



SUSTAINABILITY REPORT — 2024

Sunny Friend Environmental Technology Co., Ltd.



R U E N T E X

CONTENTS

1	General Information
2	Corporate Governance
3	Employee Wellbeing
4	Shared Prosperity with Society
5	Environmental Stewardship
6	Sustainable Supply Chain
Appendix	

CONTENTS

 General Information		
1.1	About This Report	3
1.2	Sustainability Strategy and Performance	6
1.3	Stakeholder Engagement	8
1.4	Material Topic Management	11
 Corporate Governance		
2.1	Company Overview	23
2.2	Governance Structure	28
2.3	Economic Performance	33
2.4	Responsible Business Practices	35
2.5	Risk Management	43
2.6	Climate-Related Risks and Opportunities	44
 Employee Wellbeing		
3.1	Human Capital	50
3.2	Compensation and Benefits	55
3.3	Diversity and Development	59
3.4	Workplace Health and Safety	61

4	Shared Prosperity with Society	
4.1	Social Investment	67
5	Environmental Stewardship	
5.1	Energy Management	83
5.2	Emissions Monitoring	84
5.3	Water Resource Management	88
5.4	Waste Management	92
6	Sustainable Supply Chain	
6.1	Industry Supply Chain	99
6.2	Supply Chain Management	102

Appendix		
GRI Standards Index		110
SASB Standards Index		115
Climate-Related Disclosures		120

CONTENTS

1 General Information

- 1.1 About This Report
 - 1.2 Sustainability Strategy and Performance
 - 1.3 Stakeholder Engagement
 - 1.4 Material Topic Management
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

1 General Information

1.1 About This Report

1.2 Sustainability Strategy and Performance

1.3 Stakeholder Engagement

1.4 Material Topic Management

CONTENTS

- 1 General Information
 - 1.1 About This Report
 - 1.2 Sustainability Strategy and Performance
 - 1.3 Stakeholder Engagement
 - 1.4 Material Topic Management
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

1.1 About This Report

1.1.1 Reporting Period

This Report is published by Sunny Friend Environmental Technology Co., Ltd. (hereinafter referred to as "Sunny Friend", "the Company", "SF", or "we") to disclose the Company's performance, management policies, and Targets in five key areas—governance, products, supply chain, environment, and society—for the reporting period of the 2024 fiscal year (January 1, 2024 to December 31, 2024). The Company issues a Sustainability Report annually and makes it publicly available on our official website.

- ◆ Previous report publication date: August 2024
- ◆ Current report publication date: August 2025
- ◆ Next scheduled publication date: August 2026

The reporting period of this Report aligns with the Company's consolidated financial statements. To ensure completeness and comparability, certain chapters may include information prior to January 1, 2024 or after December 31, 2024, with specific explanations provided in the relevant sections.

1.1.2 Reporting Standards Followed

This Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards issued by the Global Sustainability Standards Board (GSSB), the Waste Management sector standards (IF-WM) issued by the Sustainability Accounting Standards Board (SASB), and with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB).

1.1.3 Reporting Boundary and Scope

Note : The sustainability performance of certain entities included in the consolidated financial statements is not covered in this Report, primarily because some subsidiaries have not yet commenced tracking sustainability-related data. For a complete list of entities included in the consolidated financial statements, please refer to: <https://www.sunnyfriend.com.tw/Investor/FinancialInformation>.

- ▼ If the reporting boundaries disclosed in individual chapters differ from the scope, supplementary explanations are provided within the respective sections. The basis for the calculation of various statistical data presented in this report is as follows:

Financial Data	The Economic Value Distribution table is compiled based on the consolidated financial statements audited by certified public accountants. Unless otherwise specified, all financial data are presented in NTD.
Environmental Data	Greenhouse gas emissions are reported in accordance with ISO 14064-1:2018 standards. Data on air pollutant emissions, water resources, and waste are based on figures reported by each operational site to the respective local competent authorities.
Other Data	The aggregated data are compiled from site-level self-reported statistics.

