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# About This Report

We welcome you to read the Sustainability Report of Tex-Ray Industrial Co., Ltd. (hereinafter referred to as “Tex-Ray”). This report presents the Company’s management approaches and performance regarding material sustainability topics across the economic, environmental, and social dimensions. Through this disclosure, Tex-Ray communicates its commitments, actions, and phased achievements in corporate sustainability to all stakeholders.

## Publication and Reporting Cycle

Previous report publication: August 2024

Current report publication: August 2025

Tex-Ray publishes its sustainability report in accordance with government regulations. The report is disclosed on the Company’s official website and the Market Observation Post System (MOPS).

## Reporting Boundary and Scope

Tex-Ray operates across multiple domestic and overseas locations. At this stage, the reporting entities include the Taiwan headquarters (Tex-Ray Industrial Co., Ltd.), the Vietnam production site (TEXRAY (VN) CO., LTD.), and the Eswatini production site (T.Q.M. TEXTILE SWAZILAND (PTY) LTD.).

Within this reporting boundary, “the Company” refers to these entities when presenting relevant management results.

The reporting period of this report is fiscal year 2024 (January 1, 2024 to December 31, 2024). To maintain consistency with Tex-Ray’s annual report and financial statements, if certain information includes overseas subsidiaries or invested companies, such boundaries will be specifically indicated in this report. Tex-Ray will continue to gradually expand the reporting boundary to enhance the completeness of non-financial disclosures and ensure alignment with financial information.

### **Editorial Principles and Approval Process**

This report is prepared in accordance with the latest Global Reporting Initiative (GRI) Standards—Global Standards 2021, and with reference to the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB) industry standards, and the “Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies.”

Financial data are sourced from CPA-certified financial statements and are presented in New Taiwan Dollars (NTD).

The content of this report was compiled by the project management team based on information provided by Tex-Ray' s various departments. To ensure accuracy and alignment with stakeholder expectations, all content underwent review by the Sustainability Development Committee. The report was submitted to the Board of Directors for discussion and approval prior to external publication.

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# Message from the Chairman

In 2024, the external industrial environment continued to face numerous uncertainties—climate change, shifts in the U.S. political landscape, heightened geopolitical risks, and rising inflation—resulting in significant global economic volatility and mounting challenges. In response to this rapidly changing operating environment, Tex-Ray has established a foundation for steady and continuous development through an ESG-focused approach, leveraging agile management and forward-looking tools to achieve the goal of sustainable operations.

Tex-Ray upholds “Sustainability,” “Innovation,” and “Well-being” as its three core management philosophies, addressing global issues related to Environment (E), Social (S), and Governance (G):

In terms of green innovation, environmental protection, carbon reduction, and non-toxic solutions have become mainstream global trends in recent years. In addition to obtaining multiple international environmental certifications, Tex-Ray has long invested in the development of distinctive functional textiles. The eight major product series under Tex-Ray RAYS showcase our achievements in reducing environmental impact through innovative research and development.

Furthermore, we have pioneered a patented eco-friendly wet printing technology that provides a modern, environmentally responsible solution for the water- and energy-intensive dyeing and printing industry.

In support of global decarbonization policies, Tex-Ray has set greenhouse gas reduction targets using 2023 as the base year, aiming by 2028 to achieve a 5% reduction in energy consumption and water consumption per unit of product, as well as a 5% reduction in total waste generated. We will continue refining eco-friendly textile technologies and upholding our commitment to environmental sustainability.

In terms of social inclusion, Tex-Ray aspires to cultivate a “happiness-

oriented enterprise,” offering diverse training programs, comprehensive welfare measures, and a healthy, safe workplace environment.

At the community level, Tex-Ray participates proactively and strategically in various social initiatives, contributing to societal development through concrete actions and fostering a positive corporate culture.

As a business leader, I deeply understand that individual influence is limited; however, when a company takes the lead, meaningful and invaluable positive change can be created collectively.

In terms of robust governance, Tex-Ray follows the “TexRay Seamless Value Added Chain” as the guiding principle for top-level corporate governance. By vertically integrating our competitive resources, we eliminate gaps across all stages from R&D to production and continuously enhance capacity, efficiency, quality, and differentiation. Through strong partnerships across the supply chain, Tex-Ray adheres to fair and transparent procurement and management practices, evaluating suppliers on their legal compliance, social and human rights responsibilities, and related sustainability commitments. This enables us to establish long-term and harmonious business relationships and jointly advance sustainability objectives.

I firmly believe that the only constant in corporate growth is change. Regardless of how challenging the external environment may be, maintaining a spirit of innovation, adaptability, and pursuit of excellence will always lead to new possibilities.

It is my responsibility to lead Tex-Ray into the next wave of sustainable transformation. We will continue to strengthen our foundations in green innovation, social inclusion, and robust governance, creating shared value with all stakeholders and enhancing both corporate and societal well-being as we move toward our sustainability goals.

# Stakeholder Engagement and Material Topics

## Stakeholder Identification

To accurately understand the direction of Tex-Ray' s sustainability development and implementation, the Company first conducted an internal assessment to identify its key stakeholders. Tex-Ray adopted the five principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES)—**Dependency, Responsibility, Influence, Diverse Perspectives, and Tension**—as the basis for evaluation.

Each department assessed stakeholder relevance through questionnaires, and the results were approved by senior management and the Chairman.

Tex-Ray identified **five major stakeholder groups** (as shown below) and, based on these groups, compiled communication channels and related engagement performance.

Going forward, we will continue to deepen stakeholder engagement by considering the characteristics of each stakeholder group, their areas of concern, and their relationship with Tex-Ray. Their expectations regarding corporate social responsibility will serve as important references in formulating our sustainability strategies.

Tex-Ray upholds the principles of professionalism, integrity, and transparent communication. For each stakeholder group, the Company has designated responsible units or assigned specific departments to engage in routine operational communication. The significance of each stakeholder group, its relevance to Tex-Ray, the responsible units, communication channels, and communication frequency are reported to the Board of Directors annually. A summary of stakeholder concerns and corresponding engagement mechanisms is presented as follows.

### Tex-Ray' s Stakeholder Engagement Performance

Stakeholder	Level of Importance	Significance	Key Concerns	Responsible Unit	Communication Channels	Communication Frequency & Performance
Employees	Critical	Core personnel who ensure stable daily operations; key drivers of sustainable development	<ul style="list-style-type: none"> <li>• Operational performance</li> <li>• Talent cultivation and development</li> <li>• Compensation and benefits</li> <li>• Workplace safety and health</li> </ul>	Human Resources	<ol style="list-style-type: none"> <li>1. EIP Anonymous Reporting Platform</li> <li>2. Performance Review Meetings</li> <li>3. Annual Employee Forum</li> <li>4. Various Work Meetings</li> <li>5. Training Programs</li> <li>6. Annual Strategy Alignment Workshop</li> </ol>	<ol style="list-style-type: none"> <li>1. Communication anytime as needed.</li> <li>2. Conducted twice a year; direct supervisors provide performance feedback.</li> <li>3. Held once a year; employees may raise suggestions and communicate with management.</li> <li>4. Departments hold regular weekly and monthly meetings; cross-functional meetings convened as needed.</li> <li>5. Taipei Headquarters conducted 50 training sessions in 2024, including 29 in-person and 21 online courses.</li> <li>6. Held once a year to announce</li> </ol>

						corporate strategies and goals for the new fiscal year.
Customers	Critical	Downstream business partners and key drivers of Tex-Ray's growth	<ul style="list-style-type: none"> <li>Operational performance</li> <li>Product quality and service</li> <li>Workplace safety and health</li> </ul>	Sales Department	<ol style="list-style-type: none"> <li>Regular meetings</li> <li>Customer visits or on-site meetings</li> <li>Customer factory audits and evaluations</li> </ol>	<ol style="list-style-type: none"> <li>Held 2–3 times per year.</li> <li>Irregular virtual meetings and in-person visits; participated in 7 physical exhibitions in 2024.</li> <li>Conducted multiple times annually through unscheduled audits and visits.</li> </ol>
Suppliers	Critical	Key partners essential to operational needs and product integrity	<ul style="list-style-type: none"> <li>Operational performance</li> <li>Business strategy</li> <li>Sustainable development</li> <li>Supply chain management</li> </ul>	Procurement Department Quality Assurance	<ol style="list-style-type: none"> <li>Supplier visits or on-site meetings</li> <li>Supplier business communication</li> <li>Supplier evaluations</li> </ol>	<ol style="list-style-type: none"> <li>Held multiple times per year through irregular meetings.</li> <li>Conducted as needed through ongoing two-way communication.</li> <li>Conducted annually; all Tier-1 suppliers of the Taipei headquarters complete the evaluation each year.</li> </ol>
Shareholders / Investors	Important	Core stakeholders whose focus on operational performance drives value creation and	<ul style="list-style-type: none"> <li>Operational performance</li> <li>Business strategy</li> <li>Sustainable development</li> <li>Regulatory</li> </ul>	Finance Department	<ol style="list-style-type: none"> <li>Shareholders' Meeting</li> <li>Board of Directors Meetings</li> <li>Investor Conference</li> <li>Corporate Website</li> </ol>	<ol style="list-style-type: none"> <li>Held once a year; convened in June 2024.</li> <li>Six meetings convened in 2024.</li> <li>One conference held in 2024.</li> <li>Published 33 material announcements in 2024.</li> </ol>

		profit maximization	compliance		/ Market Observation Post System (MOPS)	
Government / Regulatory Agencies	Important	Public-sector regulatory bodies whose policies significantly influence the industry and Tex-Ray's future development	<ul style="list-style-type: none"> <li>• Regulatory compliance</li> <li>• Corporate governance</li> <li>• Environmental management and assessment</li> </ul>	Administration Department Finance Department	<ol style="list-style-type: none"> <li>1. Market Observation Post System (MOPS)</li> <li>2. Government announcement and filing platforms</li> </ol>	<ol style="list-style-type: none"> <li>1. Annual filing of required documents, including internal audit implementation status, training hours and personnel, and the internal control declaration.</li> <li>2. Submitted in accordance with government announcements and regulatory requirements.</li> </ol>

# Material Topic Identification

Tex-Ray identifies its material topics in accordance with the GRI Standards (2021), specifically GRI 3: Material Topics, following the four-step guidance for determining materiality. The assessment considers three dimensions: the importance of each topic to Tex-Ray’s operations, the degree of influence on stakeholder decision-making, and the extent of economic, environmental, and social impacts across the value chain.

Based on these principles, Tex-Ray has selected 10 material topics for disclosure in the 2024 Sustainability Report to address stakeholder concerns. Compared with the previous year, there were no significant changes to the list of material topics.

## Material Topic Identification Process

<p>Understanding the Organization and Sustainability Context ↓</p>	<p><b>1. Stakeholder Identification</b> By reviewing the Company’s business activities and sustainability context, Tex-Ray identifies its five primary stakeholder groups based on the principles of the AA1000 Stakeholder Engagement Standard (SES).</p>
<p>Identifying Actual and Potential Impacts ↓</p>	<p><b>2. Collection and Consolidation of Sustainability Topics</b> With reference to the GRI Standards, SASB, TCFD, the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies, the United Nations SDGs, global sustainability trends, and related reports, the project team identified 19 potential key sustainability topics as the preliminary list for materiality assessment.</p>
<p>Assessing the Significance of</p>	<p><b>3. Analysis and Prioritization of Sustainability Topics</b> Tex-Ray collected input from various internal departments to conduct the materiality assessment. The evaluation criteria covered three dimensions: the importance of each topic to Tex-Ray’s operations,</p>

<p><b>Impacts</b> ↓</p>	<p>the level of influence on stakeholder decision-making, and the extent of economic, environmental, and social impacts across the value chain.</p>
<p><b>Reporting on Material Impacts</b></p>	<p><b>4. Evaluation and Discussion of Material Topic Impacts</b></p> <p>Based on the results of the materiality assessment, the Office of the President and the Sustainability Development Committee reviewed the reasonableness of the analysis, examined the significance and likelihood of each topic’s impact, and made necessary adjustments. A total of 10 material topics were finalized.</p>
	<p><b>5. Reporting on Material Topics</b></p> <p>For each of the 10 material topics, the respective departments provided relevant information, which was then consolidated by the report’s project team. The management approaches, performance outcomes, and related disclosures are presented in this report and on the Company’s official website.</p>

Tex-Ray continuously monitors the impacts of each material topic across the value chain. The management approaches for these topics are disclosed in their corresponding chapters. Senior management regularly reviews progress against established management objectives and continues to drive sustainability improvement actions.

### Materiality and Impact Boundaries

Material Topic	Corresponding GRI Topic		Impact Boundaries Across the Value Chain				Corresponding Chapter
	Topic No.	Topic Name	Indirect Impact	Direct Impact		Indirect Impact	
			Upstream Supply Chain	Tex-Ray Production Sites	Tex-Ray Headquarters	Downstream Product Manufacturing / Sales	
Economic Performance	3-3 201	Management Approach – Economic Performance			●		1.1 Business Development 1.2 Corporate Governance
Corporate Governance	3-3 201 205	Management Approach – Economic Performance / Anti-	●		●	●	1.1 Business Development 1.2 Corporate Governance

		Corruption					
<b>Regulatory Compliance</b>	3-3 2-27	Management Approach – Regulatory Compliance	●	●	●	●	1.2 Corporate Governance
<b>Supply Chain Management</b>	3-3 204 308 414	Management Approach – Procurement Practices / Supplier Environmental Assessment / Supplier Social Assessment	●	●	●	●	2.1 Supply Chain Management
<b>Energy and Resource Management</b>	3-3 302 303	Management Approach – Energy / Water and Effluents	●	●		●	3.1 Energy and Resource Management
<b>Pollution Prevention</b>	3-3 305 306	Management Approach – Emissions / Waste	●	●		●	3.2 Pollution Prevention
<b>Talent Development</b>	3-2 401	Management Approach – Labor–		●	●		1.2 Corporate Governance

	404 405 406	Management Relations / Training and Education / Diversity and Equal Opportunity / Non-discrimination					4.1 Talent Recruitment 4.2 Training and Development 4.3 Compensation and Benefits 4.4 Employee Care
<b>Compensation and Benefits</b>	3-3 201 202 402	Management Approach – Economic Performance / Market Position / Labor Relations		●	●		1.1 Business Development 4.1 Talent Recruitment 4.3 Compensation and Benefits 4.4 Employee Care
<b>Occupational Health and Safety</b>	3-3 403	Management Approach – Occupational Health and Safety	●	●	●	●	4.5 Occupational Health and Safety
<b>Product Quality and Service</b>	3-3	Management Approach – Product Quality and Service	●	●	●	●	2.2 Quality Management 2.3 Research and

							Innovation
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# 1. Strengthening Corporate Governance

# 1.1 Business Development

Management Approach for Material Topics	
<b>Material Topic</b>	Economic Performance
<b>Impact and Significance</b>	Economic performance forms the foundation of a company' s sustainable operations and directly affects the economic value distributed to key stakeholders. Poor economic performance may pose risks to the continuity of the Company' s operations in the future.
<b>Policies or Commitments</b>	<p>Tex-Ray upholds "Sustainability, Innovation, and Well-being" as its core corporate values. With a steady and pragmatic approach, the Company continues to strengthen its core business competitiveness while identifying and cultivating new potential business opportunities. Tex-Ray is committed to diversified development, creating maximum value for customers, shareholders, and employees, and fulfilling its corporate social responsibilities.</p> <p><a href="https://www.texray.com/%e5%85%ac%e5%8f%b8%e6%b2%bb%e7%90%86%e5%b0%88%e5%8d%80-new/?lang=zh-hant">https://www.texray.com/%e5%85%ac%e5%8f%b8%e6%b2%bb%e7%90%86%e5%b0%88%e5%8d%80-new/?lang=zh-hant</a></p>
<b>Management Actions</b>	<ol style="list-style-type: none"> <li>1. Establish annual goals and prepare budgets; regularly review the performance of each business unit against its operational targets, and form project task forces when necessary.</li> <li>2. Senior management convenes a monthly "Business Management Meeting" to discuss operational directions and make strategic decisions.</li> </ol>
<b>Evaluation Mechanism</b>	The Board of Directors convenes regularly to review operational performance, the execution of key strategies, and matters related to various investments.
<b>Performance Tracking</b>	In 2024, Tex-Ray' s consolidated revenue reached <b>NT\$5,037,103 thousand</b> . As the world gradually emerged from the shadow of the pandemic, geopolitical tensions and

	<p>regional conflicts continued to create adverse impacts on global economic development and social stability. As a result, uncertainties remained in the overall business environment. Revenue growth in 2024 was relatively conservative, and rapid changes within the industry required heightened vigilance and continuous monitoring of market trends.</p>
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## Operational Overview

Established in 1978 during the peak of Taiwan's textile industry, Tex-Ray Industrial Co., Ltd. began as a yarn-dyeing service provider. The Company was subsequently listed on the Taiwan Stock Exchange in December 1998. Through the integration of upstream and downstream industry resources and the strategic deployment of a global production network, Tex-Ray has progressively developed a comprehensive textile manufacturing system. In addition to strengthening its core production businesses, the Company continuously identifies and cultivates new potential ventures to create maximum value for customers, shareholders, and employees.

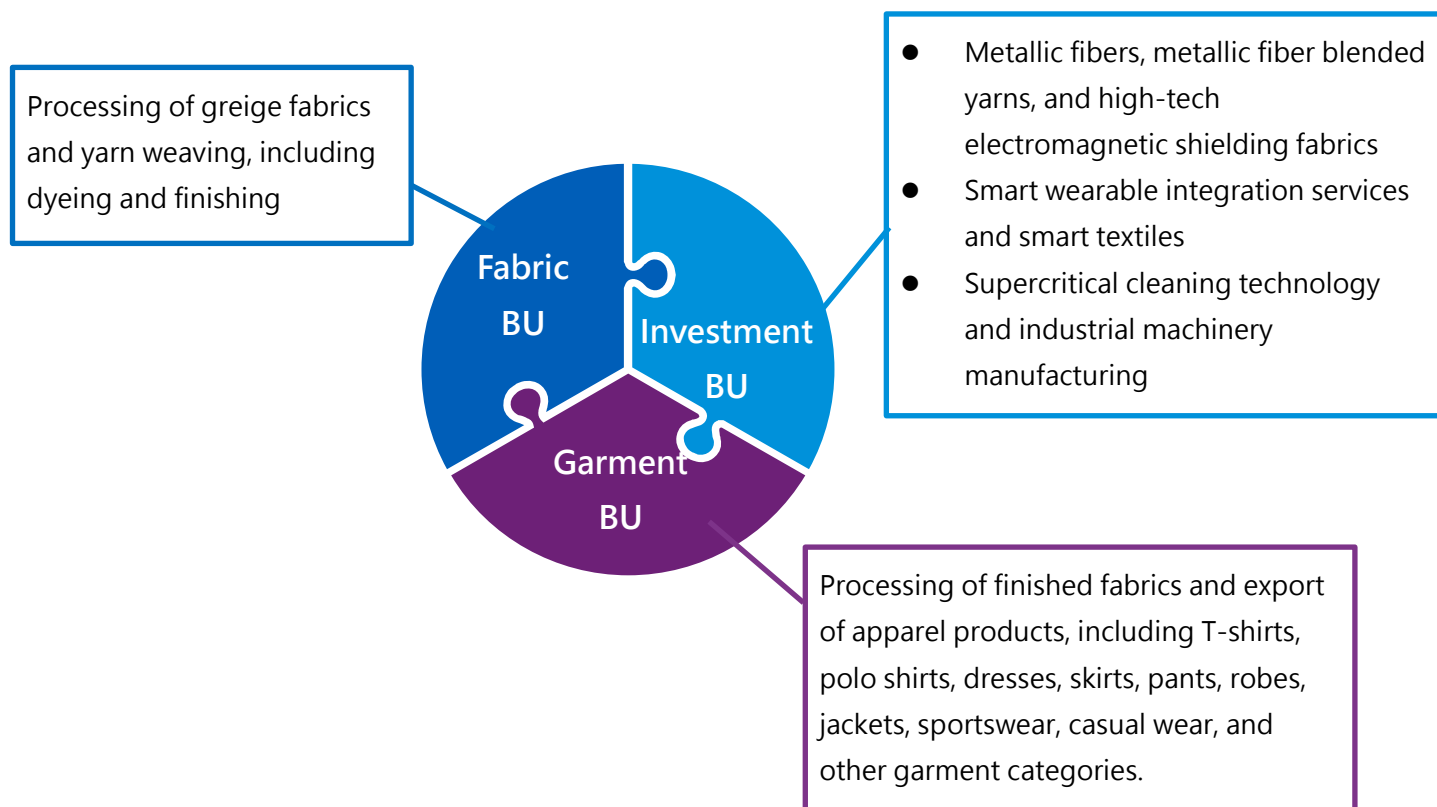
As global competition in the textile industry intensifies and society transitions toward intelligent technologies, Tex-Ray has integrated internal and external resources across multiple dimensions to steadily enhance its competitive advantage. The Company focuses on developing functional textiles that combine environmental sustainability with performance attributes. Alongside the development of new businesses aligned with emerging market trends, Tex-Ray has also restructured existing operations by implementing technical production reductions or discontinuations for units with insufficient profitability. While optimizing its market and business portfolio, Tex-Ray remains committed to monitoring developments in sustainability issues and continues to allocate resources across governance, environmental, and social dimensions—fulfilling its responsibilities as a corporate citizen.

Guided by its core values of "Sustainability, Innovation, and Well-being," Tex-Ray upholds the corporate mission: *"To deliver environmentally friendly, comfortable, and healthy fashion apparel through innovative technologies, becoming a happiness-driven enterprise powered by sustainable innovation."* With steadfast determination, the Company continues to strengthen its production and supply chain capabilities, enhance product added value, and cultivate sustainable growth momentum.

### ▼ Company Profile

Company Name	Tex-Ray Industrial Co., Ltd.	
Date of Establishment	August 18, 1978	
Listing Date	December 21, 1998	
Paid-in Capital	NT\$2,336,246,670	
Headquarters Location	No. 426, Linsen North Road, Zhongshan District, Taipei, Taiwan	
Global Number of Employees	3,113 employees	

### ▼ Primary Business Activities



### ▼ Revenue Contribution by Major Product Categories

Major Product Category	2023	2024
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<b>Garment</b>	78.10%	76.45%
<b>Fabric Dyeing &amp; Knitting</b>	7.85%	9.33%
<b>Metallic Fibers</b>	10.32%	9.38%
<b>Others</b>	3.73%	4.84%

**Note:** The revenue contribution ratios are calculated based on the consolidated annual revenue of each product category, including overseas subsidiaries and invested companies, and are consistent with the disclosures in the Annual Report.

## ▼Global Operating Locations

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Tex-Ray adopts the strategic principle of “Think global, act local” in its global expansion, aiming to achieve shared economic value across all stakeholders. The Company fully respects and integrates local resources, positioning itself as a value-adding contributor within the global textile value chain.

## Financial Performance

In recent years, rapid growth in China and emerging Southeast Asian markets has intensified industry competition. Combined with the fast-changing demands of the consumer market, agility and responsiveness have become critical challenges and core capabilities for success. Building on more than 40 years of operational experience, Tex-Ray is committed to diversified development and agile management of its production and supply chain. By integrating the strengths of its global operating locations and aligning various growth strategies, the Company is able to respond swiftly to opportunities and challenges in emerging markets.

