste transfers are managed by authorized contractors who are responsible for the collection and incineration of waste, ensuring its proper disposal and treatment. In 2024, the total volume of waste directly disposed of amounted to **235.857** metric tons, accounting for **38.13%** of the annual total waste volume.



## Disposal of Business Waste-Nam Liong Global

| Waste Category<br>(Unit: Metric tons) |                          |          | Nam Liong Global  |       |              |         |                   |        |                |        | 2023    |              | 2024    |              |         |
|---------------------------------------|--------------------------|----------|-------------------|-------|--------------|---------|-------------------|--------|----------------|--------|---------|--------------|---------|--------------|---------|
|                                       |                          |          | Head Office       |       | Tainan Plant |         | Niao Song Factory |        | Ren Ai Factory |        |         |              |         |              |         |
|                                       |                          |          | 2023              | 2024  | 2023         | 2024    | 2023              | 2024   | 2023           | 2024   | Total   | Percentage % | Total   | Percentage % |         |
| Prepared for reuse and recycling      | Hazardous business waste | In-house | -                 | -     | 0.508        | 1.060   | -                 | -      | -              | -      | 0.508   | 0.062        | 1.060   | 0.171        |         |
|                                       |                          | Off-site | -                 | -     | -            | -       | -                 | -      | -              | -      | -       | -            | -       | -            |         |
|                                       | General business waste   | In-house | -                 | -     | 0.300        | 0.420   | -                 | -      | -              | -      | 0.300   | 0.037        | 0.420   | 0.068        |         |
|                                       |                          | Off-site | -                 | -     | 433.462      | 351.584 | 22.090            | 29.650 | -              | -      | 455.552 | 55.845       | 381.234 | 61.631       |         |
| Not prepared for reuse and recycling  | Hazardous business waste | Off-site | Incineration      | -     | -            | -       | -                 | -      | -              | -      | -       | -            | -       | -            |         |
|                                       |                          |          | Thermal treatment | -     | -            | -       | -                 | -      | -              | -      | -       | -            | -       | -            |         |
|                                       |                          |          | Physical          | -     | -            | -       | -                 | -      | -              | -      | -       | -            | -       | -            |         |
|                                       | General business waste   | Off-site | Incineration      | 2.086 | 2.444        | 118.040 | 105.050           | 60.080 | 58.600         | 14.734 | 17.743  | 194.940      | 23.897  | 183.837      | 29.720  |
|                                       |                          |          | Thermal treatment | -     | -            | 120.560 | 48.470            | -      | -              | -      | -       | 120.560      | 14.779  | 48.470       | 7.836   |
|                                       |                          |          | Physical          | -     | -            | 43.890  | 3.550             | -      | -              | -      | -       | 43.890       | 5.380   | 3.550        | 0.574   |
|                                       | Total Amount of Waste    |          |                   | 2.086 | 2.444        | 716.760 | 510.134           | 82.170 | 88.250         | 14.734 | 17.743  | 815.750      | 100.000 | 618.571      | 100.000 |

\* Note: **In-house** refers to recycling within the facilities; **Off-site** refers to recycling or treated outside the facilities.

## Disposal of Business Waste-Subsidiaries

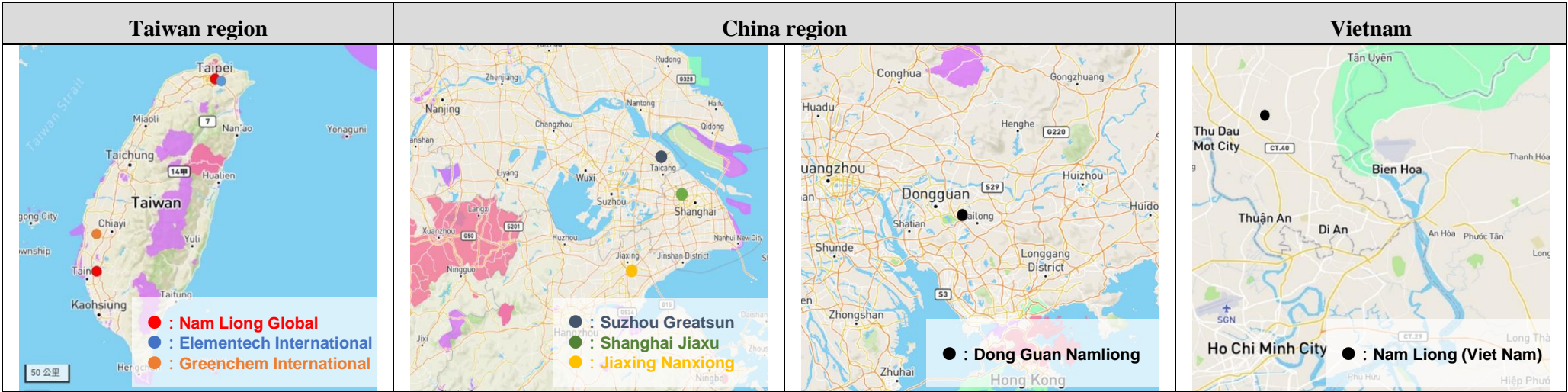
| Waste Category (Unit: Metric tons)   |                             |          |                      | 2024                |                       |                         |                             |                    |                            |                   |
|--------------------------------------|-----------------------------|----------|----------------------|---------------------|-----------------------|-------------------------|-----------------------------|--------------------|----------------------------|-------------------|
|                                      |                             |          |                      | Jiaxing<br>Nanxiong | Dong Guan<br>Namliong | Nam Liong<br>(Viet Nam) | Elementech<br>International | Suzhou<br>Greatsun | Greenchem<br>International | Shanghai<br>Jiaxu |
| Prepared for reuse and<br>recycling  | Hazardous<br>business waste | In-house |                      | -                   | -                     | -                       | -                           | -                  | -                          | -                 |
|                                      |                             | Off-site |                      | -                   | -                     | -                       | -                           | -                  | -                          | -                 |
|                                      | General<br>business waste   | In-house |                      | -                   | -                     | -                       | -                           | -                  | -                          | -                 |
|                                      |                             | Off-site |                      | -                   | -                     | -                       | -                           | -                  | -                          | -                 |
| Not prepared for reuse and recycling | Hazardous<br>business waste | Off-site | Incineration         | 0.504               | 0.800                 | -                       | -                           | -                  | -                          | -                 |
|                                      |                             |          | Thermal<br>treatment | -                   | -                     | -                       | -                           | -                  | -                          | -                 |
|                                      |                             |          | Physical             | -                   | -                     | 1.108                   | -                           | -                  | -                          | -                 |
|                                      | General<br>business waste   | Off-site | Incineration         | -                   | 60.000                | 53.354                  | 4.073                       | 2.638              | 24.000                     | -                 |
|                                      |                             |          | Thermal<br>treatment | -                   | -                     | -                       | -                           | -                  | -                          | -                 |
|                                      |                             |          | Physical             | 120.000             | -                     | -                       | -                           | -                  | -                          | -                 |
|                                      | Total Amount of Waste       |          |                      |                     | 120.504               | 60.800                  | 54.462                      | 4.073              | 2.638                      | 24.000            |

\* Note: **In-house** refers to recycling within the facilities; **Off-site** refers to recycling or treated outside the facilities.

5.7 Biodiversity and Ecological Conservation

5.7.1 Affected Wildlife Reserves

For the production facilities, **Nam Liong Global** is committed to minimizing any impact or disruption to the local biodiversity and environment. The assessment made based on the Integrated Biodiversity Assessment Tool (IBAT) and the Taiwan Ecological Network (TEN) indicates that **none** of the production facilities of **Nam Liong Global, including our subsidiaries**, are located within global Protected Areas (PAs) or Key Biodiversity Areas (KBAs), representing an extremely low impact risk.



5.7.2 Impact Management for Wildlife Reserves

Based on the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) Database assessment of the dependencies and impacts of various industry operations or products on ecosystem services, **Nam Liong Global’s** operations are categorized as having moderate to high dependency and moderate impact on natural ecosystems. The research further highlights that the textile industry has a significant impact on terrestrial, freshwater, and marine resources due to changes in their use.

**Nam Liong Global** continuously promotes water resources management to minimize potential impacts on wildlife reserves. **Nam Liong Global’s** Plant holds a valid water pollution control permit and has implemented a comprehensive water pollution prevention plan. Regular monitoring confirms that all effluents meet regulatory quality standards. The effluents do not pass through any habitats or protected areas and does not impact biodiversity. Future plans include enhancing the scope and efficiency of water resource reuse.





## VI. Employee Care

### 6.1 Human Capital

#### 6.1.1 Human Resource Management

**Nam Liong Global** regards employees as our most valuable assets. We base our human resources management practices, remuneration mechanisms, and workplace regulations on the labor regulations of the operating regions. We regularly review and update our policies in compliance with the latest regulations to safeguard the fundamental labor rights of our employees. **Nam Liong Global** strictly prohibits child labor, discrimination, workplace sexual harassment, forced or compulsory labor, and other similar incidents. We have established an independent reporting channel to provide employees with a safe, fair, and inclusive working environment.

**Nam Liong Global** place emphasis on educational background, professional skills, integrity, and enthusiasm in our hiring practices. Furthermore, we hire individuals with disabilities in accordance with regulations to protect their employment rights. All employees at the same job level receive identical welfare measures, salary standards, and educational training system, irrespective of gender, age, nationality, or other factors. Annual performance assessments are conducted to determine employee retention, promotions, salary adjustments, or bonus allocations.