CONTENTS

1 General Information

1.1 About This Report

1.2 Sustainability Strategy and Performance

1.3 Stakeholder Engagement

1.4 Material Topic Management

2 Corporate Governance

3 Employee Wellbeing

4 Shared Prosperity with Society

5 Environmental Stewardship

6 Sustainable Supply Chain

Appendix

1.1.4 Restatement of Information

▼ Certain information from previous reporting periods disclosed in this report has been restated. For detailed explanations, please refer to the respective sections where the information is presented:

Restated Information	Reasons for Restatement	Restated Information	Report Chapter
Energy Consumption	- Change in measurement methodology - Change in data boundary - Unit conversion	- The total fossil fuel consumption has been revised to reflect the combined usage from both plants. The scope has been expanded to include gasoline and diesel used by company vehicles, mobile equipment fuel (gasoline and diesel), incinerators, diesel for MVR systems, and liquefied petroleum gas used in kitchens. The proportion of fossil fuel in total energy consumption was 45% in 2022, 43% in 2023, and 43% in 2024. - The total purchased electricity consumption has been revised to reflect the combined amount from both plants and converted into gigajoules (GJ). The proportion of purchased electricity in total energy consumption was 55% in 2022, 57% in 2023, and 57% in 2024.	5.1.1 Energy Consumption
Greenhouse Gas Emissions Analysis Table	- Change in measurement methodology - Change in data boundary	- The total greenhouse gas emissions have been recalculated based on the combined data from both plants. - In 2024, the GHG emission intensity decreased by 1.71% compared to the baseline year (2022). - Total GHG Emissions: 137,538.457 tCO₂e in 2022, 124,569.827 tCO₂e in 2023, 144,149.898 tCO₂e in 2024. - GHG Emission Intensity (tCO₂e per metric ton of waste treated): 1.637 in 2022, 1.609 in 2023, 1.609 in 2024.	5.2.1 Greenhouse Gas Inventory
Historical Air Pollutant Emissions	- Change in measurement methodology - Change in data boundary	- Total air pollutant emissions have been revised to represent the combined emissions from both plants, with units converted to kilograms (kg). - Historical Air Pollutant Emissions: Refer to Section 5.2.3 “Other Air Pollutant Emissions” for details. - Additional disclosure of Volatile Organic Compounds (VOCs) has been included.	5.2.3 Other Air Pollutant Emissions
Water Withdrawal – Recycled Water Volume Water Discharge – Water Quality Indicators	- Change in data boundary: The scope of recycled water has been expanded to include the volume of reclaimed water from the inorganic saline wastewater regeneration system (MVR) in the incineration process. - Change in water quality indicators: Previously, wastewater discharge data was aggregated for both the Yunlin and Zhangbin plants. Currently, discharge volumes are reported separately based on water quality indicators (purity).	- The volume of recycled water has been revised to include reclaimed water generated from the inorganic salt wastewater recycling system (MVR) in the incineration process. - Total Recycled Water Volume: 44.329 million liters in 2022, recovery rate 14.9%, 37.991 million liters in 2023, recovery rate 13.3%, 44.002 million liters in 2024, recovery rate 16.1%. - Freshwater Consumption: 24.092 million liters in 2022, 18.169 million liters in 2023, 16.871 million liters in 2024. - Other Water Sources: 30.419 million liters in 2022, 29.900 million liters in 2023, 26.884 million liters in 2024.	5.3.2 Water Withdrawal, Discharge, and Consumption

CONTENTS

1 General Information

- 1.1 About This Report
- 1.2 Sustainability Strategy and Performance
- 1.3 Stakeholder Engagement
- 1.4 Material Topic Management
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

Restated Information	Reasons for Restatement	Restated Information	Report Chapter
Amount of Industrial Waste Generated	- Change in measurement methodology - Change in data boundary	- New categories of derived waste added: MVR solids, filter bags, refractory materials, sludge from physicochemical treatment processes, and dust from solidification processes. - Change in calculation methodology for industrial waste generation: Figures are now consolidated across both plants. - Summary tables for industrial waste generation, transfer during treatment, and direct disposal—as well as breakdowns of waste transferred for recycling and directly disposed by treatment method—are detailed in Chapter 5.4.2 Waste Collection and Disposal.	5.4.2 Waste Removal and Disposal
Statistics on Occupational Injuries and Diseases among Employees Analysis of Historical Occupational Injury Incidents among Employees	Change in measurement methodology: Data disclosed from a group-level perspective for the current reporting year.	- Occupational injuries and diseases statistics have been consolidated across both plants. For more information, refer to Chapter 3.4.2 Occupational Injuries and Diseases. - Historical analysis of occupational injury incidents has also been updated to reflect consolidated data from both plants. Refer to Chapter 3.4.2 Occupational Injuries and Diseases.	3.4.2 Occupational Injuries and Diseases
Economic Value Generated and Distributed over the Past Three Years	Change in measurement methodology: Adjustment to the calculation formula.	Consolidated financial position has been analyzed from the perspective of economic value distribution to stakeholders, in accordance with GRI standards. For details, see Chapter 2.3.1 Economic Value Generated and Distributed.	2.3.1 Economic Value Generated and Distributed