### ▼Tex-Ray' s Financial Performance Over the Past Three Years

Unit: NT\$ thousand

Item	2022	2023	2024
<b>Generated Economic Value</b>			
Operating Revenue	6,129,220	4,555,351	5,037,103
Operating Costs	4,828,337	3,785,652	3,975,688
Gross Profit	1,300,883	769,699	1,061,415
Operating Expenses	1,270,260	951,294	995,513
Operating Income (Loss)	30,623	-181,595	65,902
Non-operating Income (Expenses), Net	14,680	114,745	108,238
Income Before Tax	45,303	-66,850	174,140
Net Income (Loss) After Tax	-41,674	-165,251	79,131
Basic Earnings per Share (NT\$)	-0.16	-0.71	0.46
<b>Distributed Economic Value</b>			
Employee Salaries and Benefits	1,401,610	1,170,206	1,112,827
Income Tax Paid	103,066	82,202	75,856
Dividends	0	0	0
Community Investments /	791	730	832

<b>Social Contributions</b>		
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Note: The figures presented in this table are based on consolidated financial statements, including overseas subsidiaries and invested companies, and are consistent with the disclosures in the Annual Report.

### ▼ Overview of Tex-Ray' s Sales Regions

Unit: NT\$ thousand

Item		2022		2023		2024	
Sales Region		Sales Amount	%	Sales Amount	%	Sales Amount	%
<b>Export Sales</b>	<b>Americas</b>	2,551,941	41.64%	1,883,754	41.35%	2,213,332	43.94%
	<b>Africa</b>	1,576,771	25.73%	1,020,781	22.41%	1,036,144	20.57%
	<b>Asia</b>	1,529,395	24.95%	1,083,336	23.78%	1,146,667	22.76%
	<b>Others</b>	244,764	3.99%	220,649	4.85%	210,217	4.17%
<b>Domestic Sales</b>		226,349	3.69%	346,831	7.61%	430,743	8.55%
<b>Total</b>		<b>6,129,220</b>	<b>100.00%</b>	<b>4,555,351</b>	<b>100.00%</b>	<b>5,037,103</b>	<b>100.00%</b>

Note: The figures presented in this table are based on consolidated financial statements, including overseas subsidiaries and invested companies, and are consistent with the disclosures in the Annual Report.

## External Participation

### Participation in Industry Associations

Tex-Ray actively participates in domestic and international textile-related industry associations. Through close engagement with partners across the industry, the Company gains access to valuable market and industry development insights while staying aligned with the latest industry trends. Such external information serves as an important reference for Tex-Ray in shaping its business strategies.

#### ▼ Participation in External Organizations

Organization	Membership Status	Participation Activities
Taiwan Garment Industry Association (TGIA)	General Member / Board Director / Honorary Chairman	Regular participation in general member meetings and board & supervisor meetings  Occasional participation in association events or training programs
Taiwan Smart Textiles Association (TSTA)	General Member / Executive Director / Honorary Chairman	
Taiwan Knitting Industry Association (TKIA)	General Member / Alternate Supervisor	
Taiwan Technical Textiles Association (TTTA)	General Member / Executive Director	
Textile Research and Development Association International (TRDAI)	Permanent Member / Board Director	
Taiwan Outdoor Group (TOG)	Permanent Member	
Taiwan Africa Industry Development Association	General Member / Board Director	
Taiwan-Africa Business Association (TABA)	General Member / Executive Director	
Chinese International Economic Cooperation Association (CIECA)	General Member / Board Director	
The American Association of	General Member	

Textile Chemists and Colorists (AATCC)		Technical Committee on Research (test methods) Access to the latest testing standards Occasional participation in seminars or training courses
American Society for Testing and Materials (ASTM)	General Member	Access to the latest testing standards Occasional participation in seminars or training courses

## Sustainability-Related Initiatives

### ◆ Higg Index

Since 2018, Tex-Ray has adopted the Higg Index self-assessment tool developed by the Sustainable Apparel Coalition (SAC). The Index evaluates the environmental, social, and labor performance impacts across all stages of a product's life cycle and identifies opportunities for improvement. By strengthening supply chain management and continuously enhancing life-cycle processes, Tex-Ray demonstrates its commitment to sustainable operations. Through adherence to internationally recognized factory operation standards, the Company strives to be the best supply-chain partner for its customers.

### ◆ Global Recycled Standard (GRS) & Recycled Claim Standard (RCS)

Tex-Ray actively develops environmentally sustainable products by increasing the use of recycled materials and certified non-toxic components. The Company's fabric weaving operations and garment factory in Vietnam are certified under the GRS, and upstream suppliers are also required to obtain GRS certification. In addition, Tex-Ray's Taipei headquarters is certified under the RCS.

### ◆ OEKO-TEX

As one of the world's most recognized textile certifications, OEKO-TEX® tests textiles and garments for harmful substances that may pose risks to human health, and serves as a reference for purchasing environmentally friendly textile products. Tex-Ray's fabric weaving operations and Vietnam garment factory have both obtained OEKO-TEX® Standard 100 certification, ensuring compliance with stringent requirements. This certification confirms that the supply chain provides safe working conditions and minimizes harmful environmental and chemical impacts, ensuring that the Company's product supply chain meets international standards.

### ◆ ISO 14064-1 Greenhouse Gas Verification Statement

ISO 14064-1 serves as a foundational assessment for developing carbon reduction programs. After completing a greenhouse gas inventory, companies compile GHG statements and registries based on the verified data. Tex-Ray's Vietnam garment factory has obtained ISO 14064-1 GHG verification, which will serve as a baseline for

setting future decarbonization strategies and targets, as well as supporting compliance with government-imposed carbon fees.

- ◆ ISO 14001 Environmental Management System  
ISO 14001 is an internationally recognized environmental management system (EMS) standard applicable to organizations of all sizes. By promoting environmental protection, pollution prevention, waste reduction, and decreased consumption of energy and materials, Tex-Ray's Vietnam garment factory follows the ISO 14001:2015 framework to support global environmental stewardship.
- ◆ ISO 14067 Carbon Footprint Verification  
ISO 14067 utilizes Life Cycle Assessment (LCA) to evaluate the ecological and environmental impacts of products. Tex-Ray's Vietnam garment factory has completed carbon footprint verification for its major product styles and will continue to conduct product carbon footprint verifications annually based on operational needs.
- ◆ WRAP Certification (Worldwide Responsible Accredited Production)  
Beyond industry-related participation, Tex-Ray views environmental and social sustainability initiatives as core responsibilities in its growth journey. The Vietnam factory obtained certification from WRAP—an internationally recognized organization dedicated to promoting safe, lawful, humane, and ethical manufacturing practices—shortly after its establishment. This certification reinforces the Company's commitment to responsible and sustainable production.

## 1.2 Corporate Governance

Material Topic Management Approach	
Material Topic	Corporate Governance
Impact and Significance	Good corporate governance is the core of sustainable business operations. It enhances operational performance, strengthens core competitiveness, and ensures the fulfillment of corporate social responsibility. Effective governance prevents poor decision-making, corruption, and internal control failures that may harm corporate value or the interests of stakeholders.
Policies or Commitments	<p>Tex-Ray continuously strengthens the functions of its Board of Directors and functional committees, enhances governance transparency, and reinforces internal audit mechanisms. These efforts ensure efficient corporate operations, prevent misconduct and corruption, and build a foundation of trust with stakeholders to support long-term sustainable development.</p> <p><a href="https://www.texray.com/%e5%85%ac%e5%8f%b8%e6%b2%bb%e7%90%86%e5%b0%88%e5%8d%80-new/?lang=zh-hant">https://www.texray.com/%e5%85%ac%e5%8f%b8%e6%b2%bb%e7%90%86%e5%b0%88%e5%8d%80-new/?lang=zh-hant</a></p>
Management Actions	<ol style="list-style-type: none"> <li>1. Establish and implement relevant systems in accordance with the <b>Ethical Corporate Management Best Practice Principles</b>, <b>Corporate Governance Best Practice Principles</b>, and <b>Sustainable Development Best Practice Principles</b>.</li> <li>2. Formulate and execute improvement plans based on the results of the previous year' s <b>Corporate Governance Evaluation</b>.</li> </ol>
Evaluation Mechanisms	<ol style="list-style-type: none"> <li>1. Annual performance evaluations of the Board of Directors and functional committees.</li> <li>2. <b>Periodic external evaluation reports of the Board of Directors.</b></li> <li>3. Taiwan Stock Exchange <b>Corporate Governance Evaluation</b> results.</li> </ol>
Performance Tracking	<ol style="list-style-type: none"> <li>1. The 2024 self-assessment results indicated that the Board of Directors and functional committees operated effectively.</li> </ol>

	<p>2. The 2024 external board evaluation reported that overall board performance was satisfactory.</p> <p>3. In the 2024 Corporate Governance Evaluation, Tex-Ray ranked within the 36%–50% percentile of listed companies.</p>
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Management Approach for Material Topic	
Material Topic	Regulatory Compliance
Impact and Significance	Regulatory compliance is the fundamental principle of business operations and sustainable development. Non-compliance incidents can jeopardize corporate reputation and result in regulatory-defined negative impacts on the environment and society.
Policies or Commitments	<p>Guided by its commitment to integrity, transparency, and accountability, Tex-Ray adheres to all applicable environmental, social, and economic laws and regulations in the regions where it operates.</p> <p><a href="https://www.texray.com/%e5%85%ac%e5%8f%b8%e6%b2%bb%e7%90%86%e5%b0%88%e5%8d%80-new/?lang=zh-hant">https://www.texray.com/%e5%85%ac%e5%8f%b8%e6%b2%bb%e7%90%86%e5%b0%88%e5%8d%80-new/?lang=zh-hant</a></p>
Management Actions	Ensure thorough implementation of internal audits to verify that all operating sites comply with local laws and regulations as well as the Group' s internal management systems.
Evaluation Mechanism	Regular meetings of the Audit Committee to review compliance matters.
Performance Tracking	There were <b>no major violations of laws or regulations</b> in 2024.

## Governance Structure

Tex-Ray' s Board of Directors serves as the Company' s highest governance body, guiding sustainable operational strategies, overseeing management to ensure performance effectiveness, responding to stakeholder needs, and remaining accountable to both the Company and its shareholders. To strengthen corporate governance and

enhance board effectiveness while safeguarding stakeholder interests, four functional committees operate under the Board: the **Compensation Committee**, **Audit Committee**, **Risk Management Committee**, and **Sustainability Development Committee**. These committees reinforce the Company's governance, oversight, and information management mechanisms.

Based on the most recent Corporate Governance Evaluation (2024), Tex-Ray ranked within the **36%–50% percentile** among all listed companies in Taiwan. The Company regularly reviews evaluation results and uses them as benchmarks to improve internal processes and operations, implementing and tracking improvement plans to support sound governance and long-term sustainability.

## Operations of the Board of Directors and Functional Committees

### Board of Directors

The Board of Directors is Tex-Ray's highest governance authority and is chaired by the Chairman. To ensure board diversity, the necessary knowledge, expertise, ethical conduct, and mechanisms for avoiding conflicts of interest, the Company has established a Corporate Governance Best Practice Principles, along with Rules of Procedure for Board Meetings and Board Election Regulations.

These governance frameworks ensure that the Board operates with comprehensive and independent supervisory functions. Board resolutions are communicated transparently to management, ensuring that corporate decisions and long-term sustainability strategies are grounded in trust and effective communication.

Director elections follow a candidate nomination system, through which individuals with the professional knowledge, skills, and experience required for the Company's operations are nominated to serve on the Board. Tex-Ray places strong emphasis on the professional competencies of

### Board Structure in 2024

The Board consists of **11 directors**, including **4 independent directors** and **1 female director**.

All directors serve a **three-year term**  
(The current Board term runs from **June 14, 2024 to June 13, 2027**.)

its Board members; for each core competency area, at least two directors are required to possess the relevant expertise to ensure diversity and well-balanced board composition.

The Board of Directors convenes at least once every quarter to deliberate and resolve major operational matters, including business plans and strategies, financial utilization and performance, internal audit processes and results, appointment and dismissal of management personnel, and ESG-related sustainability development. Special board meetings are also held when other significant matters falling under the authority of the Board arise.

**In 2024, a total of six Board meetings were convened, with a 100% attendance rate by all directors. The Board reviewed and resolved 48 proposals, covering topics such as business strategy, sustainability development, risk management, and talent policies.**

**For details on key resolutions and board operations in 2024, please refer to the 2024 Annual Report.**

All directors uphold a high level of self-discipline. For proposals in which directors have a conflict of interest, the Company discloses the director's name, the proposal involved, the reason for the conflict, and their voting participation. In accordance with the Rules of Procedure for Board Meetings, directors participate in all board meetings and, where a matter involves a personal interest or an interest related to the legal entity they represent, they may express opinions and respond to inquiries but must recuse themselves from both discussion and voting. Directors are also prohibited from acting as proxies for other directors in exercising voting rights.

In 2024, all proposals discussed by the Board pertained to matters related to the Company or its affiliates. No directors had personal conflicts of interest; therefore, no recusals were required for any board discussions.

In accordance with Article 40 of *Tex-Ray's Corporate Governance Best Practice Principles*, members of the Board are required to continue participating in director training programs offered by designated institutions, covering topics related to corporate governance and corporate social responsibility. The Company also mandates that employees at all levels strengthen their professional competencies and legal knowledge through ongoing training.

#### Director Training Programs in 2024

- ✓ Corporate Management and Crisis Handling
- ✓ How the Board Should Review Sustainability Reports
- ✓ Corporate Governance and Recent Updates to Securities Regulations
- ✓ Key Considerations and Case Studies of Domestic and Overseas Mergers & Acquisitions

#### ▼ Board Member Information

Title	Name	Major Professional and Academic Experience	Gender
Chairman	Lin, Jui-Yueh	Bachelor's Degree, Department of Textile Engineering, Feng Chia University Master's Degree in Management Science, Baker University (USA)	Male
Director	Yao, Wan-Kuei	Executive MBA Program, National Chengchi University Special Assistant to the General Manager, China Man-Made Fiber Corp.	Male
	He, Yu	Bachelor's Degree in International Business Administration, Kennedy University of California Chairman, Chiming Enterprise Co., Ltd. Chairman, Chijia Optical Co., Ltd.	Male
	Lin, Tsung-Yi	University of New Haven, Connecticut, USA General Manager, Tex-Ray Industrial Co., Ltd.	Male
<i>TRYD Textile Holdings Co., Ltd., British Virgin Islands</i>			

	(The following two are representatives)		
	Chang, Nai-Wen	Postgraduate Studies, Jiangsu Provincial Party School Director, Jiangsu Yueda Group Senior Certified Public Accountant	Male
	Dai, Jun	EMBA, Fudan University Vice General Manager, General Manager, and Chairman, Jiangsu Yueda Textile Group Co., Ltd.	Male
	<i>Suzhou Weide Co., Ltd.</i> (The following one is a representative)		
	Yang, Chia-Yin	Director, Suzhou Degao Trading Co., Ltd. Chairwoman, Sien Co., Ltd.	Female
<b>Independent Director</b>	Tsai, Chao-Lun	Bachelor' s Degree, Department of Industrial Engineering, Feng Chia University, Taiwan Master' s Degree in Business Administration, University of Wisconsin, USA Chairman, Fortune Garment Co., Ltd.	Male
	Chu, Hsing-Hua	Master' s Degree, Graduate Institute of Textile Engineering, Feng Chia University Director, Taiwan Textile Research Institute (TTRI) Adjunct Associate Professor, Far East University	Male
	Lin, Cheng-Te	Bachelor' s Degree, Department of Business Administration, National Chung Hsing University Person-in-Charge, Times Financial Information Co., Ltd.	Male
	Chen, Wen-Ho	Master' s Degree, Graduate Institute of Business Administration, Chung Yuan Christian University Certified Public Accountant (CPA) Independent Director, Coretronic Corporation	Male

## Notes

### 1. Relationship Between the Chairman and the General Manager

According to regulatory disclosure requirements, if the Chairman and the General Manager (or an equivalent top executive) are the same person, spouses, or first-degree relatives, the Company must explain the rationale, reasonableness, necessity, and corresponding governance measures (such as increasing the number of independent directors or ensuring that more than half of the directors do not serve concurrently as employees or managers).

At Tex-Ray, the Chairman and the General Manager are first-degree relatives. The succession arrangement reflects practical experience transfer, with the General Manager having advanced through the Company from entry-level positions and gradually assuming key managerial responsibilities. This progression is considered reasonable and necessary.

To align with corporate governance requirements, the Company added an additional independent director in June 2023. Currently, the Chairman and the Vice Chairman concurrently serve as managers, undertaking both operational and managerial responsibilities for the Group.

### 2. Board Re-election in June 2024

Following the full re-election of the Board in June 2024, former Director **Kuo, Wen-Yen** was succeeded by Director **Lin, Tsung-Yi**, and former Independent Director **Li, Mu-Rong** was succeeded by Independent Director **Chen, Wen-Ho**. There were no other personnel changes.

▼ Board Diversity

Board Diversity Policy												
Name	Nationality	Gender	Concurrent Employee Status	Age Group	Business Management	Finance/ Accounting	Business Judgment	Industry Experience	Crisis Management	International Market Perspective	Leadership Competency	Professional Legal or Accounting Qualification
林瑞岳	ROC	Male	Yes	A	V		V	V	V	V	V	
姚萬貴	ROC	Male	Yes	A	V	V	V	V	V	V	V	
張乃文	中國	Male		C	V	V	V	V	V	V	V	V
戴俊	中國	Male		C	V	V	V	V	V	V	V	
何語	ROC	Male		A	V		V	V	V	V	V	
楊家茵	ROC	Female		D	V		V	V	V	V	V	
林宗頤	ROC	Male	Yes	D	V		V	V	V	V	V	

蔡昭倫	ROC	Male		A	V		V	V	V	V	V	
朱興華	ROC	Male		B	V		V	V	V	V	V	V
林正德	ROC	Male		A	V	V	V	V	V	V	V	V
陳文河	ROC	Male		C	V	V	V	V	V	V	V	V

#### Notes

##### 1. Age Group Definitions

- A: Above 70 years old
- B: Above 60 years old
- C: Above 50 years old
- D: Below 50 years old

##### 2. Professional Experience of Board Members

All 11 directors (including independent directors) concurrently hold board or senior leadership positions in other companies or organizations. Each director possesses professional experience and qualifications that are sufficient for serving on the Company' s Board and contributes expert opinions to support Tex-Ray' s governance and strategic decision-making

## Compensation Committee

The Compensation Committee is established to ensure that directors and managerial officers do not engage in activities that exceed acceptable corporate risk levels in pursuit of personal remuneration. The Committee is also responsible for developing a competitive and incentive-based compensation system that attracts and retains talented individuals.

The performance evaluation and remuneration of directors and managerial officers are determined with reference to industry compensation benchmarks, individual performance, the Company's operational results, and potential future business risks, ensuring that the compensation structure is reasonable and aligned with long-term corporate interests.

The Compensation Committee is composed of **three members**, all of whom are independent directors, and each serves a **three-year term**. The Committee convenes **two meetings per year** and, in a professional and objective capacity, establishes and regularly reviews the annual and long-term performance goals of the Company's directors, supervisors, and managerial officers. The Committee also periodically evaluates the Company's compensation policies, systems, standards, and structures, and provides recommendations to the Board of Directors.

**In 2024, the Compensation Committee convened two meetings, with a 100% attendance rate for all members (including proxies).**

The Committee reviewed proposals related to the appointment of the Corporate Governance Officer, the distribution standards for year-end bonuses for employees and managerial officers, and revisions to the salary structure. All proposals were approved by the Committee members in attendance and subsequently submitted to the Board of Directors, where they were approved by all attending directors.

## ▼ Remuneration Determination Process for Directors and Senior Management

- The Compensation Committee establishes the performance evaluation criteria, annual and long-term performance goals, and the policies, systems, standards, and structure for determining the remuneration of directors and senior management.
- The Committee regularly reviews the achievement of performance goals for directors and senior management and determines the content and amount of individual remuneration. The Company discloses in its Annual Report the individual performance evaluation results of directors and senior management, the details and amounts of their remuneration, and the relevance and reasonableness of such remuneration in relation to their performance evaluations. A report is also presented to the Shareholders' Meeting.

## ▼ Remuneration Policy for Directors and Senior Management

- Directors

Tex-Ray has established the *Directors' Remuneration Payment Procedures* and the *Performance Evaluation Measures for the Board of Directors and Functional Committees*, which serve as the basis for evaluating the performance of both independent directors and non-independent directors. When the Company generates profit in a given year, up to 2% of earnings may be allocated as directors' compensation. The determination of remuneration considers overall corporate performance, future operational risks, and industry trends, as well as each director's individual performance achievement and contribution to the Company's operational results, ensuring that compensation remains fair and reasonable.

- Senior Management

Tex-Ray has established *Remuneration Determination Standards* and *Performance Management Procedures* for senior management. Senior executives are responsible for both the execution of group operations and managerial duties. Their remuneration structure comprises **base salary and bonuses**. Base salary is determined by internal pay equity and market benchmarks, and takes into account job grade, educational and professional background, competencies, and responsibilities. Compensation proposals are reviewed by the Compensation Committee and submitted to the Board of Directors for approval.

Bonuses are determined based on the Company's profitability for the year and are reviewed in consideration of the executive's role, contribution, achievement of performance targets (including financial and non-financial indicators), and the Company's overall operational performance. All bonus-related decisions are reviewed by the Compensation Committee and submitted to the Board of Directors for approval.

### ▼ Performance Evaluation Indicators for Senior Management

Indicator	Description
Financial Indicators	Based on the managerial profit and loss statements, evaluating the contribution of each business unit to the Company' s overall profitability, supplemented by the achievement rate of senior management' s performance targets.
Non-financial Indicators	<p>1. Implementation of the Company's core values and overall operational management capability.</p> <p><b>2. Participation in sustainable development:</b></p> <p>(1) Implementation of the Group's sustainability policies, including but not limited to greenhouse gas inventory and verification, low-carbon manufacturing transition, and climate risk and opportunity management. <i>(Performance weighting: 5%)</i></p> <p>(2) Response and adaptation to ESG material topics, including but not limited to corporate governance, regulatory compliance, talent development, occupational health and safety, energy management, and supply chain management. <i>(Performance weighting: 3%)</i></p> <p>(3) Continuous enhancement of ESG risk management. <i>(Performance weighting: 2%)</i></p>

## Audit Committee

The Audit Committee serves as the overseer of the accuracy and integrity of the Company's financial information. Its responsibilities include ensuring the proper presentation of financial statements, overseeing the appointment, dismissal, independence, and performance of the external auditors, evaluating the effectiveness of the internal control system, monitoring compliance with relevant laws and regulations, and assessing existing and potential risk management mechanisms.

The Audit Committee of Tex-Ray is composed of **three members**, all of whom are **independent directors**, with one serving as the convener. At least one member possesses expertise in **accounting or finance**. Each committee member serves a **three-year term**, and the Committee convenes at **least one regular meeting per quarter**.

**In 2024, the Audit Committee convened five meetings, with a 100% attendance rate for all members.**

**Key matters reviewed included:**

- **Assessment of the effectiveness of the internal control system**
- **Review of financial statements and business reports**
- **Amendments to procedures for the acquisition or disposal of assets**
- **Appointment and independence evaluation of the external auditors**
- **Determination of whether certain transactions constitute de facto lending**
- **Annual audit plan**

**All proposals were approved by the Committee members in attendance and subsequently approved by all attending directors at the Board meeting.**

## Risk Management Committee

The Risk Management Committee is established to enhance corporate governance, ensure Tex-Ray's stable operations and sustainable

development, and strengthen the Company' s overall risk management framework. The Committee serves as the foundation for identifying, assessing, and managing various types of risks, thereby reasonably ensuring the achievement of the Company' s strategic objectives.

The Risk Management Committee is composed of **three members**—the Chairman and two independent directors. The tenure of the Committee coincides with that of the Board of Directors. The Committee reports to the Board **at least once a year** on the execution results of the annual risk management activities and provides recommendations for necessary improvements.