#### 6.1.2 Talent Recruitment

##### 《A-Year-end Employee Composition》

As of the end of 2024, the total number of employees at **Nam Liong Global, including our subsidiaries**, was **749** individuals. This includes **749 permanent employees** (defined as those with indefinite or non-fixed-term employment contracts), with no temporary workers (defined as those with definite or fixed-term employment contracts) or uncategorized employees. Categorized by employment type, all **749** employees are full-time (defined as those whose weekly working hours meet the local regulations' definition of weekly working hours for full-time workers), with no part-time employees (defined as those whose weekly working hours does not meet the local regulations' definition of weekly working hours for full-time workers) or employees without guaranteed hours (defined as those with variable weekly working hours, such as on-call staffs). **Nam Liong Global, including our subsidiaries**, predominantly employs **local** staff. At the end of 2024, 1 female and 1 male employee was on **maternity leave** (defined as those who remain covered by labor insurance or social insurance during their leave period, while employees who are no longer covered by insurance but recognized by the Corporate as on unpaid leave are excluded). **There have been no significant changes in the workforce over the past three years.**

| Employee Structure<br>(Unit: person) |          | Nam Liong Global |      | Subsidiaries |      | Total |      |
|--------------------------------------|----------|------------------|------|--------------|------|-------|------|
| Year / Gender                        |          | 2023             | 2024 | 2023         | 2024 | 2023  | 2024 |
| All employees                        | Male     | 318              | 306  | 118          | 116  | 436   | 422  |
|                                      | Female   | 204              | 210  | 117          | 117  | 321   | 327  |
|                                      | Subtotal | 522              | 516  | 235          | 233  | 757   | 749  |



## 《B-Employee Diversity》 Nam Liong Global

At **Nam Liong Global**, the employee ratio between men and women is **59%** and **41%**, respectively. Most employees aged between **31 to 50**, accounting for **54%** of the total workforce. In addition, we hired **5** individuals with disabilities in accordance with legal requirements and has also employed **1** individual of indigenous descent to demonstrate **Nam Liong Global**'s commitment to diversity and equality. **The total number of employees categorized by job levels and diversity indicators at the end of 2024 are as below:**

| Job Levels in 2024                          |                     | Senior Executives     |            | Middle Executives     |            | Frontline Executives  |            | Basic Staffs          |            | Total                 |            |
|---|---------------------|-----------------------|------------|-----------------------|------------|-----------------------|------------|-----------------------|------------|-----------------------|------------|
| Diversity Indicators                        |                     | Number of Individuals | Proportion | Number of Individuals | Proportion | Number of Individuals | Proportion | Number of Individuals | Proportion | Number of Individuals | Proportion |
| Gender                                      | Male                | 10                    | 71%        | 58                    | 77%        | 54                    | 90%        | 184                   | 50%        | 306                   | 59%        |
|   | Female              | 4                     | 29%        | 17                    | 23%        | 6                     | 10%        | 183                   | 50%        | 210                   | 41%        |
| Age   | Below 30            | 0                     | 0%         | 0                     | 0%         | 2                     | 4%         | 109                   | 30%        | 111                   | 22%        |
|   | 31 to 50            | 4                     | 29%        | 50                    | 67%        | 29                    | 48%        | 196                   | 53%        | 279                   | 54%        |
|   | 51 and above        | 10                    | 71%        | 25                    | 33%        | 29                    | 48%        | 62                    | 17%        | 126                   | 24%        |
| Educational Level                           | Ph.D.               | 1                     | 7%         | 2                     | 3%         | 0                     | 0%         | 0                     | 0%         | 3                     | 1%         |
|   | Master              | 4                     | 29%        | 15                    | 20%        | 1                     | 2%         | 22                    | 6%         | 42                    | 8%         |
|   | Higher              | 7                     | 50%        | 52                    | 69%        | 21                    | 35%        | 151                   | 41%        | 231                   | 45%        |
|   | Secondary           | 2                     | 14%        | 6                     | 8%         | 36                    | 60%        | 68                    | 19%        | 112                   | 21%        |
|   | Elementary          | 0                     | 0%         | 0                     | 0%         | 2                     | 3%         | 126                   | 34%        | 128                   | 25%        |
| Nationality                                 | Citizenship         | 14                    | 100%       | 75                    | 100%       | 58                    | 97%        | 241                   | 66%        | 388                   | 75%        |
|   | Foreign nationality | 0                     | 0%         | 0                     | 0%         | 2                     | 3%         | 126                   | 34%        | 128                   | 25%        |
| Whether they are indigenous descent         |                     | 0                     | 0%         | 0                     | 0%         | 1                     | 2%         | 0                     | 0%         | 1                     | 0%         |
| Whether they have a disability              |                     | 1                     | 7%         | 1                     | 1%         | 1                     | 2%         | 2                     | 1%         | 5                     | 1%         |
| Total Number of Employees in Each Job Level |                     | 14                    | 3%         | 75                    | 14%        | 60                    | 12%        | 367                   | 71%        | 516                   | 100%       |

\* Note 1: Proportion = (Number of individuals in the diversity category ÷ Total number of employees at that level) × 100%, (for example: the proportion of male basic staffs = Number of male basic staffs ÷ total number of basic staffs).

\* Note 2: Frontline Executives: Executives in job grades of 7-11 (including Section Chiefs, Deputy Section Chiefs, Team Leaders, and Deputy Team Leaders). Basic staffs: All non-management individuals.

## 《B-Employee Diversity》 Subsidiaries

| Job Levels in 2024                          |                     | Senior Executives     |            | Middle Executives     |            | Frontline Executives  |                      | Basic Staffs          |            | Total                 |            |
|---|---------------------|-----------------------|------------|-----------------------|------------|-----------------------|----------------------|-----------------------|------------|-----------------------|------------|
| Diversity Indicators                        |                     | Number of Individuals | Proportion | Number of Individuals | Proportion | Number of Individuals | Diversity Indicators | Number of Individuals | Proportion | Number of Individuals | Proportion |
| Gender                                      | Male                | 3                     | 100%       | 19                    | 54%        | 24                    | 67%                  | 70                    | 44%        | 116                   | 50%        |
|   | Female              | 0                     | 0%         | 16                    | 46%        | 12                    | 33%                  | 89                    | 56%        | 117                   | 50%        |
| Age   | Below 30            | 0                     | 0%         | 0                     | 0%         | 3                     | 8%                   | 34                    | 21%        | 37                    | 16%        |
|   | 31 to 50            | 0                     | 0%         | 24                    | 69%        | 25                    | 70%                  | 96                    | 61%        | 145                   | 62%        |
|   | 51 and above        | 3                     | 100%       | 11                    | 31%        | 8                     | 22%                  | 29                    | 18%        | 51                    | 22%        |
| Educational Level                           | Ph.D.               | 0                     | 0%         | 0                     | 0%         | 0                     | 0%                   | 0                     | 0%         | 0                     | 0%         |
|   | Master              | 0                     | 0%         | 0                     | 0%         | 1                     | 3%                   | 3                     | 2%         | 4                     | 2%         |
|   | Higher              | 3                     | 100%       | 23                    | 66%        | 9                     | 25%                  | 47                    | 30%        | 82                    | 35%        |
|   | Secondary           | 0                     | 0%         | 12                    | 34%        | 25                    | 69%                  | 101                   | 63%        | 138                   | 59%        |
|   | Elementary          | 0                     | 0%         | 0                     | 0%         | 1                     | 3%                   | 8                     | 5%         | 9                     | 4%         |
| Nationality                                 | Citizenship         | 3                     | 100%       | 35                    | 100%       | 36                    | 100%                 | 158                   | 99%        | 232                   | 99%        |
|   | Foreign nationality | 0                     | 0%         | 0                     | 0%         | 0                     | 0%                   | 1                     | 1%         | 1                     | 1%         |
| Whether they are indigenous descent         |                     | 0                     | 0%         | 0                     | 0%         | 0                     | 0%                   | 0                     | 0%         | 0                     | 0%         |
| Whether they have a disability              |                     | 0                     | 0%         | 0                     | 0%         | 1                     | 3%                   | 1                     | 1%         | 2                     | 1%         |
| Total Number of Employees in Each Job Level |                     | 3                     | 1%         | 35                    | 15%        | 36                    | 16%                  | 159                   | 68%        | 233                   | 100%       |

\* Note 1: Proportion = (Number of individuals in the diversity category ÷ Total number of employees at that level) × 100%, (for example: the proportion of male basic staffs = Number of male basic staffs ÷ total number of basic staffs).

\* Note 2: Frontline Executives: Executives in job grades of 7-11 (including Section Chiefs, Deputy Section Chiefs, Team Leaders, and Deputy Team Leaders). Basic staffs: All non-management individuals.

## 《C-Personnel Turnover》

**Nam Liong Global** has a well-established recruitment system, aiming for mutual growth and development between the Corporate and employees, while also respecting employees' choices in career transitions. In 2024, **Nam Liong Global, including our subsidiaries**, recruited a total of **140** new employees, comprising **66** males and **74** females, with a majority being under the age of 30. In addition, **133** employees left the Corporate (none of them reaching retirement age), consisting of **70** males and **63** females. Reasons for departure included family caregiving, relocation, and career changes. To safeguard employee rights and improve the recruitment system, supervisory units were tasked with the responsibility of conducting interviews with all departing employees to gain a throughout understanding of the reasons for their departure. This information will serve as a reference for subsequent improvements in human resource management.

### Personnel Turnover-Nam Liong Global

| Gender | Age          | Nam Liong Global                            |                       |                       |                       |                       |                       |   |                         |                       |                         |                       |                         |
|--------|--------------|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
|        |              | Total Number and Proportion of New Recruits |                       |                       |                       |                       |                       | Total Number and Percentage of Departures |                         |                       |                         |                       |                         |
|        |              | 2022  |                       | 2023                  |                       | 2024                  |                       | 2022                                      |                         | 2023                  |                         | 2024                  |                         |
|        |              | Number of Individuals                       | Ratio of New Recruits | Number of Individuals | Ratio of New Recruits | Number of Individuals | Ratio of New Recruits | Number of Individuals                     | Ratio of New Departures | Number of Individuals | Ratio of New Departures | Number of Individuals | Ratio of New Departures |
| Male   | Below 30     | 40  | 19.71%                | 14                    | 9.43%                 | 19                    | 14.05%                | 27  | 16.47%                  | 13                    | 16.04%                  | 10                    | 17.32%                  |
|        | 31 to 50     | 26  |                       | 14                    |                       | 24                    |                       | 23  |                         | 31                    |                         | 32                    |                         |
|        | 51 and above | 1   |                       | 2                     |                       | 0                     |                       | 6   |                         | 7                     |                         | 11                    |                         |
|        | Subtotal     | 67  |                       | 30                    |                       | 43                    |                       | 56  |                         | 51                    |                         | 53                    |                         |
| Female | Below 30     | 14  | 15.57%                | 14                    | 12.25%                | 20                    | 16.67%                | 16  | 16.04%                  | 12                    | 17.16%                  | 7                     | 14.76%                  |
|        | 31 to 50     | 19  |                       | 10                    |                       | 15                    |                       | 18  |                         | 20                    |                         | 19                    |                         |
|        | 51 and above | 0   |                       | 1                     |                       | 0                     |                       | 0   |                         | 3                     |                         | 5                     |                         |
|        | Subtotal     | 33  |                       | 25                    |                       | 35                    |                       | 34  |                         | 35                    |                         | 31                    |                         |
| Total  |              | 100   | 18.16%                | 55                    | 10.05%                | 78                    | 15.12%                | 90  | 16.30%                  | 86                    | 16.48%                  | 84                    | 16.28%                  |

\* Note 1: Ratio of New Recruits = Total number of new recruits in the category ÷ Total number of employees in the category for the year × 100%. Ratio of Departures = Total number of departures in the category ÷ Total number of employees in the category for the year × 100%.