1.1.5 Internal Control

The Company has established the Sustainability Information Management Guidelines. The Sustainability Report Working Group – Environmental Safety and Health (ESH) Office is responsible for the overall planning and coordination of the annual sustainability report. Each year, the working group consolidates necessary information and drafts the report. Upon completion of the draft, it undergoes a preliminary review by the designated reviewing officer within the working group. Additionally, an internal audit is conducted by a third-party consulting firm commissioned by the working group. The final version of the report is approved by the responsible senior officer within the Sustainability Report Working Group.

1.1.6 Contact Information

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1.1.7 External Assurance

External assurance has not been conducted for this reporting year.

CONTENTS

1 General Information

1.1 About This Report

1.2 Sustainability Strategy and Performance

1.3 Stakeholder Engagement

1.4 Material Topic Management

2 Corporate Governance

3 Employee Wellbeing

4 Shared Prosperity with Society

5 Environmental Stewardship

6 Sustainable Supply Chain

Appendix

1.2 Sustainability Strategy and Performance

1.2.1 Words from Chairman

In response to the rapid transformation of global industries, Sunny Friend has positioned itself as a leading service provider in hazardous and medical waste management across the Taiwan Strait. Guided by core values such as autonomous management, technological innovation, environmental awareness, environmental protection, and continuous improvement, we have successfully applied international technologies to the treatment of various hazardous wastes both domestically and internationally. Through these efforts, we have implemented our corporate development strategy of “long-term, stable, progressive, technological, and international” growth, while continually deepening our internationalization efforts and creating greater social value.

In the area of environmental sustainability, in alignment with the global trend toward net-zero emissions and the challenges brought by climate change, the government has set a long-term goal to achieve net-zero greenhouse gas (GHG) emissions by 2050 and has elevated climate governance priorities. To strengthen its sustainability governance and enhance performance in environmental, social, and governance (ESG) aspects, Sunny Friend has integrated sustainability information management into its internal control system and included it in the annual audit plan. In 2024, we formulated the “Sustainability Information Management Guidelines,” the “Audit Implementation Rules for Sustainability Information,” and the “Standard Operating Procedures for Sustainability Report Preparation and Assurance,” all of which were reviewed and approved by the Audit Committee and Board of Directors. Furthermore, in 2024, we organized GHG inventory training for employees to strengthen their professional competencies, with a total of 12 training hours and 26 participants—all of whom successfully obtained certification.

On the social responsibility front, Sunny Friend’s headquarters is located in Yuanchang Township, Yunlin County, which comprises 21 villages and a total population of approximately 23,259. As the local economy is primarily supported by agriculture and livestock, the region is considered economically disadvantaged. As a locally rooted enterprise, Sunny Friend has fulfilled its corporate social responsibility by fostering strong community relations. For many years, we have actively engaged in local initiatives and community participation, employing residents from our operating locations to create job opportunities and strengthen local recognition and inclusion. Since 2011, we have extended our community investment efforts into the realm of education by donating funds for library book purchases, organizing essay competitions, environmental science camps, and literary writing workshops, and launching the Peanut Bird Literary Magazine. In collaboration with the Global Views Education Foundation, we regularly donate publications including Global Views Monthly, Future Children, and Future Youth. Through these educational investments, we aim to invigorate rural education and empower underprivileged students to envision brighter futures and pursue their dreams.

In terms of corporate governance, since becoming a publicly listed company in 2015, Sunny Friend has steadily enhanced its corporate governance practices. We prioritize compliance with the Corporate Governance Evaluation criteria and align with the expectations of regulatory authorities and society. We continue to refine governance frameworks and demonstrate performance through integrity-driven operations, regular reviews and updates of our Corporate Governance Best-Practice Principles, and the publication of our Sustainability Report. By improving organizational efficiency and operational transparency, we effectively manage evolving risks. In 2024, Sunny Friend introduced internal regulations prohibiting insiders from trading securities using undisclosed market information and established comprehensive mechanisms for reporting illegal or unethical conduct (including corruption) applicable to both internal and external stakeholders, reinforcing the company’s commitment to sound governance.