**In 2024, the Risk Management Committee convened one meeting, with a 100% attendance rate for all members (including proxies).**

**The Committee conducted regular reviews of the various levels of risks encountered throughout the Company' s operational activities, discussed Tex-Ray' s risk environment and key risk management priorities, and carried out risk assessments along with deliberations on corresponding mitigation measures.**

## Sustainability Governance Structure

To promote and implement the Company' s sustainability vision and mission, Tex-Ray established the **CSR Committee** in 2016 with approval from the Board of Directors. In 2022, the Committee was renamed the **Sustainability Development Committee**, and in 2024 it was formally restructured—upon Board approval—into a functional committee under the Board of Directors.

The Committee is composed of **one director and two independent directors**, and the General Manager serves concurrently as the **Chief Sustainability Officer (CSO)**. The Committee reports to the Board **regularly (at least once a year)** on the progress of sustainability initiatives. The Board is responsible for assessing the likelihood of success of sustainability strategies, monitoring their progress on an ongoing basis, and urging management to make adjustments whenever necessary to

ensure effective implementation.

### **Sustainability Development Committee**

Serving as a cross-departmental platform for vertical integration and horizontal coordination, the Sustainability Development Committee appoints the Group's General Manager as the **Chief Sustainability Officer (CSO)** to lead the formulation of the Company's sustainability roadmap and key performance indicators.

Under the Committee, **five working groups** have been established, each led by the highest-ranking executive of the respective business unit or department. The tenure of each working group leader corresponds to that of their primary managerial role and may be renewed consecutively.

The Committee and its working groups regularly identify stakeholder concerns and the Company's material sustainability topics, develop corresponding strategies and action plans, allocate budgets related to sustainability initiatives across the organization, and plan and execute annual programs. The Committee also conducts **quarterly progress reviews** to ensure that sustainability strategies are effectively integrated into Tex-Ray's day-to-day operations.

**In 2024, the Sustainability Development Committee convened one meeting, with a 100% attendance rate for all members (including proxies).**

**The Committee discussed the setting of annual sustainability objectives, compliance with corporate governance evaluation requirements, and the progress of related initiatives. It also reviewed the status of the Sustainability Report's preparation and the proposed publication approach.**

### ▼ Responsibilities of the Sustainability Working Groups

<p><b>Corporate Governance Working Group</b></p>	<ul style="list-style-type: none"> <li>● Formulating sustainability strategies and the corporate governance framework.</li> <li>● Managing sustainability-related operational risks to safeguard stakeholder rights and interests.</li> <li>● Ensuring ethical business conduct and compliance with applicable laws and regulations.</li> <li>● Overseeing participation in external organizations.</li> </ul>
<p><b>Sustainable Environmental Development Working Group</b></p>	<ul style="list-style-type: none"> <li>● Managing raw materials, product quality, and innovation in production processes.</li> <li>● Developing sustainable textile products and ensuring product safety.</li> <li>● Maintaining customer relationships and managing the supply chain.</li> <li>● Establishing and continuously optimizing the environmental management system.</li> </ul>
<p><b>Human Rights Development Working Group</b></p>	<ul style="list-style-type: none"> <li>● Ensuring compliance with human resources policies and international human rights protections.</li> <li>● Talent recruitment, appointment, and training development.</li> <li>● Compensation and benefits management.</li> <li>● Maintaining and managing employee relations.</li> <li>● Managing occupational safety and health.</li> </ul>
<p><b>Social Engagement Working Group</b></p>	<ul style="list-style-type: none"> <li>● Industry–academia collaboration.</li> <li>● Participation in and support for social welfare activities.</li> <li>● Promoting and engaging in community and social welfare initiatives across regions.</li> </ul>

<p><b>Sustainability Information Disclosure Working Group</b></p>	<ul style="list-style-type: none"><li>● Establishing sustainability information management policies, and ensuring compliance with relevant regulations and international standards for sustainability disclosure.</li><li>● Formulating energy-saving and carbon-reduction indicators and driving related action plans.</li><li>● Managing energy and resource utilization and compiling related data statistics</li></ul>
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## Board and Functional Committees Performance Evaluation

To strengthen corporate governance and enhance the effectiveness of the Board of Directors, the Company has established performance objectives to improve board operational efficiency. The Board has formulated and approved the *Regulations for the Performance Evaluation of the Board of Directors and Functional Committees*. Each year, the Company conducts performance evaluations of the Board as a whole, individual directors, and each functional committee through internal self-assessment questionnaires. In addition, an evaluation by an external professional independent institution or external experts and scholars is conducted at least once every three years. The evaluation results serve as a reference for the selection or nomination of directors and for determining directors' remuneration.

<b>External Evaluation</b>	<p>In 2024, the Company engaged an independent professional institution—the Taiwan Investor Relations Association—to conduct an external evaluation. The association and its team members have no business dealings with the Company and therefore maintain full independence. Their professional competence and experience also meet the requirements for external performance evaluations.</p> <p>The outsourced evaluation covered the following dimensions:</p> <ul style="list-style-type: none"><li>• Board composition and professional development</li><li>• Quality of board decision-making</li><li>• Board operational effectiveness</li><li>• Internal control and risk management</li><li>• Board participation in corporate social responsibility</li></ul> <p>The Taiwan Investor Relations Association issued its evaluation report in January 2025, concluding that the</p>
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	<p>Company' s Board operates in compliance with applicable regulations and has a diverse composition. The report recommended enhancing directors' development through diversified training programs, establishing multi-channel communication mechanisms, and strengthening engagement with stakeholders. The evaluation results were reported to the Board of Directors, and the overall performance evaluation indicated that the Board continues to operate effectively.</p>
<b>Internal Self-Assessment</b>	<p>The 2024 internal self-assessment concluded that the Board' s operations were functioning satisfactorily. The Company will continue to use the performance evaluation results as a basis for reviewing and improving board functions to enhance overall corporate governance effectiveness.</p>

**▼ Implementation Status of Board Performance Evaluation**

Evaluation Period	Scope of Evaluation	Frequency	Evaluation Method	評估內容	評估結果
FY2024	Board of Directors	Annual	Internal Self-Assessment	45 items covering: participation in Company operations, enhancement of decision-making quality, board composition and structure, director selection and continuing education, and internal controls	Good
		Once every three years	External Evaluation	Five major dimensions covering: board composition and professional development, quality of board decision-making, board operational effectiveness, internal control and risk management, and board participation in corporate social responsibility	Effective
	Individual Directors	Annual	Internal Self-Assessment	23 items covering: understanding of Company goals and missions,	Good

				awareness of director responsibilities, participation in Company operations, internal relationship management and communication, director professionalism and continuing education, and internal controls	
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**▼ Implementation Status of Functional Committees Performance Evaluation**

Evaluation Frequency	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Items	Evaluation Result
Annual	FY2024	Audit Committee	Internal Self-Assessment	22 items covering: participation in Company operations, awareness of committee responsibilities, enhancement of decision-making quality, committee composition and member selection, and internal controls	Good
		Remuneration Committee	Internal Self-Assessment	17 items covering: participation in Company operations, awareness of committee responsibilities, enhancement of decision-making quality, and committee composition and member selection	Good
		Risk Management Committee	Internal Self-Assessment	17 items covering: participation in Company operations, awareness of committee responsibilities, enhancement of decision-making quality, and committee composition and member selection	Good
		Sustainability Development Committee	Internal Self-Assessment	17 items covering: participation in Company operations, awareness of committee responsibilities, enhancement of	Good

				decision-making quality, and committee composition and member selection	
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# Integrity and Ethical Business Conduct

Integrity and ethical business conduct form the foundation of Tex-Ray Industrial’s corporate principles. To ensure that the behavior of the Company’s directors, independent directors, managerial officers, and all employees aligns with ethical standards—and to enable stakeholders to clearly understand the Company’s ethical expectations and codes of conduct—Tex-Ray has formally established the *Code of Ethical Conduct* and the *Integrity Management Code of Practice*.

Both documents were approved by the Board of Directors and publicly disclosed for implementation. The Company promotes these guidelines internally to all directors and employees and publishes them on its official website, enabling suppliers, customers, and other relevant business partners and personnel to understand Tex-Ray’s integrity requirements and embed ethical practices into daily business operations.

## ▼ Anti-Corruption Communication in 2024

All directors and independent directors of the seventeenth Board of Tex-Ray Industrial signed a Statement on the Prevention of Insider Trading. In addition, in 2024, the Board of Directors was briefed on and engaged in communication regarding the Company’s anti-corruption policies and related matters, including:

Meeting Date	Topic	Total Members	Members Communicated	Percentage
2024.03.13	Amendments to Corporate Governance-Related Regulations	11	11	100%
2024.11.13	Corporate Governance Section	11	11	100%
2024.11.13	Status of Implementation of Integrity Management Policies and Preventive Measures	11	11	100%

Note: Members include those attending in person and via video conference.

## **Ethical Conduct and Integrity Management Preventive Measures**

Grounded in the principles of integrity, transparency, and accountability, the Company has established a robust risk control and reporting mechanism to provide clear whistleblowing channels for both internal and external parties. When potential or actual violations of the ethical standards stipulated in the relevant guidelines occur, reports may be submitted to departmental managers for audit verification, or anonymously through the internal EIP system for suggestions and feedback. Whistleblowing may also be conducted via a dedicated mailbox or hotline to disclose specific incidents.

If a violation is confirmed upon investigation, the Company will handle the matter in accordance with applicable laws and internal regulations, and promptly disclose relevant information regarding the personnel involved in the violation on the Market Observation Post System to ensure transparency and openness.

To prevent incidents that may jeopardize the Company's sustainable operations, Tex-Ray provides regular integrity management training programs for all employees and maintains dedicated legal personnel. In addition to strengthening existing reporting channels, these personnel serve as effective resources for legal consultation, regulatory advocacy, anti-corruption awareness, and the prevention of unlawful conduct.

## **Audit System**

The Audit Office, an independent unit under the Board of Directors, plays a preventive role by ensuring the effective implementation of the internal control system

**No instances of corruption, fraud, or other violations of**

through audit activities and by promoting internal auditing with objectivity and impartiality. At the end of each year, the Audit Office prepares the audit plan for the following year and executes it upon approval by the Board of Directors. In addition to routine audit operations, the Audit Office also conducts unscheduled audits on key subsidiaries to assess whether their operational activities comply with critical elements of the internal control cycle, local regulations, and internal policies.

**integrity management were identified in the audits conducted in 2024.**

In addition, each department is required to conduct an annual internal control self-assessment. The assessment covers the five major components of the internal control framework—control environment, risk assessment, control activities, information and communication, and monitoring activities. Through questionnaires, the Company evaluates compliance with management requirements, managerial ethical conduct, and any human-error-related violations.

Because audit activities aim to evaluate the effectiveness and compliance of existing policies and procedures, all audit results and self-assessment findings are submitted to the Board of Directors and the President. These results serve as key references for assessing the effectiveness of the internal control system, operational performance, and efficiency. For significant improvement matters, the Company convenes relevant personnel to form a cross-functional task force to implement corrective actions.

#### ▼ Integrity Management Preventive Policies

➤ Establishment of Policies and Audits

The Company has formulated the *Code of Ethical Conduct*, the *Integrity Management Code of Practice*, and the *Operational*

*Procedures and Behavioral Guidelines for Integrity Management* to actively implement the principles of ethical business conduct, supplemented by periodic internal audits.

- Employee Education and Training  
Through training programs, employees are informed of and made fully aware of the concepts and requirements of integrity management.
- Internal Whistleblowing Channel  
Anonymous suggestion and feedback section via the internal EIP system.
- External Whistleblowing Channels  
E-mail: [tr-hq@texray.com](mailto:tr-hq@texray.com)  
Whistleblowing Hotline: +886-2-2521-5155 ext. 6623
- Whistleblower Protection Measures  
To enforce integrity management and the Code of Ethical Conduct, and to ensure proper and effective implementation of Company policies and management procedures, Tex-Ray Industrial has established the *Whistleblower Protection and Reporting Procedures*. The Company ensures strict confidentiality of the identity and content provided by complainants and whistleblowers to prevent any improper treatment arising from reporting or filing a complaint.
- External Whistleblowers: The identity and personal information of whistleblowers shall be kept confidential, and no information that may reveal their identity may be disclosed.
- Internal Whistleblowers: Whistleblowers shall not be dismissed, removed from their position, demoted, have their salary reduced, or otherwise be subjected to any adverse treatment that may harm their rights and interests as protected by law, contract, or customary practice as a result of filing a report. °

## Compliance with Laws and Regulations

Tex-Ray Industrial regards legal compliance as the most fundamental principle in fulfilling corporate social responsibility and has established relevant policies in accordance with regulatory requirements:

- Under the *Operational Procedures and Behavioral Guidelines for Integrity Management*, it is explicitly stipulated that, regardless of the location of operations, all business activities must comply with the laws and regulations of the countries in which the Company operates.
- The *Sustainable Development Best Practice Principles* specify that business activities shall be conducted with a commitment to environmental sustainability, in compliance with environmental regulations and relevant international standards applicable to each operational location. The Company also adheres to labor regulations, respects internationally recognized fundamental labor rights, and—based on international human rights conventions—has established policies on gender equality, prohibition of child labor, prevention of forced labor, and elimination of employment discrimination. Each operational site likewise complies with local regulations and the management systems of the Taiwan headquarters, periodically reviewing and updating labor-related policies to ensure the protection of employees' legal rights and interests.

If an incident involving a violation of laws or regulations occurs and may result in a material impact on the Company, a relevant contingency task force shall be formed to address the matter promptly. The Company will communicate with internal and external stakeholders to ensure compliance with legal requirements and to minimize potential losses and impacts.

**No material violations of laws or regulations were recorded in 2023 and 2024 across the Taiwan headquarters, Vietnam operations, and Eswatini operations.**

**Note: A material violation is defined as a single incident resulting in cumulative fines of NT\$1 million or more. For non-monetary sanctions, a suspension of**

In 2023, the Taiwan headquarters, Vietnam operations, and Eswatini operations collectively incurred 12 violations resulting in fines totaling NT\$13,164. In 2024, a total of 7 violations were recorded across the same operational regions, with fines amounting to NT\$86,554.

operations serves as the disclosure threshold.

## 1.3 Risk Management

In recent years, the global economic and business environment has undergone rapid and significant changes. The continued signing of regional trade agreements, competition from emerging advantageous countries, heightened geopolitical tensions in certain regions, and the increasing frequency of extreme weather-related disasters have all created substantial impacts on multinational enterprises. Accordingly, the identification, management, and mitigation of risks have become essential and highly prioritized areas for Tex-Ray Industrial. In 2021, the Company established the Risk Management Committee to build a sound risk management mechanism that ensures steady operations and sustainable development.

### Risk Management Mechanism

Considering the Company' s scale, business characteristics, risk profile, and operational activities, Tex-Ray has established a Risk Management Committee under the Board of Directors. The Board serves as the highest supervisory body for risk management and designates the Corporate Governance Working Group—under the Sustainability Development Committee—as the unit responsible for promoting and executing risk management initiatives.

The Company has formulated the *Risk Management Policies and Procedures*, which are publicly disclosed on its website. Risk assessments are conducted based on the principle of materiality, and corresponding risk warning and management strategies are developed for each risk category. Relevant departments are responsible for implementing these strategies and regularly monitoring and improving them to achieve effective risk prevention and mitigation.

Tex-Ray Industrial' s risk management framework comprises three major components:

### **Risk Identification and Analysis:**

Each functional unit identifies risks based on its short-, medium-, and long-term objectives and operational responsibilities. Risks that may hinder the Company from achieving its goals or cause losses or negative impacts are analyzed in terms of their likelihood and potential severity.

### **Risk Assessment and Decision-Making:**

Response plans are formulated and executed according to risk levels. Priority risks are determined, serving as the basis for selecting appropriate response measures.

### **Risk Response and Governance:**

Taking into account the Company's strategic objectives, stakeholder perspectives, risk appetite, and available resources, appropriate response strategies are selected to balance goal achievement and cost-effectiveness. The Corporate Governance Working Group under the Sustainability Development Committee is responsible for monitoring and consolidating risk management reports from 各 units, regularly reporting the annual risk management performance to the Risk Management Committee, and identifying potential future risks as well as related monitoring and response mechanisms.

## **▼ Risk Issues, Identification, and Management Strategies**

Material Topic		Risk Identification	Risk Management Strategies
E	Environmental, Energy, and Greenhouse Gas Management	Increasing stringency of environmental protection requirements; rising energy costs	<ol style="list-style-type: none"><li>1. Under the Sustainability Development Committee, the Sustainable Environmental Development Working Group conducts environmental risk assessments, updates regulatory trends, and implements environmental management objectives and action plans to support environmental management across domestic and overseas facilities.</li><li>2. Factories establish dedicated EHS units to align with local government policies, regularly reviewing</li></ol>

			<p>performance and implementing cyclical management to fulfill environmental sustainability commitments.</p> <p>3. Adoption of energy-efficient equipment, installation of renewable energy devices, and cultivation of energy-saving habits among employees to reduce electricity consumption in production activities.</p> <p>4. Evaluation of alternative and renewable energy usage.</p>
S	Talent Recruitment and Development; Compensation and Benefits	Loss of high-performing and high-potential talent	<p>1. Formulation of the <i>Education and Training Management Guidelines</i> in alignment with the Company' s development strategy to integrate internal and external resources and build the competencies required for employee development and career advancement.</p> <p>2. Optimization of talent development and training systems.</p> <p>3. Establishment of comprehensive and multi-channel labor-management communication mechanisms and management policies.</p> <p>4. Provision of competitive employee benefits.</p>
G	Business Performance	Market and economic fluctuations; increased customer operational risks	<p>1. Implementation of the "3A2B" customer management policy to diversify operational risks associated with order concentration.</p> <p>2. Enforcement of customer credit rating mechanisms and procurement of accounts receivable insurance.</p>
	Supply Chain Management	Non-compliant suppliers	<p>1. In accordance with the <i>Supplier Management Policy</i>, contracts are executed with suppliers to ensure compliance with regulatory and policy requirements, supported by pre-engagement visits, pre-contract evaluations, and ongoing performance assessments.</p> <p>2. Regular supplier evaluations to eliminate non-compliant suppliers.</p>

## Climate Change Risks and Opportunities

Climate change has become one of the most critical global issues that must be addressed. Tex-Ray Industrial fully recognizes its responsibility to contribute to climate change mitigation and adopts the *Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)* as the framework for evaluating climate-related impacts. Through this framework, the Company analyzes key indicators and discloses the potential impacts of climate change on various aspects of its operations, along with corresponding strategies and actions.

Under the Board of Directors, the Sustainability Development Committee has been established, with Chairman Shui-Yueh Lin, Independent Director Chao-Lun Tsai, and Independent Director Wen-Ho Chen appointed as the first committee members. The Board also authorizes the Group President to serve as Chief Sustainability Officer. Through the Sustainable Environmental Development Working Group under the Committee, the Company identifies transition risks—including policy and regulatory changes, technological developments, market dynamics, and reputational impacts—as well as acute and chronic physical risks. These risks are assessed for their potential level of impact, forming the basis for medium- and long-term sustainability planning.

The Sustainability Development Committee conducts annual reviews, analyses, and disclosures of climate-related impacts, strategies, and action plans. The Committee regularly reports implementation progress and future plans to the Board of Directors to enhance the organization's climate resilience and advance toward long-term sustainability goals.

## Tex-Ray's Disclosure Framework for Climate-Related Risks and Opportunities (TCFD)

Category	Indicator	Company Management Actions
Governance	a. Describe the Board's oversight of climate-related risks and opportunities.	Climate-related risks are incorporated into the Company's enterprise risk management. Working groups under the Sustainability Development Committee, led by the Chief Sustainability Officer, are responsible for integrating climate risk analyses and developing recommended response measures. The Sustainability Development Committee reviews these topics regularly and reports climate-related risks and mitigation measures to the Board at least once per year.
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	The Sustainable Environmental Development Working Group under the Sustainability Development Committee oversees climate- and environment-related risks and opportunities. The Group President serves as the Chief Sustainability Officer, conducting annual evaluations of climate change initiatives and implementation performance, and reporting to the Board at least once per year.
Strategy	a. Describe the climate-related risks and opportunities identified over the short, medium, and long term.	<ul style="list-style-type: none"> <li>- <b>Physical risks:</b> Establish emergency response mechanisms and strengthen infrastructure (short term).</li> <li>- <b>Transition risks:</b> Use environmentally friendly materials and energy-efficient equipment (short term); develop innovative processes and green manufacturing (medium term); implement renewable energy adoption (medium to long term).</li> <li>- <b>Opportunities:</b> Develop sustainability-oriented products to increase revenue (short term); establish a green supply chain, enhance product energy efficiency, and</li> </ul>

		promote low-carbon production (short/medium/long term).
	b. Describe the climate-related risks and opportunities that have a significant impact on the organization's business, strategy, and financial planning.	Department heads discuss and identify major climate-related risks and opportunities. These items are submitted to the Sustainability Development Committee for the evaluation of potential operational and financial impacts.
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The Company has not yet conducted scenario analysis for evaluating climate change risks. This will be included in future Group sustainability initiatives.
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	Tex-Ray adopts the TCFD framework to identify climate-related risks and opportunities. Relevant units communicate and evaluate their impacts on the Company, with major climate risks and opportunities reviewed and confirmed by senior management.
	<b>b. Describe the organization's processes for managing climate-related risks.</b>	Based on climate risk and opportunity assessments, the Company establishes corresponding response measures and targets. Major risk items are monitored regularly by the Sustainability Development Committee.
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Based on the identification results of climate risks and opportunities, the Company sets response strategies and targets, with major risks tracked periodically by the Sustainability Development Committee. The Sustainable Environmental Development Working Group reports regularly to the Committee and leads the

		Group' s carbon-reduction target setting and implementation strategies.
<b>Metrics &amp; Targets</b>	a. Disclose the metrics used to assess climate-related risks and opportunities in line with the organization' s strategy and risk management process.	Metrics include increasing the proportion of renewable energy used, procuring low-carbon equipment, developing sustainable products, and improving waste recycling rates. Related management indicators are established accordingly.
	b. Disclose Scope 1, 2, and (if applicable) Scope 3 greenhouse gas emissions and the related risks.	In accordance with the Taiwan Stock Exchange' s "Sustainability Roadmap for TWSE-Listed Companies," overseas facilities will progressively be included in GHG inventories and external verification. All facilities aim to complete Scope 1 and Scope 2 inventories by 2026 and external assurance by 2028. The Taipei headquarters and Vietnam facilities perform Scope 1 and Scope 2 inventories under ISO 14064-1, with the Vietnam facilities already certified by a third party.
	c. Describe the targets used to manage climate-related risks and opportunities and performance against these targets.	<p>The Group targets, using 2023 as the baseline year, are to achieve a 5% reduction in GHG emissions per unit of product, a 5% reduction in water consumption per unit of product, and a 5% reduction in total waste by 2028, upholding Tex-Ray Industrial' s commitment to environmental sustainability.</p> <p><b>Recent progress toward these targets includes:</b></p> <ul style="list-style-type: none"> <li>- <b>Headquarters equipment upgrades:</b> Full replacement of printers, with new models reducing electricity use by an estimated 79% per month compared with previous models; lighting system replacements, etc.</li> </ul>

		<ul style="list-style-type: none"> <li>- <b>Energy-saving and low-carbon initiatives at production sites:</b> Replacement of outdated machinery and installation of basic solar lighting equipment, with an estimated 20% reduction in GHG emissions in the first year.</li> <li>- <b>Chiller system upgrades:</b> Expected annual electricity savings of approximately 250,000 kWh (36% reduction), and an annual reduction of approximately 123.85 metric tons of GHG emissions, with ongoing monitoring.</li> </ul>
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### Tex-Ray — TCFD Risks and Financial Impacts