### Personnel Turnover-Subsidiaries

| Gender | Age          | Total Number and Proportion of New Recruits |                       |                       |                       | Total Number and Percentage of Departures |                         |                       |                         |
|--------|--------------|---|-----------------------|-----------------------|-----------------------|---|-------------------------|-----------------------|-------------------------|
|        |              | 2023  |                       | 2024                  |                       | 2023                                      |                         | 2024                  |                         |
|        |              | Number of Individuals                       | Ratio of New Recruits | Number of Individuals | Ratio of New Recruits | Number of Individuals                     | Ratio of New Departures | Number of Individuals | Ratio of New Departures |
| Male   | Below 30     | 8   | 19.49%                | 3                     | 19.83%                | 6   | 23.73%                  | 11                    | 14.66%                  |
|        | 31 to 50     | 12  |                       | 14                    |                       | 17  |                         | 6                     |                         |
|        | 51 and above | 3   |                       | 6                     |                       | 5   |                         | 0                     |                         |
|        | Subtotal     | 23  |                       | 23                    |                       | 28  |                         | 17                    |                         |
| Female | Below 30     | 17  | 22.22%                | 26                    | 33.33%                | 15  | 32.48%                  | 16                    | 27.35%                  |
|        | 31 to 50     | 8   |                       | 13                    |                       | 20  |                         | 15                    |                         |
|        | 51 and above | 1   |                       | 0                     |                       | 3   |                         | 1                     |                         |
|        | Subtotal     | 26  |                       | 39                    |                       | 38  |                         | 32                    |                         |
| Total  |              |   | 20.85%                | 62                    | 26.61%                | 66  | 28.09%                  | 49                    | 21.03%                  |

\* Note 1: Ratio of New Recruits = Total number of new recruits in the category ÷ Total number of employees in the category for the year × 100%. Ratio of Departures = Total number of departures in the category ÷ Total number of employees in the category for the year × 100%.

### Notice Period for Layoffs at Nam Liong Global

If the Corporate encounters significant operational changes such as organizational restructuring, adjustments in workforce requirements, force majeure, or deeming an employee unfit for the role, it is required to provide advance notice to employees in accordance with the Labor Standards Act. The notice period is as follows: Notify 10 days in advance for employees who have worked for more than 3 months but less than 1 year; Notify 20 days in advance for employees who have worked for more than 1 year but less than 3 years; Notify 30 days in advance for employees who have worked for more than 3 years. In addition, severance pay shall be provided in accordance with legal regulations.

### 6.1.3 Labor-Management Agreement

**Nam Liong Global** aims to create a harmonious and equitable communication platform between employees and the Corporate, this includes the Labor-Management meetings, the Welfare Committee meetings, employee suggestion box, improvement proposal systems, etc. These efforts aim to safeguard the rights and obligations of both labor and management, while consistently enhancing the working environment and labor-management standards.

#### Types of Employee Communication Channel

| Communication Channel              | Description   |
|------------------------------------|---|
| <b>Labor-Management Meetings</b>   | At each labor-management meeting, labor representatives are formally elected through a vote by all employees, and they collaborate with representatives appointed by the managements to collectively form the committee. In 2024, a total of 17 <b>Labor-Management Meetings</b> were convened. |
| <b>Welfare Committee Meetings</b>  | In accordance with relevant regulations and the Welfare Committee Charter of Nam Liong Global, meetings are scheduled every 4 months to formulate or revise various employee welfare plans. In 2024, a total of 4 <b>Welfare Committee Meetings</b> were convened.                              |
| <b>Employee Suggestion Box</b>     | We provide internal email, physical suggestion boxes, and complaint hotline to allow employees to timely express opinions or provide suggestion.  |
| <b>Improvement Proposal System</b> | Employees can suggest improvements regarding corporate policies, environment, systems, and operational methods through the improvement proposal system.   |

#### Employee Feedback Statistics

| Item                               | 2022            |                          |                          |                         | 2023            |                          |                          |                         | 2024            |                          |                          |                         |
|------------------------------------|-----------------|--------------------------|--------------------------|-------------------------|-----------------|--------------------------|--------------------------|-------------------------|-----------------|--------------------------|--------------------------|-------------------------|
| Communication Channel              | Number of Cases | Primary Feedback Content | Number of Cases Resolved | Number of Cases Pending | Number of Cases | Primary Feedback Content | Number of Cases Resolved | Number of Cases Pending | Number of Cases | Primary Feedback Content | Number of Cases Resolved | Number of Cases Pending |
| <b>Labor-Management Meetings</b>   | 11              | 11                       | 11                       | 0                       | 7               | 7                        | 7                        | 0                       | 29              | 29                       | 29                       | 0                       |
| <b>Welfare Committee Meetings</b>  | 12              | 12                       | 12                       | 0                       | 5               | 5                        | 5                        | 0                       | 5               | 5                        | 5                        | 0                       |
| <b>Employee Suggestion Box</b>     | 0               | 0                        | 0                        | 0                       | 0               | 0                        | 0                        | 0                       | 0               | 0                        | 0                        | 0                       |
| <b>Improvement Proposal System</b> | 276             | 26                       | 26                       | 0                       | 260             | 28                       | 28                       | 0                       | 241             | 19                       | 19                       | 0                       |



## 6.2 Compensation and Benefits

### 6.2.1 Equal Compensation

#### 《A-Gender Pay Gap》

Nam Liong Global prioritizes talent retention and development, committed to provide competitive remuneration conditions and comprehensive employee benefits. Nam Liong Global’s remuneration standards are established based on local regulations, industrial benchmarks, and the local cost of living, ensuring that employees’ remuneration is not influenced by factors such as gender, race, language, religion, age, political affiliation, or marital status. In this inclusive and equitable working environment, both men and women receive equal starting salary. However, the final remuneration amount, comprising both fixed and variable salaries, may vary depending on seniority, experience, or job-specific allowances. Nam Liong Global’s employee remuneration consists of fixed salaries, including base salary, job allowances, meal allowances, and other allowances, as well as variable salaries, including bonuses and overtime pay. Annual remuneration adjustments are made based on operational performance, and performance-based bonuses are awarded to employees, aiming to motivate them and develop mutual growth between the employees and the Corporate.

In 2024, at Nam Liong Global, the annual total remuneration of the highest-paid individual was **7.12** times the median of the Corporate’s annual total remuneration (excluding this highest-paid individual). The percentage increase in the annual total remuneration of the highest-paid individual was **1.75** times the median percentage increase in the Corporate's average total remuneration (excluding this highest-paid individual).

| Operational Locations |      | Gender Pay Gap across Different Job Levels (Male: Female) |                   |                      |              | Gender Pay Gap across Different Job Functions (Male: Female) |                 |
|-----------------------|------|---|-------------------|----------------------|--------------|--|-----------------|
|                       |      | Senior Executives   | Middle Executives | Frontline Executives | Basic Staffs | Production, Sales, and Research                              | Clerical Staffs |
| Nam Liong Global      | 2022 | 1 : 0.83  | 1 : 0.97          | 1 : 0.92             | 1 : 0.95     | 1 : 0.77   | 1 : 0.85        |
|                       | 2023 | 1 : 0.90  | 1 : 1.04          | 1 : 0.94             | 1 : 0.99     | 1 : 0.88   | 1 : 0.85        |
|                       | 2024 | 1 : 0.61  | 1 : 1.00          | 1 : 0.92             | 1 : 1.01     | 1 : 0.86   | 1 : 0.77        |

\* Note1: The final remuneration of male employees is considered as 1.

\* Note2: Senior executives are defined as executives in job grades 1-3; middle executives are defined as executives in job grades 4-7; Frontline executives are defined as executives in job grades of 8-11; and basic staffs are defined as non-managerial personnel.

#### 《B-Annual Salary of Non-Management Employees》

Nam Liong Global discloses the annual salary of full-time non-management employees in compliance with regulatory requirements. In 2024, both the average salary and median salary increased compared to 2023, primarily attributed to the company-wide salary adjustments in response to the statutory minimum wage (SMW) increase at the beginning of the year, coupled with higher bonus distribution reflecting the Corporate’s improved profitability for the year.

| Item  |         | 2023    | 2024    |
|---|---------|---------|---------|
| Full-time non-management employees (Unit: person)                         |         | 512     | 488     |
| Annual salary of full-time non-management employees (Unit: NT\$ thousand) | Average | 626.176 | 685.607 |
|   | Median  | 543.407 | 598.721 |

### 《C-Ratio of Remuneration for Basic Staffs Compared to the Statutory Minimum Wage as per Local Regulations》

**Nam Liong Global** strictly follows the relevant requirements of local labor regulations in our operations. In Taiwan region, the standard starting salary we offered exceeds the minimum wage stipulated by the Labor Standards Act and complies with local regulations regarding minimum wages in other operational regions. In 2024, the average monthly remuneration for basic staffs at each significant operational location exceeds the statutory minimum wage by **1.005 to 4.440** times.

| Ratio of Remuneration for Basic Staffs Compared to the Local Minimum Wage as per Local Regulations at Significant Operational Locations for the year 2024 |       |        |         |   |
|---|-------|--------|---------|---|
| Operational Locations   | Male  | Female | Average | Statutory Minimum Wage as per Local Regulations |
| Nam Liong Global  | 1.000 | 1.009  | 1.005   | NT\$ 27,470                                     |
| Jiaxing Nanxiong  | 1.770 | 1.460  | 1.615   | NT\$ 10,152                                     |
| Dong Guan Namliong  | 1.026 | 1.079  | 1.053   | NT\$ 8,170                                      |
| Nam Liong (Viet Nam)  | 1.500 | 1.389  | 1.445   | NT\$ 7,291                                      |
| Greenchem International   | 1.160 | 1.300  | 1.150   | NT\$ 27,470                                     |
| Shanghai Jiaxu  | 4.440 | None   | 4.440   | NT\$ 12,131                                     |
| Elementech International  | 1.347 | 1.274  | 1.948   | NT\$ 27,470                                     |
| Suzhou Greatsun   | 1.877 | 2.128  | 2.003   | NT\$ 11,198                                     |

\* Note 1: The exchange rates for converting Renminbi (RMB) and Vietnamese Dong (VND) to New Taiwan Dollar (NT\$) are based on the rates as of December 31, 2024.

\* Note 2: GREENCHEM INTERNATIONAL SHANGHAI did not employ any female staff in 2024.

## 6.2.2 Comprehensive Benefits

### 《A-Benefits》

To enhance employee morale and bolster market competitiveness, **Nam Liong Global** has established an Employee Welfare Committee responsible for promoting and planning employee welfare initiatives. This includes allowances for marriage, funerals, and childbirth, bonuses during festive seasons, scholarships for employees' children's education, insurance coverage, as well as club activities. All full-time employees are entitled to these benefits. The welfare fund is allocated monthly by the Corporate to the Welfare Committee's account, these funds are utilized for activities or subsidies, and the committee regularly monitors their usage and gathers feedback from employees to ensure proper and effective utilization of the welfare funds.