Looking ahead, as a professional waste treatment service provider, Sunny Friend remains committed not only to the well-being of our shareholders and stakeholders but also to the broader society and global ecosystem. We will continue to embrace our responsibility in environmental stewardship and sustainable development, working to foster coexistence and co-prosperity with society and the planet.

Sunny Friend Environmental Technology Co., Ltd.
Board Chairman and General Manager *Chang, Fang-Cheng*

CONTENTS

1	General Information
1.1	About This Report
1.2	Sustainability Strategy and Performance
1.3	Stakeholder Engagement
1.4	Material Topic Management
2	Corporate Governance
3	Employee Wellbeing
4	Shared Prosperity with Society
5	Environmental Stewardship
6	Sustainable Supply Chain
	Appendix

1.2.2 Sustainable Performance

Environmental	Social	Governance
♦ Office Equipment Energy Efficiency Improvements : The Company upgraded lighting and air conditioning systems by phasing out outdated models and replacing them with energy-efficient alternatives bearing the energy label. In 2024, the Zhangbin Plant replaced 30 units of 56W T5 fluorescent light fixtures with 36W LED panel lights (with the same quantity) and upgraded 7 air conditioning units. ♦ Waste Heat Recovery to Reduce CO₂ Emissions at Yunlin Plant : The Yunlin Plant implemented a waste heat recovery system to reduce the use of diesel fuel in its incineration process. This initiative lowered fuel consumption and minimized carbon emissions. In 2024, the actual fuel consumption per unit of waste processed was 10.57 kg/ton, outperforming the original design benchmark of 26.1 kg/ton. ♦ Incinerator Bottom Ash Resource Utilization : To enhance the value of waste-derived resources, the Company promotes recycling and reuse of bottom ash generated from the incineration process, in accordance with applicable regulations and technical feasibility. In 2024, a total of 313.060 metric tons of non-hazardous industrial waste (incinerator bottom ash) were processed through recycling methods. ♦ Water Resource Recycling and Reuse : A rainwater harvesting system was installed on the steel-structured roof of the landfill site. Collected rainwater is stored onsite and reused for process cooling and street cleaning. Additionally, wastewater from the incineration process is treated through an inorganic salt wastewater regeneration system, and the recovered clean water is reused in the original process. The total volume of recycled water in 2024 was 44.002 million liters, with a recovery rate of 16.1%.	Community Engagement and Local Contribution Strategy : Community Care and Local Support: Provided emergency assistance to 3 individuals, funeral subsidies to 6 individuals, and winter relief support to 173 individuals. ♦ Educational Advancement : Sponsored participation of 58 individuals in a literature camp and 67 individuals in a science camp; awarded scholarships to 90 students; engaged 365 participants in a writing competition; published 1 volume of the Northern Lapwing Literary Magazine; and distributed quality children's publications including 24 issues of Future Children and 32 issues of Future Youth magazines. ♦ Environmental Protection : Received the "Excellence Award" in the 2024 Air Quality Purification Zone Evaluation organized by the Changhua County Government; supported the government in addressing five social and environmental cases; and maintained approximately 2,000 meters of coastal area through beach cleanup initiatives.	♦ In 2024, the Yunlin Plant applied for a permit code amendment and received the official approval letter for the Environmental Impact Assessment (EIA) amendment comparison table in September. This initiative supports the government in fulfilling its social responsibility for the proper management of waste during infectious disease outbreaks. In the post-pandemic era, it enables flexible capacity allocation for the treatment of general medical waste, expired pharmaceuticals, expired vaccines, waste liquids, and other types of industrial waste, thereby proactively enhancing equipment utilization efficiency.

CONTENTS

- 1 General Information
 - 1.1 About This Report
 - 1.2 Sustainability Strategy and Performance
 - 1.3 Stakeholder Engagement
 - 1.4 Material Topic Management
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

1.3 Stakeholder Engagement

1.3.1 Stakeholder Identification

Considering the nature of its industry and operational model, Sunny Friend undertook a systematic stakeholder identification process, led jointly by the Sustainability Information Task Force and senior management. This process was conducted in alignment with the five core principles outlined in the AA1000 Stakeholder Engagement Standard (AA1000 SES, 2015)—Dependency, Responsibility, Tension, Influence, and Diverse Perspectives—to accurately identify groups and organizations that influence or are influenced by the Company’s operations. Through this evaluation, Sunny Friend identified seven key stakeholder categories with direct relevance to its sustainability performance: Public Sector (Government Agencies), Customers (including medical institutions and non-medical business entities), Shareholders (and Investors), Suppliers, Employees, Local Communities, and Non-Profit Organizations / Academic Institutions (including industry-academia collaboration units).