Risk Category / Item			Potential Financial Impact	Response Strategies
Transition Risks	Policy and Regulatory	Greenhouse gas regulations and international carbon pricing mechanisms	Increased carbon-related costs; higher operating expenses	<ul style="list-style-type: none"> <li>● Adoption of renewable energy in factories</li> <li>● Regular greenhouse gas inventories</li> <li>● Procurement of low-carbon equipment</li> </ul>
	Technology	Low-carbon technology transformation and development	Higher R&D costs for technology implementation; increased operating expenses	<ul style="list-style-type: none"> <li>● Establishment of green manufacturing processes</li> <li>● Investment in environmentally friendly product development</li> </ul>
	Market	Rising customer and market environmental awareness	Increased R&D costs	<ul style="list-style-type: none"> <li>• Investment in environmentally friendly product development</li> </ul>

				<ul style="list-style-type: none"> <li>• Obtaining relevant environmental and product certifications</li> </ul>
	Reputation	Corporate reputation impact	Potential loss of market sales	<ul style="list-style-type: none"> <li>• Commitment to green manufacturing and green innovation</li> <li>• Enhancing corporate green image through transparent disclosure</li> </ul>
Physical Risks	Typhoons and Heavy Rainfall	Increased flooding causing operational shutdowns; high humidity leading to material mold	Higher costs to install dehumidification systems; reduced operating income due to shutdowns	<ul style="list-style-type: none"> <li>• Establishment of drying rooms and installation of humidity control equipment</li> <li>• Development of emergency response plans and mechanisms</li> </ul>
	Water and Electricity Shortages	Unstable utilities affecting production lines	Increased production costs	<ul style="list-style-type: none"> <li>• Implementation of wastewater and rainwater recycling systems</li> <li>• Procurement of energy-efficient machinery</li> <li>• Development of emergency response plans and mechanisms</li> </ul>
	Rising Average Temperatures	Higher temperatures increasing electricity demand and risk of power shortages; reduced	Increased production costs; higher management expenses	<ul style="list-style-type: none"> <li>• Adoption of renewable energy</li> <li>• Investment in measures to improve environmental comfort</li> </ul>

		comfort in production environments		
	Climate-Driven Raw Material Shortages	Extreme weather reducing raw material output and increasing prices	Higher procurement costs	<ul style="list-style-type: none"> <li>Use of recycled materials to reduce dependence on virgin raw materials</li> </ul>

### Climate-Related Opportunities for Tex-Ray

Opportunity Category	Opportunity Description	Potential Financial Impact
Renewable Energy	Increased availability and adoption of renewable energy can reduce carbon emissions and potentially lower energy-related operating costs.	Reduction in operational electricity and water utility costs
Recycled Materials	Increasing the proportion of recycled polyester and recycled packaging materials to reduce the volume of landfill waste and associated waste treatment costs.	Reduction of carbon footprint Lower waste treatment costs
Improved Product Energy Efficiency	Rising environmental awareness among customers and markets increases the demand for sustainable products, prompting brand owners (customers) to seek green factories and develop products using sustainable materials.	Meeting customer demand for energy-efficient products, increasing revenue
Low-Carbon and Green Production	Providing customers with more environmentally friendly, energy-efficient services and producing products better	Electricity savings and cost reduction

	suited to future environmental conditions—more comfortable and more sustainable.	
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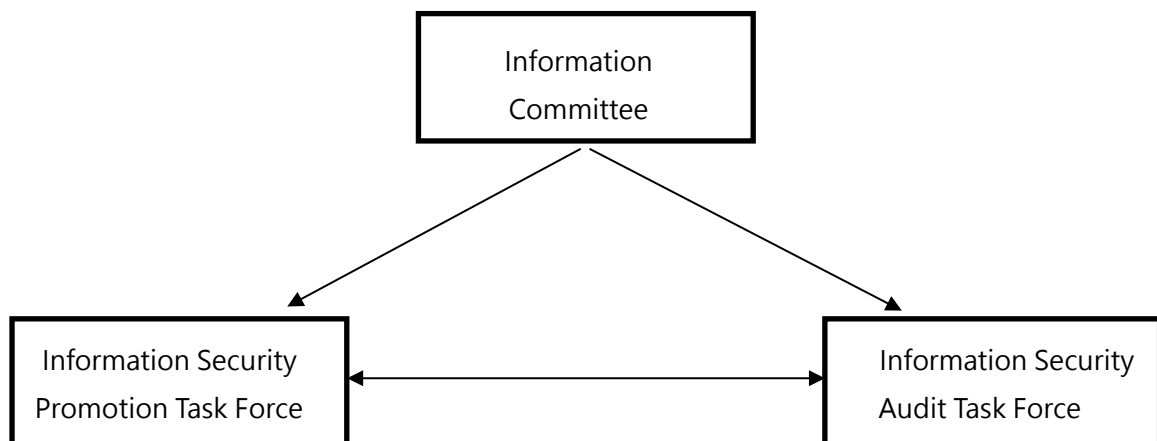
## Information Security Management

To strengthen information security management and protect information assets, customer confidential data, and employee personal information, Tex-Ray Industrial has established the *Information and Communication Security Management Guidelines* and the *Information Security Policy*. These policies aim to prevent external threats and improper internal use that may result in alteration, disclosure, damage, or loss of information.

Tex-Ray has implemented a range of information and communication security measures, including regular information security training to raise employee awareness. Annual restoration drills and verifications are conducted for critical systems. In response to the COVID-19 pandemic and to ensure business continuity, the Company adopted VPN and firewall mechanisms to safeguard internal and customer business information, while also establishing cloud-based offsite backups and remote work environments as part of its risk control framework.

In the event of an attack on the Company's information systems, Tex-Ray will notify relevant third-party partners, identify the root cause, and execute system recovery procedures. System vulnerabilities are then remediated and documented as the foundation for future system enhancements.

### Information Security Management Structure and Governance



<p>Information Committee</p>	<p>The Information Committee is formed as a task-oriented organization, with the Head of the Administration Department serving as the convener and division-level managers serving as committee members. The Committee convenes regular Information Security Working Meetings and Management Review Meetings. In 2024, a total of two meetings were held to review and discuss information security management performance and related matters, thereby enhancing the Company' s overall information security protection capabilities.</p>
<p>Information Security Promotion Task Force</p>	<p>The Task Force is led by the Executive Secretary of the Information Committee, who appoints additional members as needed. The Task Force is responsible for planning and implementing various information security operations and coordinating work with external service providers.</p>
<p>Information Security Audit Task Force</p>	<p>Members of the Task Force are appointed by the Information Committee, including internal auditors. The Task Force is responsible for evaluating and reviewing the effectiveness and implementation of the Company' s information security management systems.</p>

### Specific Management Measures

<p>Information Security Protection</p>	<ul style="list-style-type: none"> <li>● Implementation of multi-factor authentication to enhance identity verification and prevent unauthorized access, theft, or misuse of internal Company data.</li> <li>● Establishment of a multilayered defense-in-depth architecture and endpoint protection systems, incorporating automated detection</li> </ul>
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	<p>and monitoring tools to strengthen overall information security defenses.</p> <ul style="list-style-type: none"> <li>● Regular vulnerability scanning, drills, and related activities conducted by third-party institutions to reinforce detection, defense, and incident response capabilities.</li> </ul>
<p>Threat Intelligence and Joint Defense</p>	<ul style="list-style-type: none"> <li>● Participation in TWCERT for information security reporting and intelligence sharing.</li> <li>● Regular collection of external cybersecurity incident information and dissemination of related awareness and training within the Company.</li> </ul>
<p>Education and Training</p>	<ul style="list-style-type: none"> <li>● A total of three hours of information security training is provided annually for all employees, along with fifteen hours of professional training for designated information security personnel.</li> <li>● Regular social engineering email drills are conducted to enhance Company-wide cybersecurity awareness.</li> </ul>

# **2. Advancing Sustainable Production**

## 2.1 Supply Chain Management

Material Topic Management Approach	
Material Topic	Supply Chain Management
Impact and Significance	Suppliers are key partners in value co-creation. Non-compliant suppliers may result in additional management costs and potentially cause environmental or social impacts.
Policies or Commitments	<p>Tex-Ray regards suppliers as important partners in value co-creation. Beyond fundamental requirements—such as quality, delivery, pricing, and service—we actively promote sustainable supply chain management. In equipment and raw material procurement, priority is given to products and suppliers with environmental certifications. In addition, we work closely with customers to meet related sustainability requirements.</p> <p>More information:  <a href="https://www.texray.com/%e4%be%9b%e6%87%89%e9%8f%88%e7%a4%be%e6%9c%83%e8%b2%ac%e4%bb%bb/?lang=zh-hant">https://www.texray.com/%e4%be%9b%e6%87%89%e9%8f%88%e7%a4%be%e6%9c%83%e8%b2%ac%e4%bb%bb/?lang=zh-hant</a></p>
Management Actions	<ol style="list-style-type: none"> <li>1. Continually strengthen supplier evaluation and management.</li> <li>2. Gradually implement the signing of the <i>Tex-Ray Supplier Commitment Letter</i>.</li> </ol>
Evaluation Mechanisms	<ol style="list-style-type: none"> <li>1. Conduct regular supplier self-assessments, supplemented by on-site visits and inspections on an ad-hoc basis.</li> <li>2. Internal audits regularly review the implementation of supplier evaluation management by the procurement unit.</li> </ol>
Performance Tracking	<ol style="list-style-type: none"> <li>1. In 2024, 100% of Tier-1 suppliers of the Taiwan headquarters were included in the evaluation process, with a 100% compliance rate among evaluated suppliers.</li> <li>2. In 2024, 95.5% of Tier-1 suppliers of the Taiwan headquarters completed the signing of the Supplier Commitment Letter.</li> </ol> <p>Note: Tier-1 suppliers refer to suppliers with annual procurement amounts exceeding NT\$10 million at the Taiwan headquarters.</p>

# Supplier Management Policies and Mechanisms

## Supplier Management Policy

Tex-Ray values long-term partnerships with its suppliers and adheres to the principles of integrity and fair trade. Quality, delivery, pricing, and service constitute the fundamental standards for supplier collaboration. Suppliers are also required to comply with relevant laws and Tex-Ray's Supplier Code of Conduct across areas including corporate governance, occupational health and safety, labor and human rights, environmental and chemical management.

Through these requirements, Tex-Ray ensures smooth operation of the supply chain, safeguards the safety of raw materials and products, and mitigates potential operational risks arising from supplier instability.

For supplier selection, Tex-Ray Industrial implements a structured management mechanism that includes pre-engagement visits, pre-contract evaluations, and ongoing performance assessments. In addition to fundamental criteria such as quality, delivery, pricing, and service, the evaluation mechanism also considers sustainability-related aspects, including major non-compliance issues, occupational safety and health conditions, environmental pollution risks, and chemical and materials safety management.

- Suppliers with excellent evaluation results are prioritized for procurement.
- Suppliers scoring below 60 points or found to have non-compliance incidents who fail to improve within the specified timeframe—and where communication is ineffective—will be removed from the list of qualified suppliers.
- Tex-Ray establishes communication channels with suppliers through ad-hoc meetings and direct information exchanges to ensure stable and aligned expectations, fostering a smooth and trust-based partnership.

Through fair, impartial, and transparent procurement and supplier

evaluation mechanisms, Tex-Ray phases out suppliers with poor service performance, inadequate product quality, or regulatory non-compliance, while introducing new qualified partners. This approach enhances overall supply chain efficiency and supports the development of long-term, harmonious business relationships.

Tex-Ray's Taiwan headquarters has, since 2021, progressively required suppliers to sign the *Tex-Ray Supplier Commitment Letter* based on their annual procurement amount. Supplier compliance with relevant standards is reviewed regularly through the supplier evaluation process. At the current stage, supplier evaluations focus primarily on Tier-1 suppliers of the Taiwan headquarters. Suppliers with an annual procurement value exceeding NT\$10 million are classified as Tier-1 suppliers. Major procurement categories include primary production materials such as fabrics, dyeing auxiliaries, and yarns, followed by secondary materials, machinery and equipment, and general administrative supplies or service providers. Evaluations are conducted mainly through regular written assessments, supplemented by ad-hoc site visits and inspections. The primary objective is to support suppliers in obtaining environmental or safety certifications.

**In 2024, Tier-1 suppliers of the Taiwan headquarters achieved a 100% qualification rate in supplier evaluations.**

Tex-Ray Industrial will continue to strengthen its supplier evaluation mechanisms and plans to gradually expand the overall scope of

assessments to include suppliers beyond Tier-1, as well as extend the evaluation process to overseas production sites. This approach enables the Company to obtain deeper insights into suppliers' performance across governance, environmental, and social dimensions, thereby supporting Tex-Ray's commitment to corporate sustainability.

**Behavioral Standards in the Supplier Commitment Letter**

**In 2024, 100% of Tier-1 suppliers of the Taiwan headquarters completed the signing of the Tex-Ray Supplier Commitment Letter.**

<p>✔ Confidentiality</p>	<p>✔ Anti-Corruption &amp; Anti-Bribery</p>
<p>✔ Intellectual Property Protection</p>	<p>✔ Restricted &amp; Prohibited Substances</p>
<p>✔ Social Responsibility</p> <ul style="list-style-type: none"> <li>● Legal Compliance</li> <li>● No Child Labor</li> <li>● Human Rights</li> <li>● Non-Discrimination</li> <li>● Occupational Health &amp; Safety</li> <li>● No Excessive Overtime</li> <li>● No Inhumane Treatment</li> </ul>	

Tex-Ray Industrial regards suppliers as a critical component of the Company's sustainable development. Sustainability-related requirements—such as confidentiality, anti-corruption and anti-bribery, intellectual property protection, restricted and prohibited substances, and social responsibility—are incorporated into the Supplier Code of Conduct. Through the active implementation of sustainable supply chain management, Tex-Ray aims to work collaboratively with suppliers to contribute to broader social advancement.

**▼ Supplier Profile**

Category	Number of Suppliers	Evaluation Overview
Tier-1 Suppliers	22	<ul style="list-style-type: none"> <li>• 100% completed the signing of the Tex-Ray Supplier Commitment Letter.</li> <li>• All suppliers required by local regulations to obtain wastewater discharge permits have 100% valid permits.</li> <li>• 100% of primary material suppliers hold environmental certifications such as ZDHC, OEKO-TEX, or GRS.</li> </ul>
Non-Tier-1 Suppliers	437	<ul style="list-style-type: none"> <li>• 56% completed the signing of the Tex-Ray Supplier Commitment Letter.</li> </ul>

**Note:** For the Apparel Division, primary and secondary material suppliers are designated directly by brand customers; Tex-Ray is unable to negotiate or modify such arrangements. Therefore, these suppliers are not included in the evaluation scope.

## Local Procurement

Tex-Ray Industrial operates under the principle of “Think global, act local,” leveraging global logistics coordination while prioritizing local sourcing in production and procurement. This approach supports local economic development while reducing carbon emissions associated with transportation.

Across all regions, 100% of freight and waste management services are procured locally. In Taipei and Vietnam, outsourced services and general administrative supplies are also procured 100% from local suppliers, thereby contributing to the sustainable development of the industrial supply chain.

### ▼ Local Procurement Ratio

Operational Site	2022	2023	2024
Taiwan	63.08%	61.10%	87.58%

Vietnam	100.00%	100.00%	100.00%
Eswatini		64.53%	55.78%

Notes:

1. Due to customer-designated suppliers and brand requirements for primary and secondary materials in apparel orders in Taiwan and Vietnam, local procurement statistics are no longer applicable for apparel materials from 2023 onward.
2. Vietnam's Binh Duong facility suspended operations beginning in 2023; therefore, data from 2023 onward reflects only the Long An facility.
3. Eswatini began reporting local procurement data starting in 2023

### Sustainable Raw Material Procurement

In raw material procurement, the Company adheres to the following principles:

- Prioritize products and suppliers with environmental certifications.
- Suppliers must not provide materials listed on international restricted substance lists or materials that violate hazardous substance regulations.
- Consider humanitarian factors in the sourcing of raw materials.

**In 2024, the Taiwan headquarters sourced 34.37% of its raw materials from third-party-certified sustainable sources.**

- ✧ Recycled PET yarn/fabrics or GRS-certified products—aimed at reducing environmental impact and enhancing material circularity—accounted for **30.92%** of total primary material procurement.
- ✧ Cotton certified by the Better Cotton Initiative (BCI), emphasizing environmental sustainability and human rights, accounted for **3.45%** of total primary material procurement.

## 1.2 Quality Management

Material Topic Management Approach	
<b>Material Topic</b>	Product Quality and Service
<b>Impact and Significance</b>	Product quality and service have a direct impact on Tex-Ray's corporate reputation, which in turn influences business performance and market competitiveness.
<b>Policies or Commitments</b>	<p>Tex-Ray Industrial is committed to providing high-quality products and services while pursuing continuous innovation to offer customers and consumers superior choices.</p> <p>More information:</p> <p><a href="https://www.texray.com/%e8%aa%8d%e8%ad%89%e8%88%87%e7%8d%b2%e7%8d%8e-new/?lang=zh-hant">https://www.texray.com/%e8%aa%8d%e8%ad%89%e8%88%87%e7%8d%b2%e7%8d%8e-new/?lang=zh-hant</a></p> <p><a href="https://www.texray.com/innovation-twt/?lang=zh-hant">https://www.texray.com/innovation-twt/?lang=zh-hant</a></p>
<b>Management Actions</b>	<ol style="list-style-type: none"> <li>1. Continuously improve the ISO 9001 Quality Management System and ensure full-process quality control in production.</li> <li>2. Utilize automated production to enhance product quality and efficiency.</li> <li>3. Continue research and development of products with sustainability and innovation concepts.</li> </ol>
<b>Evaluation Mechanisms</b>	<ol style="list-style-type: none"> <li>1. Conduct weekly reviews of quality improvement progress through quality abnormality and customer complaint statistics.</li> <li>2. Monitor R&amp;D investment in sustainable and innovative products, along with related revenue performance.</li> </ol>
<b>Performance Tracking</b>	<ol style="list-style-type: none"> <li>1. In 2024, the quality abnormality rate was maintained below 5%, the customer complaint rate below 5%, the on-time delivery rate above 90%, and customer satisfaction above 90%.</li> <li>2. R&amp;D investment in 2024 amounted to NT\$129,768 thousand.</li> <li>3. Revenue from sustainable and innovative products in 2024 reached NT\$634,836 thousand, representing an approximate</li> </ol>

96% increase compared with the previous year.

Note: R&D investment figures are disclosed based on consolidated financial statements, covering overseas subsidiaries and equity-method investees, and are consistent with the annual report.

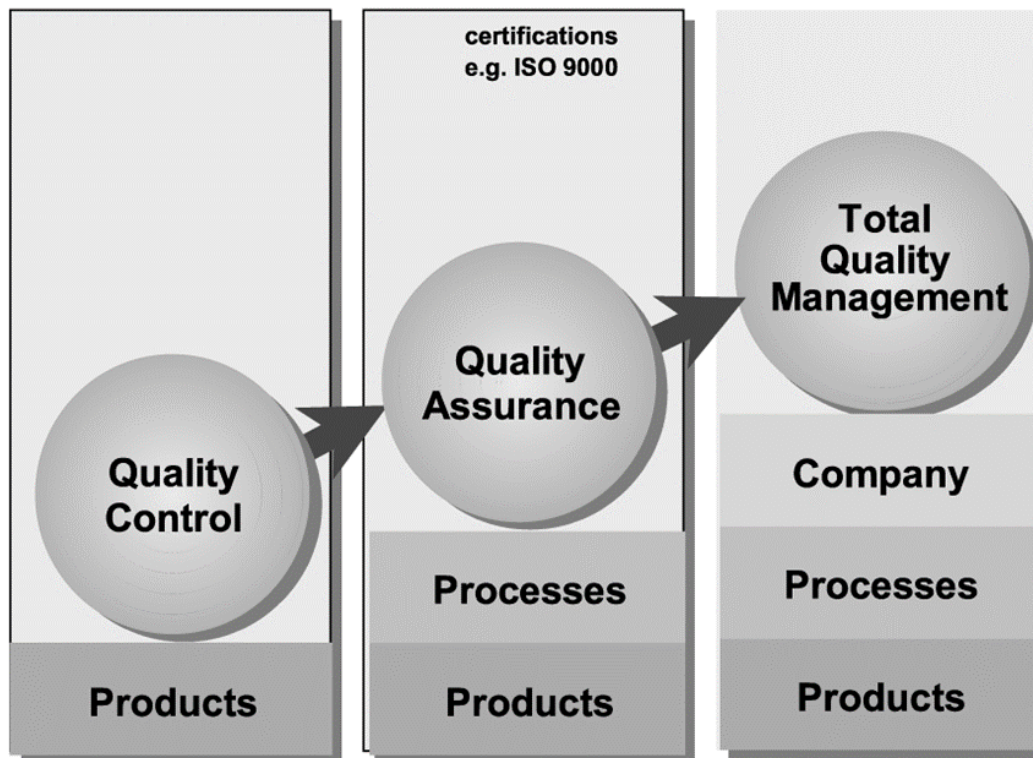
## Quality Management Policy

Tex-Ray Industrial' s quality policy encompasses four key elements: *quality first, on-time delivery, customer satisfaction, and continuous improvement*. In 2024, the quality abnormality rate was maintained below 5%, the customer complaint rate below 5%, the on-time delivery rate above 90%, and customer satisfaction above 90%.

### Tex-Ray Industrial Quality Policy

- **Quality First** – Continuously enhance production technologies and improve product quality in order to deliver the best products to the market.
- **On-Time Delivery** – Accept orders within production capacity, honor delivery commitments, and ensure timely shipments to prevent delays.
- **Customer Satisfaction** – Provide sincere and dedicated service, prioritize customer needs in all decision-making, and strive to achieve maximum customer satisfaction.
- **Continuous Improvement** – Quality is the lifeline of the enterprise. Tex-Ray continuously analyzes, reviews, and improves corrective actions and tracks effectiveness while implementing preventive measures. The Company is committed to delivering the best products to consumers and sustaining business operations and market competitiveness through ongoing quality improvement.

# Quality Management Mechanisms



Total Quality Management

## ISO 9001 Quality Management System

To maintain a high standard of product quality, Tex-Ray Industrial has implemented the ISO 9001 Quality Management System and established standardized quality management procedures. These include raw material sampling inspections upon receipt, operating procedures for production machinery, calibration of inspection instruments, and testing of finished and semi-finished products. Standard operating procedures (SOPs) are established for each process, and internal audits are conducted to ensure the effectiveness of the quality inspection



mechanism. Through this system, Tex-Ray responds to customer expectations by delivering products of the highest quality.

### **Company-wide Quality Training**

Tex-Ray Industrial considers teamwork as a core driver for enhancing product and service quality, with all departments adhering to the principle of producing high-quality products. New quality management personnel are required to complete a basic six-hour training program covering quality policies, quality management concepts, product inspection methods, and process quality control plans.

Subsequent periodic training includes topics such as sampling procedures, pre-packing inspection of finished and semi-finished products, sharp-object control processes, and the use of measurement tools. Factory employees are also provided with a quality management handbook or a new employee training manual.

**In 2024, dedicated quality assurance personnel received professional training once per month, while quality inspection personnel underwent on-the-job training once every six months.**



New employees undergo regular training that includes foundational courses on quality policies and quality management. Dedicated personnel receive professional training once per month, and quality inspection staff receive on-the-job training every six months.



These measures ensure that all employees share a consistent understanding and expectation of product quality, thereby supporting the effective implementation of the Group' s quality management policy.

### **Regular Review**

To ensure the implementation of the Company' s quality management policy, each factory conducts weekly meetings to announce production quality targets for the week and to review progress on quality improvements. This allows all departments to stay informed of the latest quality information and to promptly develop concrete corrective actions, thereby enhancing execution efficiency.