## Employee Benefits at Nam Liong Global

| Standard Benefits  |   | Other Benefits                 |   |
|--|---|--------------------------------|---|
| Item   | Description   | Item                           | Description   |
| <b>Insurance</b>   | <ul style="list-style-type: none"> <li>Employees are insured with Labor Insurance and National Health Insurance based on legal graded insurance coverage regulations</li> <li>Planning comprehensive group insurance encompassing life, accident, overseas travel insurance, and other protective measures</li> </ul> | <b>Subsidies or allowances</b> | <ul style="list-style-type: none"> <li>Subsidies for medical check-ups</li> <li>Scholarships for employees' children's education</li> </ul> |
| <b>Allowances for marriage, funerals, and childbirth, bonuses during festive seasons</b> | <ul style="list-style-type: none"> <li>Allowances for marriage, funerals, and childbirth, bonuses during festive seasons</li> </ul>   | <b>Welfare activities</b>      | <ul style="list-style-type: none"> <li>Employee trips, Year-end parties, Club activities, Group recreational activities</li> </ul>          |
|  |   | <b>Others</b>                  | <ul style="list-style-type: none"> <li>Flexible working hours, Discounts at contracted stores, Employee Shopping privileges</li> </ul>      |

## 《B-Retirement Benefits System》

To safeguard the rights of retiring employees, **Nam Liong Global** legally allocates pension funds monthly to the individual pension accounts. When Corporate colleagues approach retirement, their retirements benefits are disbursed from the individual account. In addition, we organize farewell events to express gratitude for their dedication and hard work.

| Pension System    | Allocation Status   |
|-------------------|---|
| <b>New System</b> | Since the implementation of the Labor Pension Act (New Pension System) on July 1, 2005, <b>Nam Liong Global</b> contributes monthly retirement saving for employees covered under this regulation. These contributions are deposited into individual pension accounts established by the Bureau of Labor Insurance. The retirement contribution borne by the employee is 6% of their monthly salary. In addition, employees have the option to voluntarily contribute to their retirement savings within this 6% range, allowing for full deductions from their annual comprehensive income. Ownership of these individual pension accounts belongs to the employees. |

## 《C-Employee Retirement and Departure Transition Assistance Policy》

Retired employees may experience a loss of focus in their lives as they leave the workplace, coupled with challenges such as a lack of income, increased time spent with family, and declining physical health, which can lead to psychological stress, family interaction issues, and difficulties with daily care. To assist employees in preparing for retirement, Nam Liong Global offers consultation on retirement and secondary employment issues. This helps employees understand potential retirement challenges and plan their post-retirement life. For employees who are terminated due to internal adjustments or force majeure, **Nam Liong Global** aims to mitigate the psychological and economic stress of unemployment. Beyond providing legally mandated severance pay, the Corporate offers counseling services as needed to assist employees in transitioning to new employment opportunities.

## 6.2.3 Parent-Friendly Workplace

### 《A-Parental Leave Policy》

**Nam Liong Global** is dedicated to creating a supportive childcare environment. Apart from allowing statutory parental leave without pay, Nam Liong Global offers additional support to parents by providing childbirth allowances, collaborating with enterprises to offer childcare-related benefits, offering family care leave, implementing flexible work hours, providing scholarships for employees' children's education, among other mechanisms. Furthermore, within the office premises, we have set up a comfortable lactation room equipped with facilities like refrigerators and freezers, ensuring that female colleagues during their breastfeeding period have a worry-free environment.

### 《B-Parental Leave Statistics》

In 2024, **Nam Liong Global** achieved a 100% rejoining rate after employees availed themselves of parental leave. Two employees did not return to the Corporate after the parental leave period due to family reasons. The one-year retention rate after returning to work stands at 100%.

### Nam Liong Global

| Parental leave personnel analysis   | 2022 |        |       | 2023 |        |       | 2024 |        |       |
|---|------|--------|-------|------|--------|-------|------|--------|-------|
|   | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Number of employees eligible for parental leave in current year (A)                                   | 9    | 10     | 19    | 10   | 11     | 21    | 12   | 6      | 18    |
| Actual number of parental leave applications in the current year (B)                                  | 1    | 0      | 1     | 0    | 3      | 3     | 1    | 3      | 4     |
| Number of employees expected to return to work from parental leave in current year (C)                | 1    | 0      | 1     | 0    | 4      | 4     | 0    | 2      | 2     |
| Actual number of employees return to work from parental leave in current year (D)                     | 1    | 0      | 1     | 0    | 2      | 2     | 0    | 2      | 2     |
| Actual number of employees return to work from parental leave in previous year (E)                    | 0    | 0      | 0     | 1    | 0      | 1     | 0    | 2      | 2     |
| Number of employees still employed 12 months after returning from parental leave in previous year (F) | 0    | 0      | 0     | 1    | 0      | 1     | 0    | 2      | 2     |
| Parental leave application rate (%) (=B/A)  | 11%  | 0%     | 5%    | 0%   | 27%    | 14%   | 8%   | 50%    | 22%   |
| Rejoining rate (%) (=D/C)   | 100% | 0%     | 100%  | 0%   | 50%    | 50%   | 0%   | 100%   | 100%  |
| Retention rate (%) (=F/E)   | 0%   | 0%     | 0%    | 100% | 0%     | 100%  | 0%   | 100%   | 100%  |

## Subsidiaries

| Parental leave personnel analysis   | 2023 |        |       | 2024 |      |      |
|---|------|--------|-------|------|------|------|
|   | Male | Female | Total | Male | Male | Male |
| Number of employees eligible for parental leave in current year (A)                                   | 0    | 3      | 3     | 1    | 4    | 5    |
| Actual number of parental leave applications in the current year (B)                                  | 0    | 3      | 3     | 0    | 1    | 1    |
| Number of employees expected to return to work from parental leave in current year (C)                | 0    | 0      | 0     | 0    | 2    | 2    |
| Actual number of employees return to work from parental leave in current year (D)                     | 0    | 0      | 0     | 0    | 2    | 2    |
| Actual number of employees return to work from parental leave in previous year (E)                    | 0    | 0      | 0     | 0    | 0    | 0    |
| Number of employees still employed 12 months after returning from parental leave in previous year (F) | 0    | 0      | 0     | 0    | 0    | 0    |
| Parental leave application rate (%) (=B/A)  | 0%   | 100%   | 100%  | 0%   | 25%  | 20%  |
| Rejoining rate (%) (=D/C)   | 0%   | 0%     | 0%    | 0%   | 100% | 100% |
| Retention rate (%) (=F/E)   | 0%   | 0%     | 0%    | 0%   | 0%   | 0%   |

## 6.3 Development Opportunities

### 6.3.1 Training and Education

#### 《A-Introduction to Types of Educational Training Courses》

Nam Liong Global places great emphasis on employees' professional development, believing that continuous and progressive education and training are pivotal to the synchronized growth of both employees and the Corporate. We offer diverse learning channels and comprehensive training courses aimed at enhancing employees' skills and knowledge.

- Learning channels: On-the-job training, physical classes, online courses, external educational training, job rotations, and more.
- Training courses: New recruit orientation, specialized skill-based courses, general education courses, various management system training, as well as management and leadership courses.



【Nam Liong Global Employee education and training courses】

#### 《B-Overview of Annual Courses Offerings, Number of Trainees, and Total Training Hours》

In 2024, **Nam Liong Global** offered a total of **108** courses, training **956** individuals with a cumulative total of **4,545.5** training hours. On average, each employee received **8.81** hours of training, reflecting a slight decline compared to the 9.65 hours of training per individual in 2023. Additionally, in 2024, the **subsidiaries** offered a total of **175** courses, training **1,190** individuals with a cumulative total of **1,900.5** training hours. On average, each employee received **8.16** hours of training.



**Nam Liong Global**

| Course Category / Year            | 2022                     |                    |                | 2023                     |                    |                | 2024                     |                    |                |
|-----------------------------------|--------------------------|--------------------|----------------|--------------------------|--------------------|----------------|--------------------------|--------------------|----------------|
|                                   | Total Number of Sessions | Total Participants | Total Man-Hour | Total Number of Sessions | Total Participants | Total Man-Hour | Total Number of Sessions | Total Participants | Total Man-Hour |
| New recruit orientation           | 12                       | 100                | 450.0          | 13                       | 55                 | 247.5          | 12                       | 78                 | 351.0          |
| Specialized skill-based courses   | 63                       | 263                | 1,678.8        | 51                       | 233                | 1,705.5        | 69                       | 462                | 2,612.5        |
| General education courses         | 17                       | 97                 | 394.5          | 13                       | 300                | 1,698.5        | 12                       | 270                | 806.0          |
| Management and leadership courses | 15                       | 212                | 887.5          | 21                       | 230                | 1,386.3        | 15                       | 146                | 776.0          |
| Total                             | 107                      | 672                | 3,410.8        | 98                       | 818                | 5,037.8        | 108                      | 956                | 4,545.5        |

**Subsidiaries**

| Course Category / Year            | 2023                     |                    |                          | 2024               |                          |                    |
|-----------------------------------|--------------------------|--------------------|--------------------------|--------------------|--------------------------|--------------------|
|                                   | Total Number of Sessions | Total Participants | Total Number of Sessions | Total Participants | Total Number of Sessions | Total Participants |
| New recruit orientation           | 21                       | 60                 | 228.0                    | 26                 | 92                       | 165.0              |
| Specialized skill-based courses   | 69                       | 655                | 2,297.0                  | 115                | 807                      | 1,283.5            |
| General education courses         | 26                       | 272                | 1,287.0                  | 28                 | 265                      | 368.0              |
| Management and leadership courses | 13                       | 100                | 854.0                    | 6                  | 26                       | 84.0               |
| Total                             | 129                      | 1,087              | 4,666.0                  | 175                | 1,190                    | 1,900.5            |

**《C-Average Training Hours by Gender》**

Our education and training policies remain unbiased regarding gender. In 2024, the average training hours for males were 8.66 hours, while females had an average of 9.02 hours. (\*Note: Average training hours = Total training hours for each gender ÷ Total number of employees in each gender at the end of the reporting year.)

**《D-Average Training Hours by Job Level or Job Function》**

The average training hours for each job level at **Nam Liong Global** are presented in the table on the right. (\* Note: Average training hours = Total training hours for each job level ÷ Total number of employees in each job level at the end of the reporting year.)

| Job level            | 2023  | 2024  |
|----------------------|-------|-------|
| Senior Executives    | 22.98 | 15.98 |
| Middle Executives    | 30.44 | 23.74 |
| Frontline Executives | 5.17  | 3.63  |
| Basic Staffs         | 5.15  | 6.33  |

## 6.3.2 Performance Review

### 《A-Performance Review Policy Description》

**Nam Liong Global** has established a Regulations for Performance Review Management which includes a probationary review for new recruits upon completion of their probationary period, monthly performance review and an annual performance appraisal for all employees. The aim is to authentically reflect employees' work performances and offer positive feedback. In addition, **Nam Liong Global's** human resources regulations included a Regulations for Rewards and Penalties Management. Employees' workplace performances or behaviors, complying or deviating from the Corporate's standards, are reported by departmental heads for assessment by the General Manager, who then makes decisions on rewards or penalties. Employee records of rewards and penalties, along with their annual performance appraisal results, serve as the basis for promotions, remuneration adjustments, or bonus distributions.