1.3.2 Stakeholder Engagement

To understand and address stakeholder concerns, Sunny Friend provides diverse communication channels and regularly engages with stakeholders to facilitate dialogue. This approach enables stakeholders to express their views at any time and helps the Company gain insights into the Environmental, Social, and Governance (ESG) issues of interest to different stakeholder groups. Responses and corresponding strategies are then developed accordingly. A summary of stakeholder engagement mechanisms and key topics of concern for 2024 is presented on the right:

Sunny Friend’s Stakeholder Communication Mechanism and Management Procedures

1 Identification of Stakeholders and Material Topics

The Sustainability Information Task Force is responsible for collecting and consolidating issues of concern raised by stakeholders.

2 Responsible Departments

Feedback from stakeholders is directed to the relevant departments, which are tasked with formulating corresponding response measures for the identified issues.

3 Sustainability Information Task Force

Each responsible department reports regularly to the Sustainability Information Task Force, which integrates and compiles the outcomes of stakeholder engagement activities.

4 Board of Directors

The Board establishes both regular and ad-hoc communication mechanisms for stakeholder engagement. The status and outcomes of stakeholder communication are reported to the Board annually. Additionally, the Company issues an annual Sustainability Report to present related achievements. In the event of any negative impacts affecting stakeholders, the relevant departments are required to report to the Board and propose appropriate remedial actions.

5 External Disclosure

The results of stakeholder engagement are disclosed annually in the Sustainability Report.

CONTENTS

- 1 General Information
 - 1.1 About This Report
 - 1.2 Sustainability Strategy and Performance
 - 1.3 Stakeholder Engagement
 - 1.4 Material Topic Management
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

▼ Sunny Friend's Key Stakeholders and Communication Outcomes :

Stakeholder	Relationship with the Company	Communication Channels	Frequency of Communication	Key Topics of Concern ^{Note1}	Responsible Departments	Specific Actions
Public Sector (Government Agencies)	Regulatory authorities include the Ministry of Economic Affairs, securities regulatory authorities, the Ministry of Environmental, Safety and Health Department / Department of Environmental Protection, labor regulatory authorities, Yunlin County Government, Changhua County Government, the National Fire Agency under the Ministry of the Interior, among others	Policy Briefing Sessions	Irregularly	Regulatory Compliance	Finance Department Environmental Protection Office Occupational Safety and Health Office	♦ Actively participated in government-led policy briefing sessions ♦ Conducted regulatory compliance reviews ♦ Issued official documents to clarify regulatory interpretations
		Public Hearings	Irregularly	Waste Management Occupational Health and Safety		
		Government Websites	Irregularly	Labor-Management Communication Air Quality		
		Official Correspondence	Irregularly	Greenhouse Gas (GHG) Emissions Energy		
Customers	Medical and non-medical institutional enterprises	Telephone Communication	Daily	Ethical ManagementWaste	Sales Department	♦ Ensured proper handling of official correspondence and document delivery ♦ Frontline personnel conducted client interviews and customer satisfaction surveys ♦ Collected and analyzed customer feedback and satisfaction levels; designated dedicated contact personnel
		On-site Visits	Daily			
		Email	Daily			
		Official Correspondence	Monthly			
Shareholders (and Investors)	Shareholders and investors are the ultimate beneficial owners of the Company	Shareholders' Meetings	Annually	Economic Performance	Finance Department	♦ Maintained ethical business practices and stable profitability ♦ Held regular shareholders' meetings ♦ Proactively disclosed material information on the company's official website
		Annual Reports	Annually			
		Financial Statements	Quarterly			
		Corporate Website	Irregularly			
		Market Observation Post System (MOPS)	Monthly			

Note1 : This table provides a summary of the key issues of concern to stakeholders. For detailed response measures, please refer to the relevant sections of this report.