### **Product Safety Management**

Beyond training and communication, Tex-Ray Industrial regards product safety as a key measure of product quality. Throughout the entire production process—from raw material entry, warehousing, production preparation, manufacturing, to finished goods delivery—product safety risks must be strictly controlled.

Before raw materials enter the factory, suppliers are required to provide

material composition test reports to ensure that incoming materials do not contain toxic substances, environmentally harmful components, or any substances prohibited by customer requirements or international regulations.

Within production facilities, zoning and color-coded management systems are enforced, with clear and prominent labeling. All materials must be stored in designated areas during warehousing and production and must follow the first-in, first-out (FIFO) principle.

All finished apparel products must undergo metal detection prior to packaging. Production areas are strictly controlled to prohibit the presence of metal or sharp objects, such as paper clips, staples, or hooks. Detailed records are maintained for each needle change. Highly controlled production zones operate under source-control mechanisms, where only authorized personnel are permitted entry. Access for unauthorized individuals is restricted, and the handling of items within the zone is regulated. The use of metal objects—including staples for documents—is strictly prohibited.

Through these comprehensive management measures, Tex-Ray ensures that all products maintain the highest level of safety and prevents any potential hazards throughout the production process.

## 2.3 Innovation and Research & Development (R&D)

In recent years, the textile market has faced intense competition driven by the rise of fast fashion and e-commerce, prompting the industry to rapidly transition away from traditional contract manufacturing roles. In response to this evolving business environment, Tex-Ray Industrial has progressively developed a range of technology-based patented products and launched its own brands, shifting from a reliance on original equipment manufacturing (OEM) toward new opportunities in original

design manufacturing (ODM). Innovation and R&D serve as the core driving force behind this transformation.

Under the “TSVAC Tex-Ray Seamless Value-Added Chain” strategy, Tex-Ray established its R&D Center in 2012 at the Taipei headquarters, focusing on technological innovation and brand development. This initiative supports the Company’s commitment to “providing environmentally friendly, comfortable, and healthy fashion apparel through innovative technology.”

To foster innovation and ensure that R&D efforts lead to practical, applicable outcomes, Tex-Ray has implemented an **R&D Management System** that includes internal R&D training and incentive programs, internal review procedures, external collaboration mechanisms, and 成果轉移制度 ( technology/knowledge transfer mechanisms ). A dedicated team is also responsible for monitoring industry, market, and brand development trends, which serve as critical references for evaluating future R&D directions.

### ▼ R&D and Innovation Expenditures

Unit: NT\$ thousand

Item	2022	2023	2024
R&D Expenditures	77,898	85,069	129,768
Percentage of Revenue	1.27%	1.87%	2.58%

Note: Figures are presented based on consolidated financial statements, covering overseas subsidiaries and equity-method investees, and are consistent with disclosures in the annual report.
























## Sustainable and Innovative Products

In response to the global trend toward heightened environmental protection, Tex-Ray Industrial is committed to developing high-value products and services through innovative thinking. The Company has successfully developed multiple functional textiles that embody environmental sustainability and offer high added value. In recent years, R&D efforts have increasingly expanded upstream into filament and raw material applications, aiming to strengthen the Company's core value in sustainable development.

Based on product attributes and proprietary technologies, Tex-Ray Industrial has organized its product portfolio into the **RAYS Functional Textile Product Map**, comprising eight major series: **OCEAN, DRY, MAPPING, SUN, SHIELD, GREEN, HUE, and NEO**. This product map systematically demonstrates Tex-Ray's achievements in developing environmentally friendly, energy-saving, low-carbon, and technologically advanced functional textiles.

Looking ahead, Tex-Ray will continue to invest resources in the development of green and environmentally sustainable products, with a strong focus on innovation that delivers meaningful sustainability benefits.

In 2024, sustainable and innovative products of the Taiwan headquarters generated revenue of NT\$634,836 thousand, representing an increase of approximately 96% compared with the previous year.

							
COOL TO THE COOLEST	COMFORT IN THE DRIEST	STITCHING YOUR BREEZE	SURROUNDED BY WARMTH	ARM-UP FOR EXTREME	ECO CYCLE EXCELLENCE	PRETTIEST WITH ECOLOGY	BLINK TO THE BRIGHTEST
 			  		  	 	 

## Environmental Product – ECOLORATION

**ECOLORATION** is a next-generation dyeing process developed to address the high energy consumption and heavy water usage associated with traditional dyeing and finishing methods. The technology enables dyes to rapidly bond with amino groups at the fiber ends, enhancing dye uptake efficiency and simplifying processing steps. This significantly shortens production time while reducing resource consumption.

Based on actual application results, **ECOLORATION** can reduce manufacturing time by approximately **70%**, while simultaneously lowering **energy use by 75%**, **water and wastewater discharge by 90%**, and **carbon emissions by 80%**.

This technology maintains consistent dyeing quality and production flexibility and is applicable to various fabric types. It enhances production efficiency while contributing meaningfully to carbon reduction and resource conservation, supporting Tex-Ray' s sustainability objectives.



## Environmental Products – TCool® and THot® Yarns

TCool® and THot® are climate-regulating textile fibers developed by incorporating nano-scale functional powders into polyester fibers during the spinning process. This enables the cooling, heat-insulation, and light-to-heat conversion functions to be embedded directly into the filament as it is formed.

TCool® effectively blocks **70% of infrared and harmful UV rays**, achieving a cooling effect of **2–5°C** compared with conventional polyester fabrics.

THot®, on the other hand, features a stable heat-feedback system that absorbs solar energy and other heat sources and converts them into usable thermal energy for the wearer. Combined with a thermal circulation mechanism, it reduces heat loss and provides an effective warming effect of **3–5°C**.

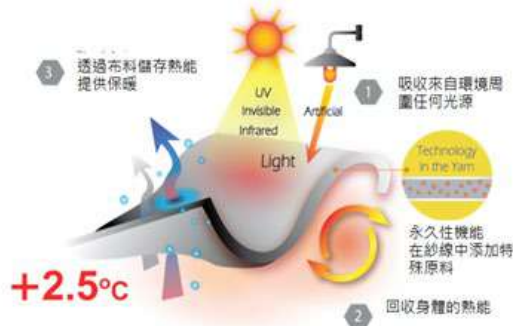
Both TCool® and THot® offer **temperature-regulating performance** that remains durable even after washing or routine care, enhancing the long-term functionality of the fabric.

In addition, their manufacturing processes avoid the discharge of chemical agents into water, ensuring no environmental burden or pollution.

**WHAT IS THOT**  
吸光發熱吸熱發熱技術  
HEAT RECYCLING TECHNOLOGY



**Turning Light into Energy**



- THot®提供熱循環系統先端技術
- 吸收來自周圍紅外線光源的能量，包括太陽、身體熱量甚至人造燈，透過布料將其轉化為發熱保暖的機能
- 提供更多更輕量、保暖、舒適機能的選擇。

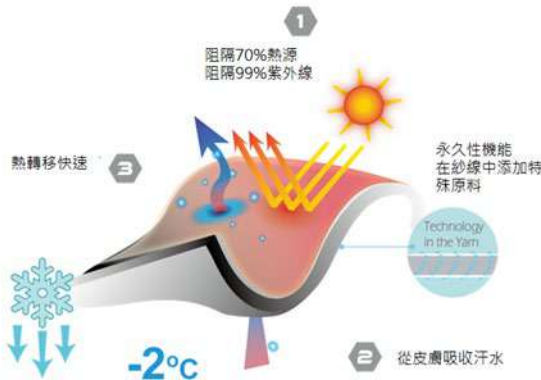
**優點**



**WHAT IS TCOOL**  
熱阻隔布料技術  
HEAT RAYS BLOCKING TECHNOLOGY



**COOLER IN THE HEAT RAYS BLOCKING**



- 反射環境中的太陽光和紅外線(IR rays)等熱源
- 降低紫外線穿透布料減少皮膚對環境中熱源的吸收，保持身體涼爽舒適
- 提供良好的吸濕排汗機能維持乾爽和透氣。
- **優點**



**Smart Products – Smart Clothing**

Smart clothing—an integration of textiles and information technology—has become a major development trend within the industry. Tex-Ray Industrial has been an early mover in this field, initiating smart clothing R&D as early as 2010 and developing diversified collaboration models. Through its strategic cross-industry investment in **Aropec Sports Fiber Technology Co., Ltd.**, Tex-Ray has built upon its strong foundation in functional apparel by incorporating electronic components and backend service systems. This enables the integration of body sensing, data analytics, and health information delivery within smart clothing applications.

These technologies have been applied to various user groups, including athletes, older adults, and infants. After years of continuous development, Tex-Ray has established itself as a leading global manufacturer in the smart clothing industry.



### Certified by Bureau Veritas for Smart Clothing Testing

Tex-Ray Industrial collaborated with **Bureau Veritas Group**, becoming one of the first companies worldwide to obtain smart clothing testing certification. In 2017, Elizabeth Häusler, Global Vice President of Technical Services at Bureau Veritas Group, officially announced this achievement at the **Mobile World Congress (MWC)**, where Tex-Ray' s smart clothing products were also showcased.

## Automated Production

### Intelligent Production Management System

Through the implementation of the **Manufacturing Execution System (MES)**, Tex-Ray ensures end-to-end digital control from order receipt to production, process management, and product completion. The MES actively collects and monitors production data in real time to safeguard product quality and manufacturing efficiency, enabling optimal capacity balancing and achievement of production performance targets.

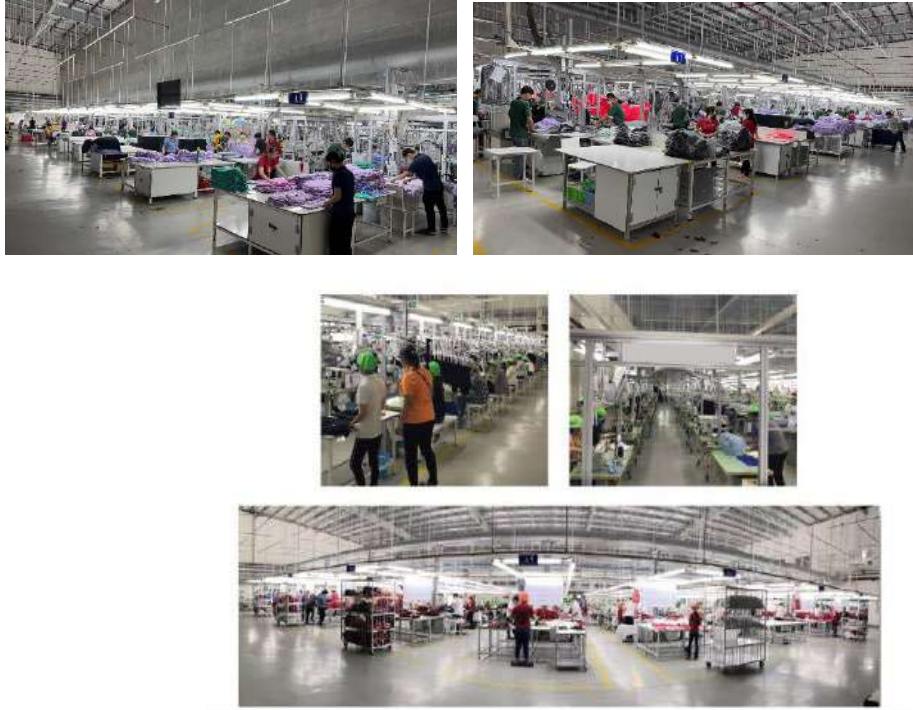
The factory MES is integrated with the headquarters' operational management system, allowing synchronized data transfer. Non-factory units can also monitor production status and conduct operational analyses, enabling timely decision-making on production scheduling adjustments.

### Hanging Production System

Unlike traditional assembly-line workflows, the hanging production system suspends fabric pieces on hangers. Based on pre-arranged processes and workstation sequencing, once an operator completes a task and presses the control button, the system automatically moves the hanger to the next workstation according to computerized instructions. This allows sewing operators to focus solely on sewing, significantly reducing non-productive time such as transporting, bundling, and folding materials, thus improving overall efficiency.

As of November 2024, the Vietnam facilities have fully implemented the hanging production system, further advancing Tex-Ray's goal of comprehensive automation in factory operations.

In addition, the hanging system creates a brighter and cleaner working environment. Real-time visualized production data further provides managers with instant, full-scope oversight, enhancing overall operational control.



## Customer Value-Added Services

To showcase functional textiles and other innovative R&D achievements, Tex-Ray Industrial actively participates in domestic and international textile exhibitions. These events create opportunities for product exposure, enhance market competitiveness, and reinforce Tex-Ray's role as a strategic partner in supporting customers' business growth. With new business processes and models emerging, digital marketing has become the new norm. By establishing and utilizing digital marketing tools, Tex-Ray is able to engage with target customers more efficiently and in real time.

### **Tex-Ray One-Page Exhibition Brief**

Featured Products and Innovation Highlights :

To help customers capture market trends and expand global distribution channels, Tex-Ray not only continues to participate in leading textile exhibitions worldwide but also prepares a **"One-Page Exhibition Brief"** tailored for each event. This concise visual summary enables customers to quickly understand product features, key technologies, and application directions.

This internal resource simultaneously supports both sales and marketing teams and is presented onsite with a QR code, allowing visitors to instantly access digital materials—improving communication efficiency while reducing paper usage.

Through a combination of physical exhibitions and digital marketing, Tex-Ray is committed to fostering sustainable, value-creating partnerships with its customers.



### Digital Video Marketing for Key Product Themes

Featured Products and Innovation Highlights :

Focusing on flagship products such as **T-COOL®** and **T-FRESH®**, Tex-Ray conducts targeted digital video marketing campaigns tailored to specific market segments. The promotional content is distributed to visiting customers, potential buyers, the corporate website, online showrooms, and prospective clients invited through exhibition activities.

In addition, video materials are shared through media channels, online platforms, and customer engagement opportunities to enhance brand visibility. Through these integrated marketing efforts, Tex-Ray effectively communicates a strong corporate image and continues to strengthen and expand relationships with both existing and new customers.



# 3. Environmental Protection

Under the escalating threats of climate change, environmental sustainability and the global pursuit of net-zero emissions by 2050 have become a shared and imperative objective. Tex-Ray has established and implemented an **Environmental Sustainability Policy**, actively mitigating the environmental impacts arising from production activities and progressively advancing toward net-zero emissions, with the aim of achieving a balance between operational performance and environmental stewardship.

The **Environmental Sustainability Task Force**, established under the Sustainability Development Committee, is responsible for assessing environmental and energy-related risks, monitoring regulatory developments, setting management targets, and tracking the implementation of improvement initiatives. The task force also supports each operating site in introducing relevant environmental and energy management systems.

Each manufacturing site convenes annual management review meetings to evaluate implementation effectiveness and, based on the results, develop and execute corresponding action plans. Through a continuous improvement cycle, we ensure the realization of our environmental sustainability commitments. Tex-Ray further pledges to use **2023 as the baseline year**, with the following 2028 targets:

- **5% reduction in energy consumption per unit of product**
- **5% reduction in water consumption per unit of product**
- **5% reduction in total waste generated**

# 3.1 Energy and Resource Use Management

Material Topic Management Approach Table	
Material Topic	Energy and Resource Use Management
Impacts and Significance	The efficiency of energy and resource use affects the Company' s operating costs, and excessive consumption may result in negative environmental impacts.
Policies or Commitments	With 2023 as the baseline year, the Company aims to achieve a 5% reduction in energy use intensity, water use intensity, and total waste generation by 2028. Please refer to the section "Status of Sustainability Implementation" in Tex-Ray' s 2024 Annual Shareholders' Meeting Report.
Management Actions	<ol style="list-style-type: none"> <li>1. Prioritize the adoption of environmentally friendly and energy-efficient equipment.</li> <li>2. Promote environmental awareness and cultivate sustainable habits among employees.</li> <li>3. Continuously implement various energy-saving initiatives and improve production processes.</li> </ol>
Evaluation Mechanisms	<ol style="list-style-type: none"> <li>1. Production sites have implemented the ISO 14001 Environmental Management System and undergo annual audits for effectiveness.</li> <li>2. The ISO 50001 Energy Management System is enforced, with annual effectiveness audits conducted at production sites.</li> <li>3. Annual greenhouse gas inventories are performed and verified in accordance with ISO 14064-1.</li> </ol>
Performance Tracking	<p><b>Energy Conservation and Carbon Reduction:</b></p> <ul style="list-style-type: none"> <li>• <i>Electricity Savings:</i> Five electricity-saving initiatives implemented in 2024 resulted in total energy savings of</li> </ul>

2,413 GJ, equivalent to a reduction of 438.58 tCO<sub>2</sub>e.

- *Water Savings:* The Eswatini dyeing and finishing plant achieved a water recycling rate of approximately 48% in 2024. Green machinery purchased is expected to be operational in 2025, capable of reducing process water consumption by up to 90%.

**Third-Party Certification of Energy and Environmental Data:**

- Greenhouse Gas Emissions: ISO 14064-1
- Product Carbon Footprint: ISO 14067
- Water Use and Total Waste Generation: ISO 14001
- Energy Management System: ISO 50001

Note: For the scope of certification, verification bodies, and validity periods, please refer to the Appendix "Third-Party Sustainability-Related Certifications."

## Energy Management

For traditional manufacturing industries, rising energy costs significantly increase overall production expenses; consequently, energy expenditures are closely tied to a company's operational competitiveness. Energy management is therefore one of our key environmental topics.

For Tex-Ray, electricity purchased from external sources constitutes the primary energy consumption at our garment facilities, while coal is the major energy source used at our fabric production sites. Through the operation of our energy management systems, reducing energy losses at production facilities serves as the core management approach. Each site's Energy Promotion Team conducts regular reviews of energy usage conditions and implements corresponding energy-saving action plans based on review results, thereby fulfilling Tex-Ray's commitment to continuously improving energy performance.

### ▼ Total Energy Consumption

Unit: GJ

Operating Site		Corporate Headquarters		Garment BU				Fabric BU	
		Taiwan		Vietnam		Eswatini		Eswatini	
Year		2023	2024	2023	2024	2023	2024	2023	2024
Non-renewable Energy	Gasoline	-	-	713	776	1,091	940	380	355
	Diesel	-	-	25	95	-	97	703	812
	Liquefied Petroleum Gas (LPG)	-	-	54	46	-	-	3	7
	Coal	-	-	-	-	-	-	136,151	153,950
Purchased Electricity	Electricity	1,792	1,732	9,386	9,716	7,652	12,409	29,376	29,293
Total Energy Consumption		1,792	1,732	10,178	10,633	8,743	13,446	166,610	184,484
Energy Intensity		-	-	0.0325	0.0249	0.0121	0.0186	0.0681	0.0621

#### Notes

1. Energy conversions are based on the heating values published in the Energy Product Calorific Value Table by the Bureau of Energy, Taiwan.
2. Electricity conversion factor: 1 kWh = 0.0036 GJ.

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3. Energy Intensity:

- (1) Taiwan serves as the corporate headquarters and does not operate production facilities.
- (2) Garment BU: Total energy consumption (GJ) per dozen units of product output.
- (3) Fabric BU: Total energy consumption (GJ) per kilogram of product output.

Tex-Ray continues to implement various equipment energy-saving initiatives and process improvements. In addition to these measures, upstream management is strengthened through a centralized Green Procurement Policy established by the Taiwan headquarters. This policy ensures that all procured equipment and office supplies possess environmental and energy-efficient attributes, thereby reducing both energy consumption and the associated greenhouse gas emissions.

**2024–2025 LED Panel Light Replacement at Taiwan Headquarters**  
**Planned investment: 483,000 NTD**  
**Two floors were replaced in 2024**  
**Saved 16,675 kWh of electricity**

Overseas production sites are comprehensively promoting energy-saving initiatives. Current improvement measures focus on adopting low-energy-consumption equipment, installing devices that utilize natural energy, and cultivating energy-conserving habits among employees, thereby reducing electricity consumption generated by production activities.

**In 2024, a total of five energy-saving initiatives were implemented.**  
**Total energy savings: 2,413 GJ**  
**Equivalent reduction in greenhouse gas emissions: 438.58 t-CO<sub>2</sub>e**

**▼ Energy-Saving Initiatives and Performance at Overseas Production Sites in 2024**

Energy-Saving Measure	Vietnam		Eswatini	
	Energy Consumption	GHG Emissions	Energy Consumption	GHG Emissions
	↓	↓	↓	↓
Adoption of mobile ironing stations	761	170.03		
Full adoption of direct-drive or variable-frequency servo motors for sewing machines			1,035	136.30
Full replacement with LED lighting	478	106.74		
Installation of simple solar lighting	79	17.61		
<b>Total</b>	<b>1,318</b>	<b>294.38</b>	<b>1,035</b>	<b>136.30</b>

**Notes:**

1. GHG emissions for the Vietnam production site were calculated using the Vietnam grid emission factor of 0.7221 kg-CO<sub>2</sub>/kWh.
2. GHG emissions for the Eswatini production site were calculated using the emission factor of 0.474 kg-CO<sub>2</sub>e/kWh, as announced by the Energy Administration, Ministry of Economic Affairs, Taiwan, in 2024.

**Long An Plant, Vietnam**

Environmental considerations were incorporated from the initial stages of facility design and layout planning:

1. Based on local solar exposure conditions, window openings were oriented to avoid the east–west direction, while the building’s long axis was planned primarily along the north–south direction. An environmental cooling system using water curtain panels was installed to lower indoor temperatures, achieving energy reduction and carbon mitigation benefits.
2. All domestic wastewater generated within the facility is collected through external PVC pipelines and conveyed to the wastewater treatment plant. After secondary-level treatment, the resulting reclaimed water is supplied for use in toilet water tanks throughout the site.
3. Low-energy-consumption equipment is adopted across the entire facility, including variable-frequency constant-pressure pumps, LED lighting, sewing machines equipped with direct-drive or variable-

frequency servo motors, and home appliances with environmental certifications.



In 2024, the Vietnam production site prioritized the implementation of the ISO 50001 Energy Management System certification. By establishing an energy management framework and system based on international standards, the site aims to continuously improve its energy performance and process management.

**The Vietnam production site obtained ISO 50001 Energy Management System certification in 2024.**

Tex-Ray will also evaluate the feasibility of adopting renewable energy in the future to further green its operational activities. In addition, to enhance employees' awareness of environmental protection, the Company not only plans soft energy-saving and carbon-reduction initiatives, but will also cultivate internal talent by encouraging employees to obtain environment-related certifications. Through capacity building, Tex-Ray aims to strengthen its internal environmental management and establish a green corporate culture.

### **Enhancing Employees' Awareness of Environmental Protection and Reuse**

A series of energy-saving and carbon-reduction initiatives have evolved from Tex-Ray's long-standing World Earth Day campaigns, demonstrating employees' sense of responsibility toward environmental sustainability. In addition to existing activities such as lunchtime lights-off, taking the stairs, and community clean-up efforts, this year employees voluntarily initiated a public transportation green program. Tex-Ray also held its first outdoor beach clean-up event, inviting employees and their families to participate. Furthermore, a second-hand goods charity market was organized, with all proceeds donated to the Taiwan Fund for Children and Families and the Society of Wilderness.

## Greenhouse Gas Inventory

Climate change presents a shared challenge and responsibility for all enterprises. In line with the disclosure timeline set forth in the Taiwan Stock Exchange's "Sustainability Roadmap for TWSE- and TPEX-Listed Companies," Tex-Ray is progressively expanding its greenhouse gas inventory boundary and external verification to include its overseas production sites. The Company aims to complete Scope 1 and Scope 2 emissions inventories for all sites by **2026**, and to complete external verification by **2028**. Progress is reported regularly to the Board of Directors, demonstrating Tex-Ray's commitment to environmental protection.