### 《B-Completion of Annual Performance Review》

In 2024, all new recruits at **Nam Liong Global** underwent a probationary review, and apart from those on leave without pay, all full-time employees completed their annual performance review.

| Completion of Annual Performance Reviews by Gender |                            |                           |            | Completion of Annual Performance Reviews by Job Levels |            |                   |            |                      |            | Completion of Annual Performance Reviews by Job Function |            |                 |            |                                 |            |
|--|----------------------------|---------------------------|------------|--|------------|-------------------|------------|----------------------|------------|--|------------|-----------------|------------|---------------------------------|------------|
| Gender   | Number of Review Conducted | Total Number of Employees | Percentage | Senior Executives                                      | Percentage | Middle Executives | Percentage | Frontline Executives | Percentage | Basic Staffs   | Percentage | Clerical Staffs | Percentage | Production, Sales, and Research | Percentage |
| Male   | 306                        | 306                       | 100%       | 10   | 71%        | 58                | 77%        | 54                   | 90%        | 184  | 50%        | 40              | 45%        | 266                             | 62%        |
| Female   | 210                        | 210                       | 100%       | 4  | 29%        | 17                | 23%        | 6                    | 10%        | 183  | 50%        | 49              | 55%        | 161                             | 38%        |
| Total  | 516                        | 516                       | 100%       | 14   | 100%       | 75                | 100%       | 60                   | 100%       | 367  | 100%       | 89              | 100%       | 427                             | 100%       |

\* Note: Percentage of employees reviewed by gender = Total number of employees reviewed in each gender ÷ Total number of employees in each gender at the end of the reporting year \*100%.

## 6.4 Workplace Safety

### 6.4.1 Occupational Health and Safety Management

Workers are crucial members in the operational activities of the Corporate. Any health and safety risks in the workplace may have significant impacts on the Corporate's operations and the well-being of both employees and external workers. **Nam Liong Global** complies to **local occupational health and safety regulations at each operational location** and follows the **ISO 45001: 2018 Occupational Health and Safety Management System Standard**. We employ the PDCA cycle concept-Plan, Do, Check, Act-as the foundational management framework to construct our Occupational Health and Safety Management System, as well as established an Occupational Health and Safety Committee to identify potential risks in all operational environments. This department formulates management practices and control procedures and conducts regular internal audits to effectively prevent workplace incidents, ensuring the health and safety of workers. (Note: External workers refer to individuals, excluding employees, who perform designated tasks within or outside the Nam Liong Global premises, such as raw material suppliers, equipment maintenance providers, and external consultants.)

### 《A-Scope of Occupational Health and Safety Management System》

**Nam Liong Global's Plant** has implemented an Occupational Health and Safety Management System, which has been externally verified, covering 57% of total employees. Certain operational locations such as the **Head Office, Niao Song Factory, and the Ren Ai Factory**, due to insufficient numbers to meet regulatory requirements, adhere to the operation of the Occupational Health and Safety Management System but have not undergone external third-party verification.

### 《B-Occupational Health and Safety Committee and Communication Mechanism》

#### Occupational Health and Safety Committee

**Nam Liong Global's** Occupational Health and Safety Committee is jointly composed of representatives from both labor and management, totaling 25 members. The Manager of the Occupational Health and Safety Department serves as Director, with 10 labor representatives, accounting for 40% of the committee members. The Occupational Health and Safety Committee convenes quarterly to review the Corporate's occupational health and safety management regulations, assess the effectiveness of various management procedures, evaluate the occupational health and safety education training plan, and examine reports on occupational accidents. Members of the Occupational Health and Safety Committee are responsible for conducting regular risk assessment procedures, planning, and promoting occupational health and safety policies. They arrange annual educational training plans, occupational health services, health promotion activities, and publish the Corporate's occupational health and safety management regulations on the Corporate official website. In addition, they ensure that publicly available procedural documents are accessible in multiple languages for foreign employees, ensuring a clear understanding of the Corporate's occupational health and safety policies among all colleagues.

#### Workers Communication and Reporting Mechanism

**Nam Liong Global** has established an independent reporting mechanism. All workers can anonymously provide feedback, communicate, and seek advice on occupational health and safety matters through dedicated hotlines and email. When foreign workers raise communication or consultation requests, capable staff proficient in foreign languages or commissioned translators serve as intermediary facilitators for effective bidirectional communication. In addition, following the environmental health and safety communication management procedure at **Nam Liong Global**, the Corporate encourages employees, suppliers, or contractors to proactively report health and safety concerns in the workplace. In instances where an immediate risk is highly probable, workers are empowered to halt operations and move to a safe location without endangering others. They are required to simultaneously report to departmental heads and the Occupational Health and Safety Management Team. Upon receiving reports, the management team conducts immediate investigations to evaluate the likelihood and severity of hazards, devises corrective measures, reports findings for review by the Occupational Health and Safety Committee, and announces investigation results and resolutions to all workers. Employees or external workers who proactively report potential occupational health and safety risks receive commendations, developing collective vigilance to reduce the occurrence of hazardous events.

### Occupational Health and Safety Risk Assessment

**Nam Liong Global** complies to local occupational health and safety regulations, formulating procedures for hazard identification and risk assessment. Internal audit personnel selected by each department undergo specialized training in hazard identification and evaluation and are encouraged to acquire relevant external certifications.

These internal auditors conduct annual inspections of operational sites at the Plant, Niao Song Factory, and Ren Ai Factory. They classify risks into five categories based on severity, likelihood of occurrence, and existing protective measures, namely **Major Risk, High Risk, Moderate Risk, Low Risk, and Minor Risk**. They assess potential significant workplace accidents or work-related ill health categories and establish risk reduction control measures for **significant and high-risk area**. These measures are regularly audited for effectiveness by external personnel. To ensure the efficacy of control measures, **Nam Liong Global** compares external audit results with predefined objectives. External auditors, equipped with specialized training and professional certification in hazard identification and risk assessment, conduct regular meetings to review deficiencies, track effectiveness, and formulate subsequent improvement strategies.

In addition to routine risk assessments, in situation where significant changes occur in workplace equipment or operational procedures, serious occupational accidents, or in the event of significant worker complaints, **Nam Liong Global** conducts additional risk assessments. These assessments aim to adjust the original risk level determination and preventive measures promptly to mitigate potential disaster events.

### Risk Levels Classification and Response Management Mechanisms

| Risk Levels          | Management Mechanisms  |
|----------------------|--|
| <b>Major Risk</b>    | Risk reduction measures must be taken immediately, and operations should not commence or continue before the risk is reduced.  |
| <b>High Risk</b>     | Risk control measures must be taken within a certain period, and operations cannot commence until the risk is reduced. It may require significant resources to mitigate the risk. If current operations pose a high level of risk, immediate risk reduction measures must be implemented.  |
| <b>Moderate Risk</b> | Efforts must be made to reduce risks, such as: <ul style="list-style-type: none"><li>Considering cost or financial factors, it is advisable to gradually implement risk reduction measures to gradually reduce the proportion of moderate-risk occurrences.</li><li>For moderate risks classified as significant or very significant in severity, further assessments of their likelihood are recommended as a basis for improving control facilities.</li></ul> |
| <b>Low Risk</b>      | There is no immediate need to implement risk reduction measures, but it is important to ensure the effectiveness of existing protective measures.  |
| <b>Minor Risk</b>    | No need to implement risk reduction measures, but it is essential to ensure the effectiveness of existing protective measures.   |

### 《C-Occupational Health Services and Health Promotion》

**Nam Liong Global** assesses **noise, dust, and organic solvents** based on the working environmental and nature of work as factors that could pose major risks to employees. To reduce employees' exposure to excessive harmful substances during operation, we provide protective gear for our employees to wear. In addition, employees working in specialized environments receive specific health check-up annually to monitor their physical condition regularly for early response and treatment.

Regarding personal health promotion, **Nam Liong Global** provides a subsidy for a general medical check-up once every two years for full-time employees, as well as monitors and manages those with highly abnormal medical check-up results. Considering factors such as employees' age, medical check-up values over the past three years, and common major diseases identified in the Ministry of Health and Welfare's survey, common personal health risks include **hypertension, hyperlipidemia, high blood sugar, lack of exercise, and unhealthy dietary habits**. Consequently, **Nam Liong Global** periodically arranges on-site health services conducted by contracted nurses and physicians, offering one-on-one health consultations. We also advocate for health awareness and encourage employees to adopt exercise habits to enhance their physical and mental well-being. **In 2024, 91% of the in-service employees participated in medical check-ups. The next medical check-up is scheduled for 2026.**

**Nam Liong Global** has devised five major health protection plans (including human factors, illegal infringement, abnormal workloads, workplace maternity and middle-to-older age) to implement and engage contracted nurses and physicians for periodic health assessments, management, monitoring, and consultation services for employees.

### 《D-Occupational Health and Safety Education Training》

The occupational health and safety education training are fundamental in enhancing the awareness of health and safety for employees and contractors. At **Nam Liong Global**, all employees receive periodic general occupational safety education and training. In addition, considering the different work patterns and environment across various departments, knowledge and skill training sessions are conducted separately for employees and external workers to enhance their safety awareness and prevent accidents.

| Category   | 2022      |                    |                | 2023      |                    |                | 2024      |                    |                |
|--|-----------|--------------------|----------------|-----------|--------------------|----------------|-----------|--------------------|----------------|
|  | Frequency | Number of Trainees | Training Hours | Frequency | Number of Trainees | Training Hours | Frequency | Number of Trainees | Training Hours |
| Health and Safety In-job Training                                    | 9         | 154                | 591            | 11        | 158                | 555            | 15        | 265                | 374            |
| Hazardous Chemicals Training and Fire Drills                         | 5         | 195                | 732            | 6         | 136                | 544            | 6         | 142                | 568            |
| Forklift Operations Safety Education Training                        | 2         | 32                 | 96             | 1         | 7                  | 18             | 5         | 5                  | 41             |
| Fixed Crane Operations Safety Education Training                     | 3         | 7                  | 21             | 1         | 1                  | 3              | 2         | 2                  | 6              |
| Boiler Operations Safety Education Training                          | 2         | 2                  | 6              | 1         | 1                  | 18             | 0         | 0                  | 0              |
| Hazardous Operations Supervisor Health and Safety Education Training | 2         | 2                  | 12             | 2         | 2                  | 24             | 2         | 2                  | 12             |
| First Aid Personnel Health and Safety Education Training             | 3         | 12                 | 36             | 2         | 4                  | 51             | 0         | 0                  | 0              |
| Hanging Operations Safety Education Training                         | 0         | 0                  | 0              | 1         | 18                 | 18             | 2         | 2                  | 6              |
| Fire Prevention Manager Health and Safety Education Training         | 0         | 0                  | 0              | 1         | 12                 | 12             | 3         | 3                  | 40             |

## 《E-Contractor Occupational Health and Safety Audits》

In addition to requiring all our operational locations to strictly comply with local environmental health and safety regulations, **Nam Liong Global** also requires contractors to comply with the **Nam Liong Global** Letter of Undertaking for Occupational Safety, Health, and Environmental Compliance for Contractor, including environmental, health and safety standards. Contractors entering the premises for construction purposes are required to fill out relevant application forms following the contracting management procedures and obtain approval before commencing construction operations.

### 6.4.2 Work-related Injuries and Ill Health

#### 《A-Accident Investigation Procedure》

**Nam Liong Global** has developed a Procedure for Environmental, Health and Safety Management. In the event of an accident, the injured party or other personnel present should immediately report to the departmental supervisor in accordance with the management procedure. The departmental supervisor should then immediately inform the **Occupational Safety and Health Department**, providing details such as the nature of the accident, identities of the injured individuals, location, reasons for the accident, and the extend of injuries. Upon receiving the report, the **Occupational Safety and Health Department** categorizes the severity of the accident and simultaneously informs the Human Resource Department. They collaborate to investigate the working environmental at the time of the accident, personnel operations, and if any deficiencies or anomalies exist in the standard operating procedures. Once the cause of the accident is clarified, the **Occupational Safety and Health Department** is required to report the investigation results and improvement plans to the department head where the accident occurred, as well as to the Occupational Health and Safety Committee. They jointly decide on improvement measures for the work environmental or standard procedures. The investigation findings and subsequent improvement outcomes are communicated to all employees and contractors, reinforcing training and promoting new control policies after the accident.

#### 《B-Workplace Incident Records》

In **2024**, **Nam Liong Global** reported no significant occupational accidents, resulting in a significant occupational incident rate of 0%. The Corporate will continue to implement and monitor workplace safety, as well as commuting safety for employees.

| Employee Work-related Injuries and Ill Health Statistics       | 2022        | 2023        | 2024      | Description for Each Calculations  |
|--|-------------|-------------|-----------|--|
| Total work hours (hours)                                       | 1,053,792.0 | 1,078,339.5 | 992,820.0 | Note 1: Number of Significant Occupational Accidents refer to the following occurrences: (1) incidents resulting in fatalities, (2) incidents where the total number of workers affected by permanent total disability, permanent partial disability, or temporary total disability reaches three or more, and (3) incidents involving one or more individuals who, after being sent to a hospital, are diagnosed by the hospital as needing inpatient treatment (excluding observation only). |
| Number of Significant Occupational Accidents <sup>Note 1</sup> | 0           | 0           | 0         |  |
| Work-related Fatalities  | 0           | 0           | 0         |  |
| Work-related Fatality Ratio (%) <sup>Note 2</sup>              | 0           | 0           | 0         | Note 2: Work-related Fatality Ratio = Work-related Fatalities ÷ Total work hours × 1,000,000   |
| Severe Work-related Injury Count <sup>Note 3</sup>             | 0           | 0           | 0         | Note 3: Severe Work-related Injury refer to injuries that prevent employees from recovering to their re-injury health status within 6 months, excluding fatalities   |
| Severe Work-related Injury Ratio (%) <sup>Note 4</sup>         | 0           | 0           | 0         |  |
| Recordable Incident Count <sup>Note 5</sup>                    | 0           | 0           | 0         | Note 4: Severe Work-related Injury Ratio = Severe Work-related Injuries Count ÷ Total work hours × 1,000,000   |
| Recordable Incident Ratio (%) <sup>Note 6</sup>                | 0           | 0           | 0         | Note 5: Recordable Incident Count refer to all work-related incidents that occurred during this year, including the number of severe work-related injuries and fatalities  |
| Number of Work-related Ill Health Cases                        | 0           | 0           | 0         |  |
| Work-related Ill Health Ratio (%) <sup>Note 7</sup>            | 0           | 0           | 0         | Note 6: Recordable Incident Ratio = Recordable Incident Count ÷ Total work hours × 1,000,000<br>Note 7: Work-related Ill Health Ratio = Number of Work-related Ill Health Cases ÷ Total work hours × 1,000,000   |



## Occupational Accident Records-Subsidiaries

| Employee Work-related Injuries and Ill Health Statistics       | Jiaxing Nanxiong | Dong Guan Namliong | Nam Liong (Viet Nam) | Elementech International | Suzhou Greatsun | Greenchem International | Shanghai Jiaxu | Description for Each Calculations  |
|--|------------------|--------------------|----------------------|--------------------------|-----------------|-------------------------|----------------|--|
| Total work hours (hours)                                       | 194,622.0        | 190,613.0          | 34,519.5             | 27,921.5                 | 92,051.0        | 28,142.0                | 7,108.0        | <p>Note 1: Number of Significant Occupational Accidents refer to the following occurrences: (1) incidents resulting in fatalities, (2) incidents where the total number of workers affected by permanent total disability, permanent partial disability, or temporary total disability reaches three or more, and (3) incidents involving one or more individuals who, after being sent to a hospital, are diagnosed by the hospital as needing inpatient treatment (excluding observation only).</p> <p>Note 2: Work-related Fatality Ratio = Work-related Fatalities ÷ Total work hours × 1,000,000</p> <p>Note 3: Severe Work-related Injury refer to injuries that prevent employees from recovering to their re-injury health status within 6 months, excluding fatalities</p> <p>Note 4: Severe Work-related Injury Ratio = Severe Work-related Injuries Count ÷ Total work hours × 1,000,000</p> <p>Note 5: Recordable Incident Count refer to all work-related incidents that occurred during this year, including the number of severe work-related injuries and fatalities</p> <p>Note 6: Recordable Incident Ratio = Recordable Incident Count ÷ Total work hours × 1,000,000</p> <p>Note 7: Work-related Ill Health Ratio = Number of Work-related Ill Health Cases ÷ Total work hours × 1,000,000</p> |
| Number of Significant Occupational Accidents <sup>Note 1</sup> | 0                | 0                  | 0                    | 0                        | 0               | 0                       | 0              |  |
| Work-related Fatalities  | 0                | 0                  | 0                    | 0                        | 0               | 0                       | 0              |  |
| Work-related Fatality Ratio (%) <sup>Note 2</sup>              | 0                | 0                  | 0                    | 0                        | 0               | 0                       | 0              |  |
| Severe Work-related Injury Count <sup>Note 3</sup>             | 0                | 0                  | 0                    | 0                        | 0               | 0                       | 0              |  |
| Severe Work-related Injury Ratio (%) <sup>Note 4</sup>         | 0                | 0                  | 0                    | 0                        | 0               | 0                       | 0              |  |
| Recordable Incident Count <sup>Note 5</sup>                    | 0                | 0                  | 0                    | 0                        | 0               | 0                       | 0              |  |
| Recordable Incident Ratio (%) <sup>Note 6</sup>                | 0                | 0                  | 0                    | 0                        | 0               | 0                       | 0              |  |
| Number of Work-related Ill Health Cases                        | 0                | 0                  | 0                    | 0                        | 0               | 0                       | 0              |  |
| Work-related Ill Health Ratio (%) <sup>Note 7</sup>            | 0                | 0                  | 0                    | 0                        | 0               | 0                       | 0              |  |

## 《C-False Alarms》

In 2024, **Nam Liong Global, including our subsidiaries**, reported **no** false alarms. The Corporate will maintain the current standard operating procedures and management mechanisms for on-site workers to prevent potential actual hazards in the future.



# Social Prosperity

## VII. Social Prosperity

### 7.1 Care for Local Communities

**Nam Liong Global** remains committed to the belief of “locally grounded, dedicated to social responsibility” and continues to deepen its local engagement, covering aspects including **education development, religious and cultural activities, community welfare, and local security**. Through donations and sponsorship activities, **Nam Liong Global** demonstrates a commitment to developing and caring for local community, aiming towards the achievement of shared prosperity, and collaborating with religious institutions, social welfare organizations, schools, and public safety units to achieve sustainable values in local security, cultural preservation, and educational equity. In 2024, **Nam Liong Global** invested a total of NT\$ 1,491,000, assisting more than **15** local organizations and advancing initiatives in community development, cultural preservation, and educational improvement.

| Item   | Description  |
|--|--|
| <b>Support for education development (NT\$ 584,000)</b>                          | Education is a fundamental cornerstone of social progress. <b>Nam Liong Global</b> supports education development in providing better teaching resources and a nurturing environment, thereby fostering the holistic development of students. Beneficiary institutions include the Sancun Elementary School in Yongkang District of Tainan City and National Chiayi University, with initiatives including: <ul style="list-style-type: none"> <li>Funding the out-of-town performances for the Sancun Elementary School recorder ensemble</li> <li>Assisting with campus facility development at National Chiayi University</li> </ul>  |
| <b>Support for religious and cultural preservation activities (NT\$ 434,000)</b> | Religious institutions play a vital role in preserving local culture and supporting vulnerable groups. <b>Nam Liong Global</b> supports the promotion of cultural activities and public welfare programs initiated by local religious institutions through donations. Beneficiary institutions include the Daitian Shueguan Temple, Kaichi Xin'an Temple in Tainan City, Yen-Hsing Thean Hou Temple in Yongkang District, Dongbianliao Shun Ling Temple, Zhouwei Street Bao Ning Temple, Kanping Fu An Temple, Yudi Temple, and Kaichi Kaishan Temple, with initiatives including: <ul style="list-style-type: none"> <li>Temple affairs maintenance and environmental care, as well as providing resource support for traditional festivals</li> <li>Supporting vulnerable groups and strengthening community cohesion</li> </ul>   |
| <b>Support for community welfare (NT\$ 330,000)</b>                              | Nam Liong Global supports local community development and the care of vulnerable groups, working with partner institutions including the Sanmin Community Development Association in Yongkang District of Tainan City, and Tainan City Yen-Hsing Yudi Charitable Association. In addition, the Corporate has voluntarily undertaken the responsibility of maintaining the trees around the Zheng Chenggong Tomb Monument and Wurong Park in the Yongkang District of Tainan City, thereby contributing to the preservation of historical heritage while practicing environmental sustainability: <ul style="list-style-type: none"> <li>Local heritage preservation projects – Maintenance of the surrounding area of the Monument to Sir Chiang's Levee</li> <li>Care initiatives for vulnerable groups and the elderly – Meal delivery service for solitary elderly individuals</li> </ul> |
| <b>Contribution to local security (NT\$ 143,000)</b>                             | To enhance local security and public safety, <b>Nam Liong Global</b> supports organizations including the Tainan City Voluntary Fire Brigade, the Tainan City Government Fire Bureau, the Tainan City Friends of Police Association, and the National Highway Police Association by providing assistance for their essential equipment and daily operations: <ul style="list-style-type: none"> <li>Donating essential equipment including police vests and fire blankets</li> <li>Contributing consulting fees for local police stations and investigative teams</li> </ul>   |