Since 2021, the Vietnam production site has taken priority in conducting greenhouse gas inventories. Purchased electricity under Scope 2 is identified as the primary source of greenhouse gas emissions. By compiling annual energy consumption data and evaluating the implementation of an intelligent energy management system, the site analyzes key emission-reduction opportunities and establishes medium- and long-term energy-saving and carbon-reduction targets and action plans, thereby formulating energy-saving measures suitable for the facility.

**The Vietnam production site obtained third-party greenhouse gas verification statements in both 2023 and 2024.**

## ▼ Greenhouse Gas Emissions Overview

Unit: t-CO<sub>2</sub>e

Operating Site		Corporate Headquarters		Garment BU				Fabric BU	
		Taiwan		Vietnam		Eswatini		Eswatini	
Year		2023	2024	2023	2024	2023	2024	2023	2024
Scope 1	Direct Emissions	-	-	113.55	146.55	75.93	72.63	13,031.54	22,941.45
Scope 2	Indirect Emissions	249.98	237.92	1,764.03	1,779.06	1,049.95	1,702.85	4,031.09	4,068.50
<b>Total Emissions</b>		<b>249.98</b>	<b>237.92</b>	<b>1,877.58</b>	<b>1,925.61</b>	<b>1,125.88</b>	<b>1,775.48</b>	<b>17,062.63</b>	<b>27,009.95</b>
<b>Emissions Intensity</b>		-	-	<b>0.0060</b>	<b>0.0045</b>	<b>0.0016</b>	<b>0.0025</b>	<b>0.0070</b>	<b>0.0091</b>

### Notes:

1. Scope 2 emissions for all sites derive solely from purchased electricity.
2. Emissions for the Taiwan headquarters are calculated based on the carbon emission factors provided on each electricity bill issued by Taiwan Power Company (Taipower).
3. Emission data for the Vietnam production site have been assured by a third party.
4. The Eswatini production site began calculating greenhouse gas emissions in 2023; calculations are performed using the "Carbon Footprint Calculator" issued by the Industrial Development Administration, Ministry of Economic Affairs, Taiwan.
5. Emissions Intensity:
  - (1) Taiwan serves as the corporate headquarters and does not operate production facilities.
  - (2) Garment BU: Total emissions per dozen units of product output.
  - (3) Fabric BU: Total emissions per kilogram of product output.

### 2024 Energy-Saving Initiative at the Fabric Dyeing and Finishing Plant

- Replacement of the steam boiler is expected to reduce coal consumption by 16.7%, with commissioning scheduled for 2025.  
→ This measure is estimated to reduce greenhouse gas emissions by 1,790.88 t-CO<sub>2</sub>e annually.

## Water Resource Management

Water resource management plays a critical role in sustainable operations. In the face of supply–demand imbalances caused by climate change, optimizing water use and enhancing water-use efficiency have become essential topics for strengthening organizational resilience under such risk conditions.

All of the Company’s water supply is sourced from local municipal water utilities. Tex-Ray manages water use from the source by improving production processes and technologies, installing water-saving equipment to reduce consumption, and establishing wastewater recycling systems at its sites to ensure discharge complies with local regulations. Water-saving reminders are placed in areas of domestic water use to cultivate employees’ conservation habits. The Company also plans to introduce rainwater harvesting systems at all production sites to effectively utilize this vital natural resource. In 2024, the Vietnam garment plant achieved a recycled water utilization rate of approximately 0.72%.

**The Vietnam production site obtained third-party certification for its water consumption data in both 2023 and 2024.**

**Note: Certification for water consumption is included within ISO 14001.**

### ▼ Water Resource Usage Overview

Unit: thousand m<sup>3</sup>

Operating Site	Corporate Headquarters		Garment BU				Fabric BU	
	Taiwan		Vietnam		Eswatini		Eswatini	
Year	2023	2024	2023	2024	2023	2024	2023	2024
Municipal Water	4.45	4.14	36.14	33.95	2.64	0.90	7.11	0.76

Surface Water (River Water)	-	-	-	-	-	-	769.28	829.30
Groundwater	-	-	-	-	12.46	23.59	0.49	21.48
<b>Total Water Withdrawal</b>	<b>4.45</b>	<b>4.14</b>	<b>36.14</b>	<b>33.95</b>	<b>15.10</b>	<b>24.49</b>	<b>776.88</b>	<b>851.53</b>

**Notes:**The activity data are based on meter readings or purchase records, and all water sources are legally obtained.

### **ECOLORATION – Next-Generation Dyeing Process**

The ECOLORATION process enables rapid bonding between dyes and terminal amino groups of fibers, enhancing dye uptake efficiency and simplifying processing steps. This technology can reduce manufacturing time by approximately 70%, while simultaneously lowering energy consumption by 75%, water use and wastewater discharge by 90%, and carbon emissions by 80%.

## 3.2 Environmental Pollution

### Prevention

Material Topic Management Approach	
<b>Material Topic</b>	Environmental Pollution Prevention
<b>Impacts and Significance</b>	Polluted wastewater and waste generated during production may cause environmental contamination and negatively affect human health. Therefore, effective pollution control is critical to the overall value chain and all production processes.
<b>Policies or Commitments</b>	Tex-Ray complies with the environmental regulations applicable in the regions where it operates. In addition, the Company actively responds to customer-related environmental requirements. <a href="https://www.texray.com/wp-content/uploads/2023/05/%E7%B6%B2%E7%AB%99%E5%85%A7%E5%AE%B9-%E6%B0%B8%E7%BA%8C%E7%99%BC%E5%B1%95%E5%AF%A6%E5%8B%99%E5%AE%88%E5%89%87.pdf">https://www.texray.com/wp-content/uploads/2023/05/%E7%B6%B2%E7%AB%99%E5%85%A7%E5%AE%B9-%E6%B0%B8%E7%BA%8C%E7%99%BC%E5%B1%95%E5%AF%A6%E5%8B%99%E5%AE%88%E5%89%87.pdf</a>
<b>Management Actions</b>	<ol style="list-style-type: none"><li>1. Implement waste and wastewater management at source by following relevant pollution prevention procedures to reduce environmental impacts during production.</li><li>2. Continuously monitor changes in local environmental laws and regulations to ensure compliance across all production facilities.</li></ol>
<b>Evaluation Mechanisms</b>	<ol style="list-style-type: none"><li>1. Periodic review of pollution discharge performance at production sites.</li><li>2. Internal audits conducted by the Chemical Management Department.</li></ol>
<b>Performance Tracking</b>	<p><b>2024:</b> No violations or incidents related to improper wastewater discharge.</p> <p><b>2024:</b> No major chemical spills or non-compliance events occurred.</p>

## Wastewater Management

Tex-Ray's operating sites manage wastewater in accordance with local environmental regulations. Overseas production sites primarily discharge wastewater to industrial zone wastewater treatment facilities, with effluent quality monitored regularly to ensure compliance with statutory standards. Pollution prevention is further strengthened through the implementation of a restricted-substances management system, which controls chemical use at the process level to minimize environmental impacts.

In 2024, no incidents of non-compliance related to wastewater discharge occurred.

**In 2024, no incidents of non-compliance related to wastewater discharge occurred.**

## Waste Management

The majority of waste generated during Tex-Ray's operations consists of general industrial waste, which can be broadly categorized into three types: process waste, domestic waste, and equipment maintenance waste. Hazardous waste primarily includes discarded light tubes, batteries, and empty chemical containers. All waste is collected or treated by licensed waste management contractors. Through systematic data recording, the Company tracks waste generation to ensure effective management and minimize environmental impacts.

Tex-Ray actively promotes waste segregation and resource recycling. Waste is sorted at the point of generation in accordance with designated categories and area-based management principles. Each department conducts initial waste sorting before placing waste in designated temporary storage areas. Waste is then properly arranged according to signage within the storage zones and periodically handled by the responsible management unit, thereby preventing cross-contamination.

### ▼ Waste Discharge Statistics

Waste Type & Disposal Method			Corporate Headquarters		Garment BU				Fabric BU	
			Taiwan		Vietnam		Eswatini		Eswatini	
			2023	2024	2023	2024	2023	2024	2023	2024
General Waste	Recycling	Reuse	1.94	2.16	40.00	87.20	19.80	48.45	96.64	185.65
	Direct Treatment	Incineration	25.50	26.72	60.00	80.00	74.88	46.17	99.84	30.30
		Landfilling	-	-	-	-	22.20	20.13	1,070.42	1,210.36
	Subtotal			27.44	28.88	100.00	167.20	116.88	114.75	1,266.90
Hazardous Waste	Recycling	Others	0.03	0.02	0.07	0.04	0.04	0.27	7.98	5.3
	Direct Treatment	Incineration	-	-	-	0.05	-	-	0.03	0.04
		Subtotal			0.03	0.02	0.07	0.09	0.04	0.27

**Notes:**

1. All waste is collected and treated by licensed waste management contractors.
2. Hazardous waste at the Taiwan headquarters consists of discarded light tubes and batteries.
3. Hazardous waste at the production sites includes discarded light tubes, batteries, plastic containers, metal drums, waste oil, and medical waste.

## Chemical Management

At Tex-Ray's Vietnam production site, chemical management is conducted in accordance with internationally recognized Restricted Substances Lists (RSL) and Manufacturing Restricted Substances Lists (MRSL). Based on these requirements, the site has established the *Chemical Procurement Procedure* and the *Chemical Storage and Usage Management Procedure* to ensure that chemicals purchased by each department comply with prohibited substance limits. These procedures also define the operational requirements governing transportation, unloading, storage, issuance, usage, and disposal of chemicals, as outlined below:

- **Container Management:** Appropriate containers must be used at all stages of chemical handling. Secondary containment is required during transfer or usage to prevent spills and environmental contamination.
- **Labeling Management:** Chemical containers and all locations where chemicals are used must display corresponding hazard labels to provide clear warnings.
- **Chemical Compatibility Management:** Chemicals must be stored according to compatibility classifications to prevent hazardous reactions and maintain a safe operating environment.
- **Chemical Inventory Management:** All chemicals in use are recorded in a chemical inventory, and Material Safety Data Sheets (MSDS) are obtained to ensure adequate information is available to respond to emergencies and minimize risks to personnel safety and environmental impacts.
- **Hazardous Waste Management:** Hazardous waste generated from chemical use must be collected and placed in designated management areas, and subsequently removed and treated by locally licensed hazardous waste contractors.
- **Training and Education:** Training is provided for employees who may come into contact with chemicals during production, covering chemical handling procedures, proper use of personal protective

equipment (PPE), and emergency response measures.

All chemical management procedures are incorporated into the Company's Environmental Management System as key audit items. Annual internal audits are conducted to ensure that chemical usage results in minimal environmental impact.

**In 2024, no major chemical spill incidents or violations occurred.**

# 4 Building a Happy Workplace

**“Becoming a sustainable and innovative happy enterprise”** is the corporate mission of Tex-Ray Industrial Co., Ltd. While encouraging employees to contribute, we also value their insights, striving to create a harmonious workplace and foster long-term, trust-based partnerships with our staff.

We carefully consider the company’s future operational strategies and development plans, attracting talented professionals across various fields and providing comprehensive training and career development pathways. Through a differentiated compensation system, we motivate employees to fully leverage their individual talents, promoting mutual growth for both employees and the company, and advancing together toward a sustainable and happy future.

# 4.1 Talent Recruitment and Appointment

Employees play a key role in the sustainable operation of Tex-Ray Industrial Co., Ltd. Our human resources policies are guided by the principle of “placing the right talent in the right position” while upholding labor rights. We ensure equality in employment, compensation and benefits, training and assessment, as well as promotion opportunities.

We adhere to the principles of the **International Covenant on Human Rights**, including freedom of association, collective bargaining, prohibition of child labor and forced labor, care for vulnerable groups, and elimination of employment discrimination. No differences in treatment are made based on gender, nationality, ethnicity, religion, socio-economic status, age, marital or family status, or any other personal characteristic.

**2024 Taiwan**

**Headquarters**

Three employees with disabilities were hired.

## Workforce Overview of Tex-Ray Industrial Co., Ltd. in 2024

- The total number of employees across Tex-Ray Industrial Co., Ltd.’s Taiwan headquarters, Vietnam production sites, and Eswatini operations is 2,574. In 2024, due to a global economic slowdown, operational capacity adjustments were made, resulting in a 21.1% decrease in total workforce compared to the previous year.
- Due to the nature of the industry, the proportion of female employees is 73.8% in Taiwan, 77.0% in Vietnam, and 88.7% in Eswatini.
- Regarding educational background, the Taiwan headquarters workforce is predominantly composed of college-educated employees (93.6%), with 1.7% holding a master’s degree.

## ▼ Workforce Structure

Unit: Number of Employees

Regular Employees	Gender		Operating Site			Total
	Male	Female	Taiwan	Vietnam	Eswatini	
Number of Permanent Employees	253	1,669	172	730	1,020	1,922
Temporary Employees	202	445	0	491	156	647
Employees without Guaranteed Working Hours	5	0	0	0	5	5
Full-Time Employees	460	2,109	167	1,221	1,181	2,569
Part-Time Employees	0	5	5	0	0	5
<b>Number of Employees</b>	<b>460</b>	<b>2,114</b>	<b>172</b>	<b>1,221</b>	<b>1,181</b>	<b>2,574</b>

Notes:

Regular employees refer to those employed by Tex-Ray Industrial Co., Ltd., for whom the company provides labor insurance, health insurance, and social security contributions.

- (1) **Permanent Employees:** Full-time or part-time employees with open-ended (indefinite) employment contracts.
- (2) **Temporary Employees:** Full-time or part-time employees with fixed-term contracts, such as expatriate staff or factory workers with one-year renewable contracts.
- (3) **Employees without Guaranteed Working Hours:** Employees who are not guaranteed minimum or fixed working hours per day, week, or month, but may be required to remain available to work as needed.
- (4) **Full-Time Employees:** Employees whose weekly, monthly, or annual working hours are defined according to the applicable national laws and regulations regarding standard working hours.
- (5) **Part-Time Employees:** Employees whose weekly, monthly, or annual working hours are less than those of full-time employees, such as hourly workers or student interns.

## ▼ Distribution by Gender, Age, and Education

Gender Distribution	Taiwan		Vietnam		Eswatini	
	Management Positions	General Employees	Management Positions	General Employees	Management Positions	General Employees
Male	11.1%	15.1%	2.2%	20.8%	2.3%	9.0%
Female	14.5%	59.3%	3.5%	73.5%	2.5%	86.2%

Age Distribution	Taiwan		Vietnam		Eswatini	
	Management Positions	General Employees	Management Positions	General Employees	Management Positions	General Employees
Under 30 Years Old	0.0%	14.5%	1.1%	47.7%	0.0%	26.6%
30–50 Years Old	9.3%	34.3%	4.2%	45.0%	2.9%	64.7%

Over 50 Years Old	16.3%	25.6%	0.5%	1.5%	1.8%	4.0%
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Education Distribution	Taiwan		Vietnam		Eswatini	
	Management Positions	General Employees	Management Positions	General Employees	Management Positions	General Employees
High School or Below	0.6%	4.1%	4.0%	88.7%	3.4%	93.5%
College / Associate Degree	23.8%	69.8%	1.7%	5.6%	1.1%	1.8%
Master' s Degree	1.1%	0.6%	0.0%	0.0%	0.2%	0.0%
Doctoral Degree	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

### ▼ Employee Turnover Rate

Operating Site		Taiwan		Vietnam		Eswatini	
Age / Gender		Male	Female	Male	Female	Male	Female
Number of New Hires	Under 30 Years Old	2	8	61	114	71	492
	30–50 Years Old	5	7	12	98	54	672
	Over 50 Years Old	1	4	1	0	1	13
	Total	27		286		1,303	
	New Hire (%)	14.3%		24.8%		67.8%	
Number of Employee Departures	Under 30 Years Old	5	9	28	70	98	734
	30–50 Years Old	7	11	27	88	191	977
	Over 50 Years Old	4	8	2	2	9	34
	Total	44		217		2,043	
	New Hire (%)	23.3%		18.8%		106.4%	

Note: In 2024, the Eswatini operations experienced a higher employee turnover rate due to factory restructuring plans.

## ▼ Non-Employee Workers

Unit: Number of Workers

Other Workers	Category	Gender		Total
		Male	Female	
Taiwan	Consultants	7	3	15
	Temporary Workers	2	0	
	Outsourced Contractors	2	1	
Vietnam	Temporary Workers	0	0	22
	Outsourced Contractors	10	12	
Eswatini	Temporary Workers	5	0	5
	Outsourced Contractors	0	0	

1. Notes:

Other workers refer to individuals who are not employed by Tex-Ray Industrial Co., Ltd., and for whom the company does not provide labor insurance, health insurance, or social security:

1. Fixed-term contract personnel, such as directors, consultants, and temporary workers.
2. Staff dispatched by outsourcing companies, such as security, cleaning, and landscaping personnel.

## Recruitment Policy

- We continuously develop multiple recruitment channels, including job banks, employment service centers, campus recruitment, industry-focused talent development programs, textile-related professional communities, employee referrals, and social welfare organization partnerships. This diversified approach to hiring helps enhance the diversity of our group members.
- When planning organizational development and staffing needs at our overseas operations, we not only consider candidates from various countries but also prioritize hiring local employees. We emphasize the development of local talent, aiming to meet workforce demands while providing more employment and growth opportunities for the communities where we operate.

### ▼ Local vs. Foreign Employee Ratio

Locally Hired Employees	Taiwan		Vietnam		Eswatini	
	Management Positions	General Employees	Management Positions	General Employees	Management Positions	General Employees
Local Employees	25.0%	73.8%	4.8%	94.3%	1.3%	87.8%
Foreign Employees	0.6%	0.6%	0.9%	0.0%	3.5%	7.4%

註解：「當地」定義：國籍為營運據點所在之國籍。

### ▼ Localization Ratio of Management

Operating Site	Taiwan	Vietnam	Eswatini
Percentage of Senior Management from Local Staff	100%	0%	0%
Percentage of Mid-Level Management from Local Staff	90%	58%	0%
Percentage of Junior Management from Local Staff	100%	100%	48%

Notes:

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Definitions of management levels:

**Senior Management:** Executives at the level of “Assistant General Manager” or above, or factory managers at the “Plant Director” level or above.

**Mid-Level Management:** Managers at the level of “Manager” or above, or factory supervisors at the “Department Head” level or above.

**Junior Management:** Supervisors at the level of “Deputy Manager” or below, or factory supervisors below the “Department Head” level.

**Local Definition:** Employees whose nationality matches that of the operating site.

## 4.2 Training and Development

Material Topic Management Policies	
<b>Material Topics</b>	Talent Training and Development
<b>Impact and Significance</b>	Talent development and corporate operations are mutually reinforcing. Through the selection, training, utilization, and retention of talent, the company can achieve stable growth and sustainable development, while also providing positive benefits for employees' career advancement.
<b>Policies or Commitments</b>	<p>Tex-Ray Industrial Co., Ltd. regards employees as the cornerstone of sustainable development. We provide competitive compensation and benefits, comprehensive talent training and career development programs, diverse communication channels, and a safe working environment. We also respect labor rights and are committed to becoming a sustainable, innovative, and happy enterprise.</p> <p>Reference: <a href="#">Tex-Ray Industrial Co., Ltd.</a></p>
<b>Management Actions</b>	<ol style="list-style-type: none"> <li>1. Assign dedicated personnel responsible for planning, executing, and tracking the effectiveness of employee training.</li> <li>2. Implement the digital learning platform – Tex-Ray Academy – and offer courses on an irregular schedule.</li> </ol>
<b>Evaluation Mechanisms</b>	<ol style="list-style-type: none"> <li>1. Annual review of employee training implementation.</li> <li>2. Annual performance appraisal.</li> </ol>
<b>Effectiveness Tracking</b>	<ol style="list-style-type: none"> <li>1. In 2024, training conducted at the Taiwan headquarters (including internal and external programs) recorded a total of 2,427 participant attendances, totaling 3,563 training hours; annual training expenditure exceeded NT\$640,000.</li> <li>2. In 2024, the average training hours per employee were 20.7 hours at Taiwan headquarters, 6.1 hours at the Vietnam production site, and 17.9 hours at the Eswatini production site.</li> <li>3. In 2024, the completion rate of performance evaluations at Taiwan headquarters was 75% for management positions and 86.7% for non-management positions.</li> </ol>

In recent years, the textile industry has faced rigorous challenges due to the rapidly changing external business environment. Tex-Ray Industrial Co., Ltd. recognizes that long-term cultivation and continuous learning are key to ensuring the company can effectively respond to these challenges. To enhance employees' knowledge, attitudes, and skills required for navigating corporate and industry transformation and to drive innovative growth, we have established the **Employee Training Management Guidelines** and **Performance Management Guidelines**.

Based on the company's overall development strategy, we regularly review employees' work performance, using performance appraisal results as important reference information for training programs. In addition, by considering career development plans and special task requirements outlined in job descriptions, we design individualized learning roadmaps and course schedules. By integrating internal and external resources, we aim to equip employees with the competencies necessary for future career development and promotion.

### **Overview of Employee Training**

In terms of talent development and career planning, we align training programs with the company's strategic development, six core competencies, and annual execution objectives. We offer diverse training systems and learning channels, enabling employees and the company to grow together while continuously enhancing team competitiveness.

### **Building a Learning Organization**

The company actively promotes the establishment of a learning organization by creating an environment of continuous learning and designing a systematic learning roadmap. Employees are encouraged to

integrate learning and training into their daily work. In addition, through the **Tex-Ray Academy** online learning platform, knowledge sharing and cross-departmental communication are facilitated, helping employees gain a comprehensive understanding of the corporate culture and core values, thereby enhancing overall organizational effectiveness and competitiveness.

Based on employees' functional requirements at different career stages, the company has designed five learning and development dimensions, as follows:

- **Management Competency Development:** Training is structured according to employee levels—junior, entry-level, mid-level, and senior management—providing stage-specific management courses to strengthen leadership and organizational management capabilities.
- **Professional Competency Cultivation:** Customized courses are designed based on departmental functions, distinguishing between business and support roles. An internal trainer system is established to ensure the continuous transfer of professional knowledge and technical experience within the organization.
- **General Competency Promotion:** Through diverse approaches such as training programs and employee activities, the company communicates its mission, vision, and six core competencies, deepening employees' recognition of corporate culture and fostering shared values.
- **Self-Development Facilitation:** Employees are encouraged to participate in voluntary reading clubs and themed seminars covering topics such as positive psychology and workplace soft skills, promoting personal growth and career resilience.
- **New Employee Training Program:** Quarterly training sessions are held for new hires, with department supervisors introducing departmental responsibilities and providing basic knowledge of the textile industry, helping newcomers quickly integrate into the organizational culture and work environment.

The company will continue to optimize its learning and development system, striving to build a sustainable, human-centered learning organization that promotes knowledge sharing and continuous growth.

#### ▼ Training Hours in 2024

- Taiwan Headquarters: A total of 3,563 training hours were completed, with an average of 20.7 hours per employee.
- Vietnam Production Site: A total of 7,410 training hours were completed, with an average of 6.1 hours per employee.
- Eswatini Production Site: A total of 21,142 training hours were completed, with an average of 17.9 hours per employee.