【Monument to Sir Chiang's Levee-  
Certificate of Appreciation】





# Appendix

## Appendices

### Appendix 1: Reference Table of the Global Reporting Initiative (GRI) Standards

Disclaimer: NAM LIONG GLOBAL has reported information on the Corporate's ESG efforts for the period from January 1 to December 31, 2024, in accordance with the GRI Standards, by GRI 1: Foundation 2021.

| Disclosure  | Content of GRI Disclosure   | Corresponding Section  | Page  | Remark(s) |
|---|---|--|-------|-----------|
| <b>GRI 2: General Disclosures 2021</b>              |   |  |       |           |
| <b>The organization and its reporting practices</b> |   |  |       |           |
| 2-1   | Organizational details  | 2.1.1 Corporate Profile                                      | 29~30 |           |
| 2-2   | Entities included in the organization's sustainability reporting            | 1.1.3 Scope and Boundaries                                   | 7     |           |
| 2-3   | Reporting period, frequency and contact point                               | 1.1.1 Reporting Period                                       | 7     |           |
|   |   | 1.1.6 Contact Information                                    | 8     |           |
| 2-4   | Restatements of Information   | 1.1.4 Restatements of Information                            | 8     |           |
| 2-5   | External assurance  | 1.1.6 External Assurance                                     | 8     |           |
| <b>Activities and workers</b>                       |   |  |       |           |
| 2-6   | Activities, value chain and other business relationships                    | 4.1.1 Industry Overview                                      | 61~62 |           |
| 2-7   | Employees   | 2.1.1 Corporate Profile                                      | 29~30 |           |
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| <b>Governance</b>                                   |   |  |       |           |
| 2-9   | Governance structure and composition  | 2.2.1 Governance Framework                                   | 32~36 |           |
| 2-10  | Nomination and election of the highest governance body                      | 2.2.1 Governance Framework                                   | 32~36 |           |
| 2-11  | Chair of the highest governance body  | 2.2.1 Governance Framework                                   | 32~36 |           |
| 2-12  | Role of the highest governance body in overseeing the management of impacts | 1.4.1 Process to Assess Material Topics                      | 16~17 |           |
|   |   | 2.2.1 Governance Framework                                   | 32~36 |           |
| 2-13  | Delegation of responsibility for managing impacts                           | 1.4.2 Goal Setting and Achievement Status of Material Topics | 17~20 |           |
|   |   | 2.2.1 Governance Framework                                   | 32~36 |           |

| Disclosure                               | Content of GRI Disclosure                                       | Corresponding Section  | Page  | Remark(s) |
|--|---|--|-------|-----------|
| 2-14                                     | Role of the highest governance body in sustainability reporting | 1.4.2 Goal Setting and Achievement Status of Material Topics | 17~20 |           |
|  |   | 2.2.1 Governance Framework                                   | 32~36 |           |
| 2-15                                     | Conflicts of interest   | 2.2.1 Governance Framework                                   | 32~37 |           |
| 2-16                                     | Communication of critical concerns                              | 2.2.1 Governance Framework                                   | 32~37 |           |
| 2-17                                     | Collective knowledge of the highest governance body             | 2.2.1 Governance Framework                                   | 32~37 |           |
| 2-18                                     | Evaluation of the performance of the highest governance body    | 2.2.1 Governance Framework                                   | 32~37 |           |
| 2-19                                     | Remuneration policies   | 2.2.1 Governance Framework                                   | 32~37 |           |
| 2-20                                     | Process to determine remuneration                               | 2.2.1 Governance Framework                                   | 32~37 |           |
| 2-21                                     | Annual total compensation rate                                  | 6.2.1 Equal Compensation                                     | 93~94 |           |
| <b>Strategy, policies, and practices</b> |   |  |       |           |
| 2-22                                     | Statement on sustainable development strategy                   | 1.2.1 Message from the General Manager                       | 9     |           |
| 2-23                                     | Policy commitments  | 2.4.1 Integrity Management                                   | 40~41 |           |
| 2-24                                     | Embedding policy commitments                                    | 2.4.3 Human Rights Policies                                  | 41~43 |           |
| 2-25                                     | Process to remediate negative impacts                           | 1.4.2 Goal Setting and Achievement Status of Material Topics | 17~20 |           |
| 2-26                                     | Mechanisms for seeking advice and raising concerns              | 2.4.3 Human Rights Policies                                  | 41~43 |           |
| 2-27                                     | Compliance with laws and regulations                            | 2.4.2 Compliance with Laws and Regulations                   | 41    |           |
| 2-28                                     | Membership associations   | 2.1.1 Corporate Profile                                      | 29~30 |           |
| <b>Stakeholder Engagement</b>            |   |  |       |           |
| 2-29                                     | Approach to stakeholder engagement                              | 1.3.2 Stakeholder Communications                             | 11~15 |           |
|  |   | 1.3.1 Stakeholder Identification                             | 11    |           |
| 2-30                                     | Collective bargaining agreements                                | 6.1.3 Labor-Management Agreement                             | 92    |           |
| <b>GRI 3: Material Topics 2021</b>       |   |  |       |           |
| 3-1                                      | Process to determine material topics                            | 1.4.1 Process to Assess Material Topics                      | 16~17 |           |
| 3-2                                      | List of material topics   | 1.4.2 Goal Setting and Achievement Status of Material Topics | 17~20 |           |



## Topic Standards

| Material Topic                | Disclosure | Content of GRI Disclosure  | Corresponding Section  | Page  | Remarks(s) |
|-------------------------------|------------|--|--|-------|------------|
| <b>* Economic Performance</b> |            |  |  |       |            |
| GRI 3: Material Topics 2021   | 3-3        | Material Topic Management  | 1.4.3 Material Topic-Economic Performance                                  | 20    |            |
| GRI 201 Economic Performance  | 201-1      | Direct economic value generated and distributed                                | 2.3.1 Economic Value   | 37~38 |            |
|                               | 201-2      | Financial implications and other risks and opportunities due to climate change | 2.6.3 Scenario Analysis and Climate Risk and Opportunity Impact Assessment | 48~50 |            |
|                               | 201-3      | Defined benefit plan obligation and other retirement plans                     | 6.2.2 Comprehensive Benefits   | 94~95 |            |
|                               | 201-4      | Financial assistance received from government                                  | 2.3.1 Economic Value   | 37~38 |            |
| <b>* Materials</b>            |            |  |  |       |            |
| GRI 3: Material Topics 2021   | 3-3        | Material Topic Management  | 1.4.4 Material Topic-Materials   | 21    |            |
| GRI 301 Materials             | 301-1      | Materials used by weight or volume   | 5.1.1 Materials Management Policies  | 69    |            |
|                               | 301-2      | Recycled input materials used  | 5.1.1 Materials Management Policies  | 69    |            |
| <b>* Energy</b>               |            |  |  |       |            |
| GRI 3: Material Topics 2021   | 3-3        | Material Topic Management  | 1.4.7 Material Topic-Energy  | 23    |            |
| GRI 302 Energy                | 302-1      | Energy consumption within the organization                                     | 5.3.2 Energy Consumption   | 73~75 |            |
|                               | 302-3      | Energy intensity   | 5.3.2 Energy Consumption   | 73~75 |            |
|                               | 302-4      | Reduction of energy consumption  | 5.3.3 Energy Conservation Measures   | 75    |            |
|                               | 302-5      | Reduction in energy requirements of products and services                      | 3.1.3 Carbon Footprint Management of Low-Carbon Products                   | 57    |            |
| <b>* Water and Effluents</b>  |            |  |  |       |            |
| GRI 3: Material Topics 2021   | 3-3        | Material Topic Management  | 1.4.9 Material Topic-Water and Effluents                                   | 25    |            |
| GRI 303 Water and Effluents   | 303-1      | Interactions with water as a shared resource                                   | 5.5.1 Assessment of Water-related Impacts                                  | 79~80 |            |
|                               | 303-2      | Management of water discharge-related impacts                                  | 5.5.1 Assessment of Water-related Impacts                                  | 79~80 |            |
|                               | 303-3      | Water withdrawal   | 5.5.2 Withdrawal, Discharge and Consumption of Water                       | 81    |            |
|                               | 303-4      | Water discharge  | 5.5.2 Withdrawal, Discharge and Consumption of Water                       | 81    |            |
|                               | 303-5      | Water consumption  | 5.5.2 Withdrawal, Discharge and Consumption of Water                       | 81    |            |
| <b>* Emissions</b>            |            |  |  |       |            |
| GRI 3: Material Topics 2021   | 3-3        | Material Topic Management  | 1.4.6 Material Topic-Emissions   | 23    |            |
| GRI 305 Emissions             | 305-1      | Direct (Scope 1) GHG emissions   | 5.4.1 Greenhouse Gas (GHG) Inventory                                       | 76    |            |

| Material Topic  | Disclosure | Content of GRI Disclosure   | Corresponding Section   | Page  | Remark(s) |
|---|------------|---|---|-------|-----------|
|   | 305-2      | Energy indirect (Scope 2) GHG emissions   | 5.4.1 Greenhouse Gas (GHG) Inventory                              | 76    |           |
|   | 305-3      | Other indirect (Scope 3) GHG emissions  | 5.4.1 Greenhouse Gas (GHG) Inventory                              | 76    |           |
|   | 305-4      | GHG emissions intensity   | 5.4.1 Greenhouse Gas (GHG) Inventory                              | 76    |           |
|   | 305-5      | Reduction of GHG emissions  | 5.4.2 Reduction of GHG Emissions                                  | 77    |           |
|   | 305-6      | Emissions of ozone-depleting substances (ODS)                                   | 5.4.3 Ozone-Depleting Substances (ODS) Inventory                  | 77    |           |
|   | 305-7      | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 5.4.4 Other Air Pollutant Emissions                               | 77~78 |           |
| <b>* Effluents and Waste</b>                          |            |   |   |       |           |
| GRI 3: Material Topics 2021                           | 3-3        | Material Topic Management   | 1.4.8 Material Topic-Waste  | 24    |           |
| GRI 306 Waste   | 306-1      | Waste generation and significant waste-related impact                           | 5.6.1 Assessment of Waste-related Impacts                         | 82    |           |
|   | 306-2      | Management of significant waste-related impacts                                 | 5.6.2 Waste Management Policies                                   | 82    |           |
|   | 306-2      | Management of significant waste-related impacts                                 | 5.6.2 Waste Management Policies                                   | 82    |           |
|   | 306-3      | Waste generated   | 5.6.3 Waste Disposal  | 83~85 |           |
|   | 306-4      | Waste diverted from disposal  | 5.6.3 Waste Disposal  | 83~85 |           |
|   | 306-5      | Waste directed to disposal  | 5.6.3 Waste Disposal  | 83~85 |           |
| <b>* Supplier Environmental and Social Assessment</b> |            |   |   |       |           |
| GRI 3: Material Topics 2021                           | 3-3        | Material Topic Management   | 1.4.5 Material Topic-Supplier Environmental and Social Assessment | 22    |           |
| GRI 308 Supplier Environmental Assessment             | 308-1      | New suppliers that were screened using environmental criteria                   | 4.2.1 Supply Chain Management Policies                            | 65    |           |
|   | 308-2      | Negative environmental impacts in the supply chain and actions taken            | 4.2.2 Supply Chain Audit Effectiveness                            | 65~66 |           |
| GRI 414 Supplier Social Assessment                    | 414-1      | New suppliers that were screened using social criteria                          | 4.2.1 Supply Chain Management Policies                            | 65    |           |
|   | 414-2      | Negative social impacts in the supply chain and actions taken                   | 4.2.2 Supply Chain Audit Effectiveness                            | 65~66 |           |
| <b>* Occupational Health and Safety</b>               |            |   |   |       |           |
| GRI 3: Material Topics 2021                           | 3-3        | Material Topic Management   | 1.4.10 Material Topic-Occupational Health and Safety              | 25    |           |