▼ Average Training Hours – by Gender and Employee Category

單位: 小時

Training Overview by Operation Site		Male	Female	合計
Taiwan	Management Positions	26.5	28.6	27.7
	Non-Management Positions	22.3	17.3	18.3
	Total	24.0	19.5	20.7
Vietnam	Management Positions	8.7	6.0	7.0
	Non-Management Positions	6.0	6.0	6.0
	Total	6.3	6.0	6.1
Eswatini	Management Positions	16.0	15.6	15.8
	Non-Management Positions	18.0	18.0	18.0
	Total	17.6	17.9	17.9

▼ Summary of Training Information – Taiwan Headquarters

Development Dimensions	Number of Courses Offered (sessions)	Training Hours (hours)	Number of Participants (persons)	Training Expenditure (NT\$)
Management Competencies	13	606	253	441,026
Professional Competencies	28	1,185	377	128,395
General Competencies	27	1,629	1,676	63,000
Self-Development	5	108	108	9,510
New Employee Training	2	35.5	13	2,500
<b>Total</b>	<b>75</b>	<b>3,563</b>	<b>2,427</b>	<b>644,431</b>

## ▼ Overview of ESG-Related Training

Unit: Hours / Participants

Overview of ESG Training by Operation Site	Taiwan		Vietnam		Eswatini	
	Training Hours	Number of Participants	Training Hours	Number of Participants	Training Hours	Number of Participants
<b>Corporate Governance</b> Including ethical business conduct, prevention of insider trading, supplier management, and other governance-related topics.	1	147	2	1,221	4.5	1,181
<b>Human Rights</b> Including employee rights, gender equality, prevention of sexual harassment, and other human rights-related topics.	1	144	2	1,221	5	1,181
<b>Occupational Safety and Health</b> Including environmental, safety and health practices, emergency response training, health promotion, and other OSH-related topics.	1	142	2	1,221	6	1,181
<b>Environmental Protection</b> Including energy conservation and carbon reduction, greenhouse gas management, and other environment-related topics.	1.5	144	1.5	1,221	1	1,181
<b>Information Security Management</b>	0.5	144	1	1,221	0.5	56
<b>Intellectual Property Management</b>	0.5	144	/	/	/	/



## Management Exchange and Sharing Sessions

Smooth communication is the best lubricant for enhancing work efficiency. Vertical communication between supervisors and subordinates, as well as horizontal collaboration across units and projects, has always been a key focus at Tex-Ray Industrial Co., Ltd. Through proactive experience sharing by middle- and senior-level managers, employees are encouraged to engage in active discussion and exchange of ideas.



## Team Building and Consensus Courses

Team consensus is an indispensable element of organizational development. A shared vision and common goals help foster cohesion and strengthen team capabilities. Therefore, the company has designed a series of courses and activities to inspire employees' enthusiasm and energy, allowing team consensus to be built through these engagements.



## Internal Trainer Development Program

The company cultivates internal trainers to take on the role of developing talent within the organization, addressing employees' practical learning needs, and enhancing both organizational morale and training effectiveness. At the same time, this program ensures the continuity and transfer of critical corporate knowledge, contributing to the company's goal of sustainable business operations.



### **Group Accountability Spirit**

“Accountability” is a core aspect of the company’s corporate culture. A new course has been designed in the form of a tabletop game, allowing employees to learn accountability principles and knowledge through experiential activities. Small-group competitions encourage participants to actively strive for team honor while promoting cross-departmental interaction and fostering teamwork skills.



### **Project T: Organizational Talent Development Program**

Project T is a dedicated initiative for developing high-potential employees. Through systematic planning, the program evaluates and nurtures potential talent, ensuring a continuous pipeline of capable personnel within the organization. The program includes a mentor-mentee system and cross-departmental internships, with participants also invited to join company projects. Regular mentor-mentee gatherings are organized for experience sharing and thematic presentations, providing high-potential employees with enriched opportunities for cross-departmental interaction and cultivating a wider range of possibilities for future development.



### Annual All-Staff Consensus Camp

From the middle- and senior-level management consensus camp to the all-staff annual consensus camp, the company facilitates discussions on the group's short-, medium-, and long-term development strategies and goal setting. Using the OGSM management framework as a common language, each employee is encouraged to demonstrate the principles of **accountability, execution, and innovation**, applying them in unit management and daily work activities.

### Performance Appraisal

As the strategic operational hub of Tex-Ray Industrial Co., Ltd., the Taiwan headquarters was the first to implement the performance management system. Through annual performance appraisal results, the company monitors employee work outputs and uses this information as a key reference for allocating training resources, employee promotions, and career planning. The performance management system was fully implemented across overseas production sites in 2024.

At Taiwan headquarters, performance appraisals are based on two key dimensions: **goal setting and performance behavior factors**. The purpose is to strengthen employees' knowledge, attitudes, and skills within the overall strategic framework.

Through regular reviews and performance discussions, the company ensures that goal setting and execution align with expectations and remain consistent with the organization's objectives.

Annual performance appraisal results also serve as the basis for employee promotions, salary

adjustments, bonus allocation, position transfers, and training and development. For employees with unsatisfactory performance, their supervisors will develop a **Performance Improvement Plan** while providing on-the-job coaching resources and tracking the results of the improvement. This approach ensures transparent communication and comprehensive support to enhance employee performance.

▼ Performance Appraisal Completion Rate – Taiwan Headquarters

Performance Appraisal	Male	Female	Total
Management Positions	63.2%	84.0%	75.0%
Non-Management Positions	80.8%	88.2%	86.7%

## 4.3 Compensation and Benefits

Material Topic Management Policies	
<b>Material Topics</b>	Compensation and Benefits
<b>Impact and Significance</b>	Compensation serves as an important economic foundation for employees and their families. Comprehensive company benefits, effective communication channels, and ongoing attention to employees' physical and mental well-being can significantly enhance employee engagement and help prevent talent attrition.
<b>Policies or Commitments</b>	Tex-Ray Industrial Co., Ltd. regards employees as the cornerstone of sustainable corporate development. The company provides competitive compensation and benefits, comprehensive talent development and career advancement systems, diverse communication channels, and a safe working environment, while respecting labor rights. Tex-Ray is committed to becoming a sustainable, innovative, and happy workplace. For more information: <a href="#">Tex-Ray Employee Benefits</a>
<b>Management Actions</b>	Salary adjustments are made with reference to industry benchmarks and local cost of living, while taking into account individual employee contributions. An Employee Welfare Committee has been established, with funds allocated to organize a variety of employee welfare activities.
<b>Evaluation Mechanisms</b>	A Compensation Committee is convened regularly to review and evaluate policies, systems, standards, and structures related to employee remuneration.
<b>Effectiveness Tracking</b>	In 2024, the average starting salary for entry-level employees at Taiwan headquarters exceeded the statutory minimum wage by 13%, while the Vietnam and Eswatini production sites complied with local statutory minimum wage requirements.

### Compensation Policies and Systems

- Tex-Ray Industrial Co., Ltd. places great importance on employee compensation, ensuring that salaries are not differentiated based on gender. Salary adjustments are made with reference to industry benchmarks and local cost of living, while also considering individual contributions and overall company performance. The competitive compensation system is designed to motivate employees to continuously leverage their potential and professional expertise.
- Employee performance appraisals are conducted annually to assess

work performance and capabilities. Based on the appraisal results, salaries, bonuses, and promotions are adjusted accordingly, encouraging a win-win outcome of individual compensation growth and improved company performance.

- Employee compensation packages include base salary, bonuses, allowances, and other legally mandated payments. The amount is determined according to job level, position, education, experience, and performance, with starting salaries set above the statutory minimum wage.
- **Year-End Bonus:** The company has established the **Employee Remuneration Policy**, linking bonuses to annual business performance. If the company generates profits in a given year, 1%–2% of pre-tax profit is allocated as employee remuneration, to be distributed in cash or stock upon board approval. Each employee's bonus is determined based on position, contribution, and performance, while referencing industry benchmarks and ensuring employees' livelihood protection.
- **Position-Based Bonuses:** These are awarded based on overall business performance, managers' goal achievement rates, profitability, operational efficiency, and contribution, while also considering industry standards.

### Incentive Bonus

- ◆ To recognize employees' long-term contributions, the company has established a **Long-Service Bonus** program. Employees with more than 10 years of service receive additional monetary rewards every five years. **As of 2024, a total of 529 instances of the Long-Service Bonus have been awarded.**
- ◆ An **Awards and Disciplinary Management Policy** is in place. Employees with exceptional **As of 2024, a total of 340 employees have received this honor.**

contributions in a given year are granted bonuses and medals. Through public recognition and reward mechanisms, the company fosters a positive growth culture and encourages other employees to excel.

### ▼ Overview of Compensation in 2024

Operation Sites	Taiwan	Vietnam	Eswatini
Entry-Level Salary Levels / Ratio to Local Minimum Wage	113%	100%	100%

### Retirement Measures

To promote organizational vitality, workforce diversity, and ensure employees' retirement security, the Taiwan headquarters of the company has established a retirement system in accordance with the **Labor Standards Act** and the **Labor Pension Act**. Employees are eligible to apply for retirement under any of the following conditions:

1. Employees who have worked for 10 or more years and are at least 60 years old.
2. Employees who have worked for 15 or more years and are at least 55 years old.
3. Employees who have worked for 25 or more years, regardless of age.

For employees covered under Taiwan's **Labor Pension Act**, the company contributes 6% of their monthly salary to individual pension accounts. The contribution base is calculated in accordance with relevant regulations, and payments are made from a dedicated account at Bank of Taiwan to the employee within 30 days of the retirement date.

#### 2024 Retirement Statistics

- Number of employees under the new pension system: 169
- Number of employees under the old pension system: 1
- Total number of retirement applications: 2

Under the old pension system, contributions are calculated at 2% of each employee' s monthly taxable total salary in accordance with the **Labor Standards Act**, and deposited into a dedicated account at Bank of Taiwan under the company' s name. Under the new pension system, contributions are calculated at 6% of the employee' s insured salary level in accordance with the **Labor Pension Act**, and deposited into the employee' s individual account at the Bureau of Labor Insurance. Employees may also make additional voluntary contributions of 0–6%.

**Note: The statistics include employees of Taiwan headquarters only.**

## Parental Leave

Tex-Ray Industrial Co., Ltd. values employees' working conditions and supports their balance between career development and family care. In accordance with the **Act of Gender Equality in Employment**, the company has established implementation guidelines for parental leave. All employees who meet the legal eligibility criteria, regardless of gender, may apply for leave based on their family needs.

In 2024, 60% of eligible employees at Taiwan headquarters applied for parental leave, with all expected to return to work in the following year.

At the Vietnam production site, a total of 45 employees applied for parental leave, with a return-to-work rate of 87% and a retention rate of 67% in the same year.

### ▼ Parental Leave Statistics

Operation Sites	Taiwan			Vietnam		
	Male	Female	Total	Male	Female	Total
Number of Employees Eligible for Parental Leave	2	3	5	0	45	45
Number of Employees Who Applied for Parental Leave	0	3	3	0	45	45
<b>Application Rate</b>	<b>0%</b>	<b>100%</b>	<b>60%</b>	-	<b>100%</b>	<b>100%</b>
Number of Employees Expected to Return to Work in the Same Year	0	0	0	0	45	45
Number of Employees Actually Returning to Work in the Same Year	0	0	0	0	39	39
<b>Return-to-Work Rate</b>	-	-	<b>0%</b>	-	<b>87%</b>	<b>87%</b>
Number of Employees Returning from Parental Leave in the Previous Year	0	0	0	0	52	52
Number of Employees Completing One Year After Returning from Leave in the Previous Year	0	0	0	0	35	35
<b>Retention Rate</b>	-	-	<b>0%</b>	-	<b>67%</b>	<b>67%</b>

Notes:

1. Parental leave is defined according to the relevant statutory regulations in each operation site's country.
2. There are no statutory regulations regarding parental leave in Eswatini; therefore, no data is available.

## Employee Benefits

Tex-Ray Industrial Co., Ltd. provides comprehensive employee benefits based on standardized regulations, enabling employees to enjoy their work and enhancing overall productivity. In accordance with the law, an Employee Welfare Committee has been established, with funds allocated to organize a variety of welfare activities. Expenditure items include, but are not limited to, birthday gifts, marriage and bereavement allowances, holiday greetings, and employee trips. Additionally, each operation site may determine other welfare-related expenditures based on local needs.

In 2024, the Employee Welfare Committee organized a family-friendly company trip to the Lanyang Plain, allowing employees and their families to enjoy the beautiful scenery. By experiencing modern hotel facilities and recreational activities, participants were able to relax and rejuvenate, creating joyful and memorable moments outside of work.



## Employee Insurance

In addition to statutory **Labor Insurance** and **National Health Insurance**, the company provides group insurance covering other benefits such as life insurance, medical insurance (including accident and hospitalization coverage), emergency assistance for overseas travel, and disability insurance. Coverage amounts for certain items are gradually adjusted to better safeguard employees' well-being. In the future, the company plans to gradually extend group insurance coverage to employees' family members, aiming to further enhance the scope of employee care.

### **Birthday Book Gift**

To encourage self-improvement and continuous learning, each employee may personally select a book of interest during their birthday month. The book comes with a birthday message personally written by a senior executive. This **Birthday Book Gift** program not only fosters a culture of lifelong learning but also strengthens positive interactions in the workplace.

## Employee Testimonials

"Looking back, I realized how long it had been since I took time to recharge through reading. Receiving a book I wanted for my birthday was truly touching. I am grateful for the Birthday Book Gift program, as it not only allowed me to get a book I had been wanting but also provided an opportunity to gain knowledge and enhance my skills through reading."

## 4.4 Employee Care

To ensure smooth communication between management and employees, the company has established multiple communication channels to listen to employees' voices. These channels are designed to be fully accessible and easy to use by all employees, allowing them to freely and conveniently express opinions and advocate for their rights. Feedback from employees is also used as an important reference for improving the work environment and enhancing overall corporate operations.

### Tex-Ray Industrial Co., Ltd. Labor-Management Communication Channels

#### Year-End Forum

- The Chairman, together with senior executives, engages in two-way communication with all employees

#### Labor-Management Meetings

- Held quarterly, with representatives from both labor and management discussing various labor-related topics

#### EIP Discussion Board

- A discussion board within the EIP system where all employees can freely express their opinions

#### Employee Welfare Committee

- Responsible for handling employee welfare matters.

#### Human Resources Functional Unit

- The HR department addresses employee feedback or grievance issues.

#### Other Daily Communication Channels

- Employees may periodically communicate their opinions to their immediate supervisors in any form.



**New Employee Care Mentor System:** To improve new employee retention, trained mentors within each department assist new hires in quickly adapting to the work environment and company culture, allowing them to continuously experience the warmth and inclusiveness of the corporate culture.

**New Employee Interviews:** Two months after onboarding, HR conducts one-on-one care interviews with new employees to identify areas where additional support may be needed.

### Labor-Management Meetings

The company holds regular **Labor-Management Meetings** attended by representatives from both labor and management. These meetings enhance positive communication within the organization, promote labor-management harmony, reduce conflicts, and create a win-win environment for both parties.

#### ▼ Labor-Management Meetings in 2024

Operation Sites	Number of Meetings Held	Key Discussion Topics
Taiwan	4	1. Withdrawal of Remaining Old Pension Funds 2. Year-End Forum 3. Strategic Outlook Consensus Camp 4. Employee Welfare Programs
Vietnam	6	1. Compensation and Benefits

		<ul style="list-style-type: none"> <li>2. Factory Management Policies and Regulations</li> <li>3. Employee Meals</li> <li>4. Union Holiday Gifts</li> </ul>
<b>Eswatini</b>	<b>30</b>	<ul style="list-style-type: none"> <li>1. Factory Management and Personnel Scheduling</li> <li>2. Annual Leave Allocation</li> <li>3. Factory Audits and Training</li> <li>4. Employee Christmas Gifts</li> </ul>

### **Factory Labor Union**

The Long An Factory in Vietnam established a **Factory Labor Union** in 2016. The factory allocates 2% of total employee salaries to the union, which manages its operations. As of the end of 2024, the union has 1,203 members, representing 99% of the local workforce.

## Positive Energy Series Activities

The company fosters a **Positive Energy** culture, encouraging employees to make constructive choices in their daily work, maintain a positive perspective, and build healthy connections with people and tasks. This helps employees stay focused, avoid distractions, and seize opportunities. Each year, a variety of engaging activities are organized, combined with rewards and public recognition, to motivate employees to actively participate. These initiatives promote corporate culture and support the company' s vision of being a happy and thriving workplace.

### ✧ Tex-Ray Global Lunar New Year Celebration

Across the globe, different regions celebrate the Lunar New Year with unique local customs. Tex-Ray Group collected these cross-regional New Year activities and presented them through an online exhibition, inviting employees worldwide to learn about various cultural traditions. Participants could answer quiz questions to qualify for a special prize draw. A total of 132 employees participated, with 12 lucky winners receiving grand prizes.



### ✧ RAY' s 6 Actions for Loving the Earth

A variety of eco-friendly actions were promoted under the RAY' s 6 Actions for Loving the Earth initiative, including adopting a vegetarian diet, using reusable tableware, taking the stairs for exercise, turning off lights during lunch breaks, participating in a second-hand goods market, and beach cleanup activities. The week-long campaign engaged over half of the employees. All proceeds from the second-hand goods market were donated to the Taiwan Wild Bird Federation and the ChildFund Taiwan, contributing to environmental protection and social welfare.

## ❖ Food Party: Everyone Joins In

Using food to bring colleagues closer together, every first Monday of the month, employees prepare dishes based on a monthly theme, such as "Mom's Signature Dish," "Night Market Snacks," or "International Cuisine." During lunchtime, colleagues share stories and experiences from both work and life, creating a warm and enjoyable bonding experience.



**美食派對  
人人出鏡**

「一人一菜，共享美味盛宴！  
在這裡，我們用美食與歡笑，  
共同創造美好時光。  
歡迎您加入我們，分享每一份熱情與美味。」

每月第一個星期一  
12:05-12:55  
(下一場次3/4)

尚維總部 11F

欲參加之同仁請聯絡  
人資 Sharon #6591  
企劃 Eric #6701

- 準備的食料以大家方便分享及擺設者為主
- 請勿浪費
- 用瓷盤一起整理擺盤
- 每場宴會後垃圾與雜物請於宴會結束上口前



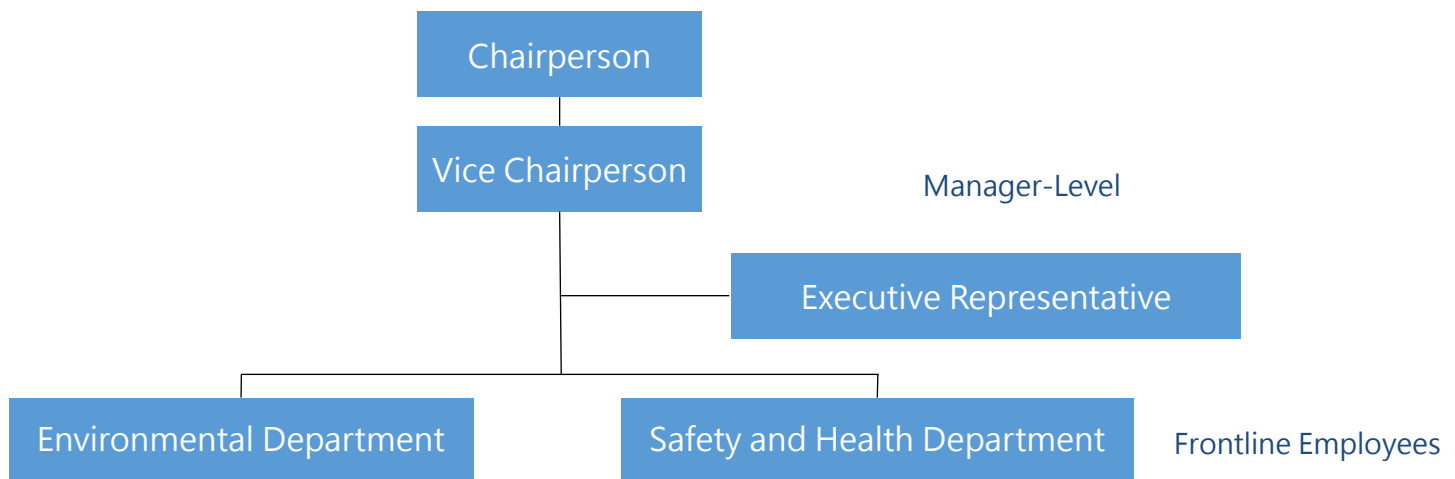
# 4.5 Occupational Safety and Health (OSH)

Material Topic Management Policies	
Material Topics	Workplace Safety and Health
Impact and Significance	An unsuitable workplace environment can negatively impact employees' ability to work continuously and compromise their safety.
Policies or Commitments	<p>Tex-Ray Industrial Co., Ltd. provides a safe and healthy working environment to prevent employees from being exposed to occupational hazards. In addition, the company actively complies with relevant customer requirements.</p> <p><a href="https://www.texray.com/%e8%81%b7%e6%a5%ad%e5%ae%89%e5%85%a8%e8%a1%9b%e7%94%9f/?lang=zh-hant">https://www.texray.com/%e8%81%b7%e6%a5%ad%e5%ae%89%e5%85%a8%e8%a1%9b%e7%94%9f/?lang=zh-hant</a></p>
Management Actions	<ol style="list-style-type: none"> <li>1. The <b>Occupational Safety and Health Management Committee</b> holds monthly meetings to discuss operational safety matters.</li> <li>2. Dedicated <b>EHS units at production sites</b> conduct weekly inspections to ensure proper implementation of health and safety protections on the production lines.</li> </ol>
Evaluation Mechanisms	Occupational Incident Statistics
Effectiveness Tracking	No major occupational injuries were reported in 2024.

## Occupational Safety and Health Management Committee (OSH Committee)

To safeguard employees' health and safety in the workplace, the company has established an **Occupational Safety and Health Management Committee**. The committee is composed of representatives from both labor and management, with a senior manager serving as the chairperson. Manager-level members hold permanent positions on the committee and cannot be replaced without valid reasons, ensuring efficient decision-making on safety and health matters.

### ▼ Organizational Structure of the Occupational Safety and Health Management Committee



### Tex-Ray Occupational Safety and Health Mechanisms and Measures

- ✧ The company has established a **Factory EHS Self-Management Mechanism**, under which dedicated EHS units at production sites conduct weekly inspections to ensure proper implementation of health and safety protections on the production lines. Any identified deficiencies are immediately reported to the responsible units for corrective action, and the EHS department tracks the improvements to ensure the workplace meets legal requirements and customer standards.
- ✧ The company has also implemented **Labor Health Management Regulations**, which include an abnormal event reporting mechanism.

In the event of an occupational injury, the supervisor of the affected unit reports the incident to plant-level management. The EHS department then conducts an investigation and records the findings. The investigation aims to identify root causes, and the results are used as a reference for improving workplace health and safety conditions to prevent recurrence.

- ✧ In addition to mandatory online OSH training courses, two employees participated in occupational safety, health, and fire safety courses in 2024 and completed retraining in accordance with legal requirements.
- ✧ Production sites hold **monthly Occupational Safety and Health Meetings** to discuss safety matters related to employees' daily operations, including OSH education, EHS performance inspections, and labor safety promotion. Decisions made during these meetings are submitted to the Chairperson of the Occupational Safety and Health Management Committee, and the responsible units follow up on the implementation to ensure the effectiveness of the safety and health management system.