| Material Topic                         | Disclosure | Content of GRI Disclosure   | Corresponding Section                           | Page    | Remark(s) |
|--|------------|---|---|---------|-----------|
| GRI 403 Occupational Health and Safety | 403-1      | Occupational health and safety management system  | 6.4.1 Occupational Health and Safety Management | 100     |           |
|  | 403-2      | Hazard identification, risk assessment, and incident investigation  | 6.4.1 Occupational Health and Safety Management | 100     |           |
|  | 403-3      | Occupational health services  | 6.4.1 Occupational Health and Safety Management | 100     |           |
|  | 403-4      | Worker participation, consultation, and communication on occupational health and safety                       | 6.4.1 Occupational Health and Safety Management | 100     |           |
|  | 403-5      | Worker training on occupational health and safety   | 6.4.1 Occupational Health and Safety Management | 100     |           |
|  | 403-6      | Promotion of worker health  | 6.4.1 Occupational Health and Safety Management | 100     |           |
|  | 403-7      | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 6.4.1 Occupational Health and Safety Management | 100     |           |
|  | 403-8      | Workers covered by an occupational health and safety management system  | 6.4.1 Occupational Health and Safety Management | 100     |           |
|  | 403-9      | Work-related injuries   | 6.4.2 Work-related Injuries and Ill Health      | 103~104 |           |
|  | 403-10     | Work-related ill health   | 6.4.2 Work-related Injuries and Ill Health      | 103~104 |           |
| <b>* Training and Education</b>        |            |   |   |         |           |
| GRI 3: Material Topics 2021            | 3-3        | Material Topic Management   | 1.4.11 Material Topic-Training and Education    | 26      |           |
| GRI 404 Training and Education         | 404-1      | Average hours of training per year per employee   | 6.3.1 Training and Education                    | 97~99   |           |
|  | 404-2      | Programs for upgrading employee skills and transition assistance programs                                     | 6.2.2 Comprehensive Benefits                    | 94~95   |           |
|  | 404-3      | Percentage of employees receiving regular performance and career development reviews                          | 6.3.2 Performance Review                        | 99      |           |
| <b>* Labor/Management Relations</b>    |            |   |   |         |           |
| GRI 3: Material Topics 2021            | 3-3        | Material Topic Management   | 1.4.12 Material Topic-Employment                | 27      |           |
| GRI 401 Labor/Management Relations     | 401-1      | New employee hires and employee turnover  | 6.1.2 Talent Recruitment                        | 87~91   |           |
|  | 401-2      | Benefits provided to full-time employees that are not provided to temporary or part-time employees            | 6.2.2 Comprehensive Benefits                    | 94~95   |           |
|  | 401-3      | Parental leave  | 6.2.3 Parent-Friendly Workplace                 | 96      |           |

## Appendix 2: Reference Table of the Sustainability Accounting Standards Board (SASB) Standards

Disclaimer: NAM LIONG GLOBAL has reported information on the Corporate's ESG efforts for the period from January 1 to December 31, 2024, in accordance with the SASB Standards

SASB Industry Classification: Apparel, Accessories and Footwear

| Topic                                     | SASB Code    | Metric  | Category                  | Corresponding Section   | Page  | Remark(s) |
|---|--------------|---|---------------------------|---|-------|-----------|
| Supply Chain                              | CG-AA-000.A  | Number of Tier 1 suppliers  | Quantitative (Number)     | 4.2.3 Sustainable Supply Chain Management by the SASB Standards | 66-67 |           |
|   | CG-AA-000.A  | Number of suppliers beyond Tier 1   | Quantitative (Number)     | 4.2.3 Sustainable Supply Chain Management by the SASB Standards | 66-67 |           |
| Environmental Impacts in the Supply Chain | CG-AA-430a.1 | Percentage of Tier 1 supplier facilities in compliance with wastewater discharge permits and/or contractual agreement   | Quantitative (Percentage) | 4.2.3 Sustainable Supply Chain Management by the SASB Standards | 66-67 |           |
|   | CG-AA-430a.1 | Percentage of supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement  | Quantitative (Percentage) | 4.2.3 Sustainable Supply Chain Management by the SASB Standards | 66-67 |           |
|   | CG-AA-430a.2 | Percentage of Tier 1 supplier facilities that have completed the CASCALE's (formerly known as the Sustainable Apparel Coalition (SAC)) Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment        | Quantitative (Percentage) | 4.2.3 Sustainable Supply Chain Management by the SASB Standards | 66-67 |           |
|   | CG-AA-430a.2 | Percentage of supplier facilities beyond Tier 1 that have completed the CASCALE's (formerly known as the Sustainable Apparel Coalition (SAC)) Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment | Quantitative (Percentage) | 4.2.3 Sustainable Supply Chain Management by the SASB Standards | 66-67 |           |
| Labor Conditions in the Supply Chain      | CG-AA-430b.1 | Percentage of Tier 1 supplier facilities that have been audited to a labor code of conduct  | Quantitative (Percentage) | 4.2.3 Sustainable Supply Chain Management by the SASB Standards | 66-67 |           |
|   | CG-AA-430b.1 | Percentage of supplier facilities beyond Tier 1 that have been audited to a labor code of conduct   | Quantitative (Percentage) | 4.2.3 Sustainable Supply Chain Management by the SASB Standards | 66-67 |           |
|   | CG-AA-430b.1 | Percentage of total audits conducted by a third-party auditor   | Quantitative (Percentage) | 4.2.3 Sustainable Supply Chain Management by the SASB Standards | 66-67 |           |
|   | CG-AA-430b.2 | Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audit  | Quantitative (Percentage) | 4.2.3 Sustainable Supply Chain Management by the SASB Standards | 66-67 |           |

| Topic                                     | SASB Code    | Metric   | Category                   | Corresponding Section   | Page  | Remark(s) |
|---|--------------|--|----------------------------|---|-------|-----------|
|   | CG-AA-430b.3 | Description of the greatest labor risks in the supply chain  | Discussion and analysis    | 4.2.3 Sustainable Supply Chain Management by the SASB Standards           | 66-67 |           |
|   | CG-AA-430b.3 | Description of the greatest environmental, health, and safety risks in the supply chain  | Discussion and analysis    | 4.2.3 Sustainable Supply Chain Management by the SASB Standards           | 66-67 |           |
| <b>Raw Materials Sourcing</b>             | CG-AA-440a.3 | 1. List of priority raw materials<br>2. Environmental and/or social factor(s) most likely to threaten sourcing for each priority raw material<br>3. Discussion on business risks and/or opportunities associated with environmental and/or social factor(s) for each priority material<br>4. Management strategy for addressing business risks and/or opportunities for each priority material | Discussion and analysis    | 5.1.2 Material Procurement Management by the SASB Standards               | 70    |           |
|   | CG-AA-440a.4 | 1. Amount of priority raw materials purchased<br>2. Amount of each priority raw materials that is certified to a third-party environmental or social standard  | Quantitative (metric tons) | 5.1.1 Materials Management Policies                                       | 69    |           |
| <b>Management of Chemicals in Product</b> | CG-AA-250a.1 | Discussion of processes to maintain compliance with restricted substances regulations  | Discussion and analysis    | 5.2.1 Management of Chemical Substances in Products by the SASB Standards | 71    |           |
|   | CG-AA-250a.2 | Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products  | Discussion and analysis    | 5.2.1 Management of Chemical Substances in Products by the SASB Standards | 71    |           |

### Appendix 3: Reference Table of the United Nations (UN) Sustainable Development Goals (SDGs)

| Goal    | Sustainable Development Goal   | Corresponding Section                     | Page  |
|---------|--|---|-------|
| Goal 4  | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all                 | 6.3.1 Training and Education              | 97~99 |
| Goal 5  | Achieve gender equality and empower all women and girls  | 6.2.3 Parent-Friendly Workplace           | 96~97 |
| Goal 6  | Ensure availability and sustainable management of water and sanitation for all                                       | 5.5.1 Assessment of Water-related Impacts | 79~80 |
| Goal 7  | Ensure access to affordable, reliable, sustainable and modern energy for all   | 5.3.1 Energy Resource Management          | 72    |
| Goal 8  | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | 6.1.2 Talent Recruitment                  | 87~91 |
| Goal 12 | Ensure sustainable consumption and production patterns   | 5.1.1 Materials Management Policies       | 69    |
|         |  | 5.6.2 Waste Management Policies           | 82    |



## Appendix 4: Reference Table of the Climate-Related Information of TWSE/TPEX Listed Company

| Item   | Corresponding Section   | Page  | Remark(s) |
|--|---|-------|-----------|
| 1. Describe the board's and management's oversight and governance of climate-related risks and opportunities.  | 2.6.1 Climate Governance Organization                                       | 46    |           |
| 2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).   | 2.6.3 Scenario Analysis and Climate Risk and Opportunity Impact Assessment  | 48~50 |           |
| 3. Describe the financial impact of extreme weather events and transformative actions.   | 2.6.3 Scenario Analysis and Climate Risk and Opportunity Impact Assessment  | 48~50 |           |
| 4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.  | 2.6.2 Climate-related Risks and Opportunities Identification and Assessment | 46~47 |           |
| 5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.   | 2.6.3 Scenario Analysis and Climate Risk and Opportunity Impact Assessment  | 48~50 |           |
| 6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.   | 2.6.4 Climate-related Indicators and Objectives                             | 51    |           |
| 7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.  | 2.6.3 Scenario Analysis and Climate Risk and Opportunity Impact Assessment  | 48~50 |           |
| 8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified. | 2.6.4 Climate-related Indicators and Objectives                             | 51    |           |
| 9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.  | 2.6.4 Climate-related Indicators and Objectives                             | 51    |           |