**▼ Operation and Communication of the Occupational Safety and Health Management Committee in 2024**

Operation Sites	Employees Proportion	Number of Meetings Held	Key Discussion Topics
Vietnam	60%	12	<ul style="list-style-type: none"> <li>• Occupational Safety and Health (OSH) Training</li> <li>• Review of EHS Implementation Status</li> <li>• Discussion of Planned OSH Initiatives</li> </ul>
Eswatini	86.7%	20	<ul style="list-style-type: none"> <li>• Occupational Safety and Health (OSH) Training</li> <li>• Review of EHS Implementation Status</li> <li>• Discussion of Planned OSH Initiatives</li> </ul>

**▼ Work-Related Injury Absence Rate**

Operation Sites	Taiwan		Vietnam		Eswatini	
	Male	Female	Male	Female	Male	Female
Work-Related Injury Rate (IR)	0.00	4.29	43.10	0.83	35.30	1.74
Lost Day Rate (LDR)	0.00	2.68	0.00	0.00	31.77	1.96
Occupational Disease Rate (ODR)	0.00	0.00	0.00	0.00	0.00	0.00
Work-Related Absence Rate (AR)	0.00	0.00	0.00	0.00	0.04	0.02
Number of Work-Related Fatalities	0	0	0	0	0	0

Notes:

1. The above statistics include both full-time and non-full-time employees.
2. **Injury Rate (IR)** = (Number of disabling injury cases × 1,000,000) / Total working hours.
3. **Lost Day Rate (LDR)** = (Total number of lost days due to disabling injuries × 1,000,000) / Total working hours.
4. **Occupational Disease Rate (ODR)** = (Total number of occupational disease cases / Total number of working days) × 100%.
5. **Work-Related Absence Rate (AR)** = (Number of absence days due to work-related injuries / Total number of working days) × 100%; only counts absence days caused by work-related injuries.

## **Emergency Response Drill**

Each production site has established the *Fire Emergency Response Guidelines*. Through fire safety and emergency response drills, employees are guided to develop proper safety awareness, familiarize themselves with evacuation routes, and strengthen their ability to respond to and control emergency situations. These exercises also communicate the responsibilities of the onsite emergency response organization and the duties of each task group, helping employees understand their roles during emergencies. By enhancing preparedness and reducing response time, such drills help minimize potential losses caused by unexpected incidents.

To ensure timely and effective response during emergencies, each factory site has an established Emergency Response Team, led by a plant-level manager serving as the Commander. Fire emergency response drills are conducted twice a year and comprise two components. The first component is fire safety training, delivered by professional firefighters from local fire authorities, aimed at enhancing employees' understanding of fire hazards and cultivating proper disaster prevention and emergency response awareness.

The second component includes practical exercises such as emergency evacuation, sheltering, and fire extinguishing operations, simulating the appropriate actions each unit should take during a fire scenario and the necessary follow-up procedures. Through a combination of theoretical training and hands-on drills, the Company strengthens its overall crisis response capability and minimizes potential losses.



## Noise Management

To protect employees' health, personal protective equipment (earplugs) is provided in high-decibel areas within the plant that remain within regulatory limits, in order to reduce potential harm. In addition, regular sampling and monitoring of production noise levels are conducted by external third-party agencies to ensure compliance. To date, no noise-related complaints have been received from employees, and all monitoring results have consistently met the required standards.

### “Three-Pronged Health Approach: Building a Tangible and Fulfilling Workplace”

#### ➤ “Regular Health Checkups”

Employee health is a cornerstone of Tex-Ray Industrial Co., Ltd.'s sustainable operations. We collaborate with hospital-level medical institutions to provide employees with annual health checkups and

organize health seminars on relevant topics.

➤ **“Critical Illness and Cancer Insurance”**

In the post-pandemic era, corporate responsibility for employee health has evolved. Recognizing the mental and physical challenges brought by the pandemic, the Company provides Critical Illness and Cancer Insurance to offer employees greater peace of mind regarding medical care.

➤ **“Health Seminars and Courses”**

Maintaining physical and mental health in the office environment is essential for enhancing employee productivity and overall well-being. To support this, we hold annual health seminars, with topics selected by employees and professional speakers recommended by hospital-level medical institutions. This year’s seminar, titled “Musculoskeletal Wellness without Barriers,” combined traditional Chinese medicine lectures with on-site pulse diagnosis by TCM practitioners. Employees participated in guided stretching exercises, learned about the circulation of qi and blood, and gained foundational knowledge for building a healthy constitution, fostering a more vibrant and energetic workplace.



# 5 Commitment to Diversity and Shared Prosperity

# 5.1 Industry–Academia

## Collaboration

Taiwan’s textile industry has a long-established history, spanning nearly 70 years since the late 1940s, and has nurtured a wealth of highly skilled professionals throughout its development. However, with the rapid evolution of industries and markets, the textile sector is currently experiencing a talent gap. There is an urgent need for creative young professionals to join the industry and collaboratively shape a new era of growth and innovation for Taiwan’s textile future.

### Internship Program

Driven by our passion for the textile industry, we have maintained long-term collaborations with the Taiwan Textile Federation and universities both domestically and overseas, offering internship opportunities to students majoring in textile-related fields. Based on each student’s interests and competencies, we allocate tailored learning resources and adopt a learning-by-doing approach, enabling interns to apply their knowledge in real-world contexts, gain a deeper understanding of the industry landscape, and experience workplace culture firsthand.

Since 2018, we have cultivated more than ten interns. Beyond basic operational tasks, interns are encouraged to engage in project ideation and execution, allowing them to demonstrate their professional capabilities and unlock further potential. In 2024, we initiated an Industry Academy collaboration program with Shih Chien University,

### 2024 Taiwan Headquarters

- Offered 2 corporate internship opportunities
- Over the past eight years, a total of 57 interns have participated, with scholarships totaling NT\$1.26 million

aiming to expand the scale and impact of industry-academia cooperation.

### Eswatini-Taiwan Student Scholarship

Eswatini is Taiwan's only diplomatic ally in Africa. To recognize the outstanding academic performance of Eswatini students studying in Taiwan and to encourage them to successfully complete their studies, we have established this scholarship program. Our mission is to support the cultivation of talented individuals who can become future leaders, with the expectation that Eswatini students will give back to Taiwan or contribute their expertise to their local communities in Eswatini after graduation.



## 5.2 Giving Back to Society

Guided by the principles of environmental stewardship and social responsibility, we have long been committed to public welfare initiatives, actively supporting environmental protection efforts and caring for vulnerable groups in society. To maximize the impact of our resources, we strategically leverage our core competencies to carry out planned social engagement activities,

**Total Public Welfare  
Contributions in 2024  
NT\$830,000**

**Note:** The disclosed amount is based on the consolidated financial statements for social contributions. Some donated materials and voluntary contributions from

consistently giving back to societal development through tangible actions.

employees are not included.

## Taiwan

Tex-Ray Industrial Co., Ltd. integrates environmental awareness into daily work and life while contributing to sustainable social development. In conjunction with Earth Day in April, we organized a week-long series of environmental and public welfare activities. These included energy-saving and carbon-reducing actions such as turning off lights during lunch breaks and taking the stairs for health, as well as personal eco-friendly practices like vegetarian lunches and using reusable tableware—demonstrating our commitment to environmental protection.

At the same time, we invited all employees to bring items from home that were still usable but unused to a “Treasures Market.” Over 160 items were collected, and all proceeds were donated to the Wild Bird Federation and the Taiwan Fund for Children and Families, amplifying our social contribution. Additionally, during Tex-Ray’s Earth Week collective mission, employees selected Shalun Beach in Tamsui to pick up marine debris scattered along the shore, step by step, raising awareness of the natural environment and collectively safeguarding the planet.



## Shalun Beach Cleanup Initiative in Tamsui

In response to the company’s initiative, employees voluntarily participated in the Shalun Beach cleanup in Tamsui, collectively collecting over 40 kilograms of marine debris.

## Mid-Autumn Festival Charity Gift Boxes – Eden Social Welfare Foundation Bakery

Demonstrating our commitment to social welfare, we partnered with Eden Social Welfare Foundation Bakery to purchase 52 Mid-Autumn Festival gift boxes, using this meaningful gesture to actively support charitable initiatives.



## Eswatini

Tex-Ray Industrial Co., Ltd. has been deeply rooted in Eswatini for many years and is the largest Taiwanese textile company in the country. Guided by the business philosophy of “taking from society and giving back to society,” we established the **Tex-Ray Eswatini Charity Fund** in 2007. Each year, we collaborate with charitable organizations from around the world to carry out disaster relief activities. To date, we have contributed over NT\$50 million to support the local community, aiming to improve social development in Eswatini not only through production investment and economic stimulation but also through targeted social initiatives.

We also encourage employees to participate in charitable activities as volunteers. Through face-to-face interactions, they convey Tex-Ray Industrial Co., Ltd.’s sincere care to local communities living under challenging conditions. In addition, employees gain firsthand experience of the importance of giving back to the community through practical actions, fostering a sustainable mindset that aligns corporate and social well-being.



## 2024 Donations of Supplies to Rural Areas

We provided warm clothing and blankets to local communities and foundations, helping residents in rural areas of Eswatini get through the cold winter. Over 5,000 individuals benefited from this initiative.

**Coverage Areas:** Zombodze, Ludzeludze, Eqinisweni, Malinda



**Note:** Eswatini is approximately half the size of Taiwan, with a population of around 1.2 million. More than half of its citizens live below the international poverty line. Therefore, our public welfare contributions are not limited to the communities surrounding our operational sites, but aim to support the broader development of Eswatini and contribute to the country's growth through our corporate efforts.



## Support for Women's Micro-Enterprise Program

We provided eight internship opportunities for women from the sewing class at the Luyengo Community Entrepreneurship and Incubation Center. Over a three-month on-site internship, Tek-Ray Industrial Co., Ltd. offered employment opportunities and access to affordable second-hand sewing machines, enabling these women to realize their micro-enterprise aspirations.



## Supporting Skills

### Development for Students

#### and Local Women

A total of 38 sewing machines were donated to the Vocational Teachers' Association and local authorities across various districts, supporting students' technical learning and development as well as skills training for local women's entrepreneurial initiatives.



## Donation of Surgical Gowns

In 2024, we donated 100 sets of in-house woven surgical gowns to the newly established operating rooms at the Capital Government Hospital.



## Street Cleaning Initiative

At the end of the year, employees voluntarily participated in a street and surrounding area cleaning initiative, contributing to the preservation of the local natural environment.

\*Number of participants: 120

## City Government Tree-

### Planting Activity



In response to the government initiative, Tex-Ray Industrial Co., Ltd. employees joined other companies in a tree-planting activity, supporting the government's SDG 13 climate action goals.

**Coverage Area:** Matsapha, where our factory is located

## Vietnam

Tex-Ray Industrial Co., Ltd.'s garment factory in Long An Province, Vietnam, collaborated with the local labor union to invest VND 140 million in constructing new homes for employees facing financial hardship. Through this initiative, we aim to give back to the local community and help employees improve their living conditions, ensuring a stable and comfortable life.

2024 in Long An

Province

A total of 2 new homes were constructed.



Tex-Ray Industrial Co., Ltd. prepared 50 care packages as Mid-Autumn Festival gifts for local residents facing financial difficulties. The packages included staple foods such as rice, soy sauce, and mooncakes. Through this initiative, we actively support the local community and contribute to fostering shared well-being.

2024 in Long An

Province

Distributed 50 Mid-Autumn Festival gift packages.



## GRI Standards Index

<b>Statement of Use</b>	Tex-Ray Industrial has reported the information for the period from January 1, 2024 to December 31, 2024 in accordance with the GRI Standards.
<b>GRI 1 Used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standards</b>	No GRI Sector Standards are applicable.

### GRI 2: General Disclosures 2021

Category	Disclosure Number	Disclosure Title	Corresponding Section
Organization and Reporting Practices	2-1	Organizational details	1.1 Business Development
	2-2	Entities included in the organization's sustainability reporting	About This Report
	2-3	Reporting period, frequency, and contact point	About This Report
	2-4	Restatements of information	-
	2-5	External assurance	About This Report
Activities and Workers	2-6	Activities, value chain, and other business relationships	1.1 Business Development; 2.1 Supply Chain Management
	2-7	Employees	4.1 Talent Recruitment and Appointment
	2-8	Workers who are not employees	4.1 Talent Recruitment and Appointment
Governance	2-9	Governance structure and composition	1.2 Corporate Governance
	2-10	Nomination and selection of the highest governance body	1.2 Corporate Governance
	2-11	Chair of the highest governance body	1.2 Corporate Governance
	2-12	Role of the highest governance body in overseeing the management of impacts	1. Strengthening Corporate Governance
	2-13	Delegation of responsibility for managing impacts	1. Strengthening Corporate Governance
	2-14	Role of the highest governance body in sustainability reporting	1.2 Corporate Governance
	2-15	Conflicts of interest	1.2 Corporate Governance

	2-16	Communication of critical concerns	1.2 Corporate Governance
	2-17	Collective knowledge of the highest governance body	1.2 Corporate Governance
	2-18	Evaluation of the performance of the highest governance body	1.2 Corporate Governance
	2-19	Remuneration policies	1.2 Corporate Governance
	2-20	Process to determine remuneration	1.2 Corporate Governance; 4.3 Compensation and Benefits
	2-21	Annual total compensation ratio	Not disclosed in accordance with Company policy
Strategy, Policies, and Practices	2-22	Statement on sustainable development strategy	Message from the Chairman
	2-23	Policy commitments	Stakeholder Engagement and Material Topics; 1. Strengthening Corporate Governance
	2-24	Embedding policy commitments	Stakeholder Engagement and Material Topics; 1. Strengthening Corporate Governance
	2-25	Processes to remediate negative impacts	Stakeholder Engagement and Material Topics; 1. Strengthening Corporate Governance
	2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagement and Material Topics; 1.2 Corporate Governance; 4.4 Employee Care and Engagement
	2-27	Compliance with laws and regulations	1.2 Corporate Governance; 3.2 Pollution Prevention and Control
	2-28	Membership associations	1.1 Business Development
Stakeholder Engagement	2-29	Approach to stakeholder engagement	Stakeholder Engagement and Material Topics
	2-30	Collective bargaining agreements	4.4 Employee Care and Engagement

## GRI Topic Standards Disclosures — Material Topics

ESG Category / Topic		Disclosure Number	Disclosure Title	Corresponding Section
GRI 3: Material Topics 2021		3-1	Process to determine material topics	Stakeholder Engagement and Material Topics
		3-2	List of material topics	Stakeholder Engagement and Material Topics
Governance	Business Performance	GRI 3: Material Topics 2021		
		3-3	Management of material topics	1.1 Business Development
		GRI 201: Economic Performance 2016		
		201-1	Direct economic value generated and distributed	1.1 Business Development
	Corporate Governance	GRI 3: Material Topics 2021		
		3-3	Management of material topics	1.2 Corporate Governance
		GRI 201: Economic Performance 2016		
		201-2	Financial implications and other risks and opportunities due to climate change	1.3 Risk Management
		GRI 205: Anti-corruption 2016		
		205-1	Operations assessed for risks related to corruption	1.2 Corporate Governance
		205-2	Communication and training on anti-corruption policies and procedures	1.2 Corporate Governance; 2.1 Supply Chain Management; 4.2 Training and Development
		205-3	Confirmed incidents of corruption and actions taken	1.2 Corporate Governance
	GRI 3: Material Topics 2021			

	<b>Regulatory Compliance</b>	3-3	Management of material topics	1.2 Corporate Governance	
	<b>Supply Chain Management</b>	GRI 3: Material Topics 2021			
		3-3	Management of material topics	2.1 Supply Chain Management	
		GRI 204: Procurement Practices 2016			
		204-1	Proportion of spending on local suppliers	2.1 Supply Chain Management	
		GRI 308: Supplier Environmental Assessment 2016			
		308-1	New suppliers screened using environmental criteria	2.1 Supply Chain Management	
		308-2	Negative environmental impacts in the supply chain and actions taken	2.1 Supply Chain Management	
		GRI 414: Supplier Social Assessment 2016			
		414-1	New suppliers that were screened using social criteria	2.1 Supply Chain Management	
414-2	Negative social impacts in the supply chain and actions taken	2.1 Supply Chain Management			
<b>Environment</b>	<b>Energy &amp; Resource Use and Management</b>	GRI 3: Material Topics 2021			
		3-3	Management of material topics	3.1 Energy and Resource Use and Management	
		GRI 302: Energy 2016			
		302-1	Energy consumption within the organization	3.1 Energy and Resource Use and Management	
	302-3	Energy intensity	3.1 Energy and Resource Use and Management		

		302-4	Reduction of energy consumption	3.1 Energy and Resource Use and Management	
		302-5	Reductions in energy requirements of products and services	3.1 Energy and Resource Use and Management	
		GRI 303: Water and Effluents 2018			
		303-1	Interactions with water as a shared resource	3.1 Energy and Resource Use and Management 3.2 Pollution Prevention and Control	
		303-2	Management of water discharge-related impacts	3.2 Pollution Prevention and Control	
		303-3	Water withdrawal	3.1 Energy and Resource Use and Management	
	Pollution Prevention and Control	GRI 3: Material Topics 2021			
		3-3	Management of material topics	3.2 Pollution Prevention and Control	
		GRI 305: Emissions 2016			
		305-1	Direct (Scope 1) GHG emissions	3.2 Pollution Prevention and Control	
		305-2	Energy indirect (Scope 2) GHG emissions	3.2 Pollution Prevention and Control	
		305-4	GHG emissions intensity	3.2 Pollution Prevention and Control	
		305-5	Reduction of GHG emissions	3.2 Pollution Prevention and Control	
		GRI 306: Waste 2020			
		306-1	Waste generation and significant waste-related impacts	3.2 Pollution Prevention and Control	
		306-2	Management of significant waste-related impacts	3.2 Pollution Prevention and Control	
		306-3	Waste generated	3.2 Pollution Prevention and Control	
		306-4	Waste diverted from disposal	3.2 Pollution Prevention and Control	
		306-5	Waste directed to disposal	3.2 Pollution Prevention and Control	

Social	Talent Development and Growth	GRI 3 : Material Topics 2021		
		3-3	Management of material topics	4.2 Training and Development
		GRI 401: Employment 2016		
		401-1	New employee hires and employee turnover	4.1 Talent Recruitment and Appointment
		401-2	Benefits provided to full-time employees (that are not provided to temporary or part-time employees)	4.3 Compensation and Benefits
		401-3	Parental leave	4.3 Compensation and Benefits
		GRI 404: Training and Education 2016		
		404-1	Average hours of training per year per employee	4.2 Training and Development
		404-2	Programs for upgrading employee skills and transition assistance programs	4.2 Training and Development
		404-3	Percentage of employees receiving regular performance and career development reviews	4.2 Training and Development
		GRI 405: Diversity and Equal Opportunity 2016		
		405-1	Diversity of governance bodies and employees	1.2 Corporate Governance; 4.1 Talent Recruitment and Appointment
		GRI 406: Non-discrimination 2016		
		406-1	Incidents of discrimination and corrective actions taken	4.4 Employee Care and Engagement
		Compensation	GRI 3: Material Topics 2021	
			3-3	Management of material topics

<b>and Benefits</b>	GRI 201: Economic Performance 2016		
	201-1	Direct economic value generated and distributed	1.1 Business Development
	201-3	Defined benefit plan obligations and other retirement plans	4.3 Compensation and Benefits
	GRI 202: Market Presence 2016		
	202-1	Ratio of standard entry-level wage by gender compared to local minimum wage	4.3 Compensation and Benefits
	202-2	Proportion of senior management hired from the local community	4.1 Talent Recruitment and Appointment
	GRI 402: Labor/Management Relations 2016		
	402-1	Minimum notice periods regarding operational changes	4.4 Employee Care and Engagement
	<b>Occupational Health and Safety</b>	GRI 3: Material Topics 2021	
		3-3	Management of material topics
GRI 403: Occupational Health and Safety 2018			
403-1		Occupational health and safety management system	4.5 Occupational Health and Safety
403-2		Hazard identification, risk assessment, and incident investigation	4.5 Occupational Health and Safety
403-3		Occupational health services	4.5 Occupational Health and Safety
403-4		Worker participation, consultation, and communication on occupational health and safety	4.5 Occupational Health and Safety

		403-5	Worker training on occupational health and safety	4.5 Occupational Health and Safety
		403-6	Promotion of worker health	4.5 Occupational Health and Safety
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business operations	4.5 Occupational Health and Safety
		403-9	Work-related injuries	4.5 Occupational Health and Safety
Non-GRI Indicators	Product Quality and Service	GRI 3: Material Topics 2021		
		3-3	Management of material topics	2.2 Quality Management

## SASB Index

SASB Topic / Code		SASB Metric	Type of Metric	Disclosure / Corresponding Section
CG-AA-000.A		Number of Tier 1 and beyond Tier 1 suppliers	Quantitative	2.1 Supply Chain Management
Environmental Impacts in the Supply Chain	CG-AA-430a.1.	Percentage of Tier 1 and beyond Tier 1 suppliers in compliance with wastewater discharge permits and/or contractual agreements	Quantitative	2.1 Supply Chain Management
	CG-AA-430a.2.	Percentage of Tier 1 and beyond Tier 1 suppliers that have completed the Sustainable Apparel Coalition Higg FEM environmental assessment or equivalent environmental data assessment	Quantitative	2.1 Supply Chain Management
Labor Conditions in the Supply Chain	CG-AA-430b.1.	Percentage of Tier 1 and beyond Tier 1 suppliers audited to a labor-related code of conduct; percentage audited by a third party	Quantitative	2.1 Supply Chain Management Labor-related code of conduct audits are included in Tex-Ray's "Supplier Social Responsibility Code."
	CG-AA-430b.2.	Non-conformance rate from labor-related code of conduct audits and percentage of	Quantitative	2.1 Supply Chain Management

		corrective actions implemented		
	CG-AA-430b.3.	Description of the greatest labor, environmental, health, and safety risks within the supply chain	Discussion & Analysis	2.1 Supply Chain Management
Raw Material Sourcing	CG-AA-440a.3.	List of priority raw materials; for each, discussion of the most significant environmental or social risks to sourcing, related business risks/opportunities, and management strategies	Discussion & Analysis	Priority raw material list not yet developed; will be incorporated into sourcing management actions
	CG-AA-440a.4.	Amount of priority raw materials purchased, by material type, and amount certified to third-party environmental or social standards, by standard	Quantitative	Priority raw material list not yet developed; will be incorporated into sourcing management statistics
Chemical Management in Products	CG-AA-250a.1.	Description of compliance with restricted substance regulations	Discussion & Analysis	3.2 Environmental Pollution Prevention
	CG-AA-250a.2.	Description of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion & Analysis	3.2 Environmental Pollution Prevention

## Third-Party Sustainability-Related Certifications

Vietnam Facilities (VN)	Validity Period	Accredited Certification Body	Remarks
<b>ISO 9001:2015</b>	2024/04/23-2025/05/04	INSPECT ULUSLARARASI BELGELENDİRME VE GÖZETİM HİZ. TİC. LTD. ŞTİ.	
<b>ISO 14001:2015</b>	2022/11/02-2025/11/01	KNA Certification Co., Ltd.	
<b>ISO 14064-1</b>	Issued: 2024/03/26	Naturecert Co., Ltd.	GHG Emission Verification Statement; Verification Year: 2023
<b>ISO 14064-1</b>	Issued: 2025/03/31	Naturecert Co., Ltd.	GHG Emission Verification Statement; Verification Year: 2024
<b>WRAP</b>	2025/02/20-2026/02/20	Worldwide Responsible Accredited Production	
<b>OEKO-TEX</b>	2026/01/31	Hohenstein Institute	
<b>GRS</b>	2025/07/13	Control Union Certifications B.V.	
<b>ISO 50001</b>	2027/06/12	SIS Certifications Pvt. Ltd.	
<b>ISO 14067:2018</b>	Issued: 2025/02/08	Naturecert Co., Ltd.	
Taiwan Headquarters (TW)	Validity Period	Accredited Certification Body	Remarks
<b>OEKO-TEX</b>	2025/11/30	TESTEX AG, Swiss Textile Testing Institute	
<b>GRS</b>	2026/03/23	Control Union Certifications B.V.	
<b>RCS</b>	2026/03/23	Control Union Certifications B.V.	
Eswatini Facilities (SW)	Validity Period	Accredited Certification Body	Remarks
<b>WRAP</b>	2024/01/08-2025/01/08	Worldwide Responsible Accredited Production	