CONTENTS

- 1 General Information
 - 1.1 About This Report
 - 1.2 Sustainability Strategy and Performance
 - 1.3 Stakeholder Engagement
 - 1.4 Material Topic Management
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

Stakeholder	Relationship with the Company	Communication Channels	Frequency of Communication	Key Topics of Concern ^{Note1}	Responsible Departments	Specific Actions
Suppliers	Suppliers include construction contractors, mechanical engineering service providers, equipment vendors, service providers, and other procurement partners.	Email	Daily	Ethical Management	Management Department	◆ Procurement Contract Development ◆ Supplier Evaluation System ◆ Participation in Supplier Technical Presentation Events
		Telephone Communication	Daily			
		On-site supplier visits	Irregularly			
Employees	All workers at Sunny Friend, including senior executives, operational staff, and general employees.	Labor-management meetings	Quarterly	Employee Benefits and Compensation Labor-Management Communication	Personnel Office	◆ Regular Labor-Management Meetings and Bilateral Communication via Employee Welfare Committees ◆ Announcement of Employee Concerns ◆ Regular Implementation of Training and Education Programs
		Employee Welfare Committee	Quarterly			
		Internal communication memorandum	Irregularly			
Local Communities	Communities refer to local residents, village/neighborhood representatives, schools, and other community stakeholders.	Community engagement visits	Weekly	Waste Air Quality	Public Relations and Legal Department General Affairs Office	◆ Proactive Community and School Engagement ◆ Participation in Public Events ◆ Donation of Books ◆ Publication of Newsletters or Periodicals ◆ Organization of Activities to Enhance Stakeholder Interaction
		Visits to village/neighborhood chief offices	Weekly			
		Visits to township offices	Monthly			
		Local contributions and sponsorships	As planned			
Non-profit and Academic Institutions (including Industry-Academia Collaboration Entities)	Non-profit organizations include cultural, arts, and academic institutions.	Telephone interviews	Irregularly	Greenhouse Gas (GHG) Emissions Waste Air Quality	Planning Department Environmental Protection Office Public Relations and Legal Department	◆ Occasional Industry Collaboration Projects ◆ Expression of Opinions on Regulatory Interpretations, Draft Amendments, and Public Hearings ◆ Impact Assessment of Waste Disposal Regulations and Emerging Technologies
		On-site Visits	Irregularly			
		Email	Irregularly			

1.4 Material Topic Management

1.4.1 Material Topic Assessment Process

Sunny Friend conducts material topic assessments every three years in accordance with the Sustainability Information Management Guidelines. The Sustainability Information Task Force evaluates the impacts of the Company's operations, industry characteristics, and value chain. This process incorporates stakeholder engagement and expert consultations and follows the principles of materiality, completeness, and stakeholder inclusiveness as outlined in the GRI 3: Material Topics (2021) Standard of the Global Reporting Initiative (GRI). The assessment identifies sustainability issues that have significant impacts on stakeholders. The results of the materiality assessment are submitted to the Board of Directors, which determines the key sustainability topics for the reporting period. The Sustainability Information Task Force is also responsible for reporting stakeholder engagement activities—on a regular or ad hoc basis—to the Board of Directors. The detailed assessment process is as follows:

Step 1.

Identification of Key Topics

- (1) Industry Attribute Analysis: We first reviewed the Company's business operations, business model, product or service types, industry characteristics, and types of workers to comprehensively analyze all relevant industry attributes.
- (2) Sustainability Topic Identification: In addition to considering previously occurred material positive and negative events, we identified sustainability-related topics through stakeholder engagement and feedback, sustainability context (referencing TCFD and SASB issue identification), industry regulations and standards, and peer benchmarking. This process allowed us to evaluate potential risks and opportunities comprehensively. A total of 23 sustainability topics were identified during this reporting period.

Step 2.

Determination of Material Topics

We conducted a survey to assess the significance of each sustainability topic. Internal management assessed the impact on the Company's operations, while external stakeholders evaluated the impact on the environment, society, and human rights. The level of impact was determined based on a composite assessment of severity, likelihood or frequency, scope of influence, and the possibility of remediation for negative impacts. In 2024, a total of 131 questionnaires were collected, of which 129 were valid—36 from internal and 93 from external stakeholders. We calculated positive and negative impact scores from both perspectives and ranked the topics in descending order based on their total impact scores. The top nine topics were selected as the materiality threshold and identified as material topics for this reporting period.

Step 3.

Disclosure of Material Topic Information

The Sustainability Information Task Force aligned each material topic with corresponding international sustainability standards and reviewed related management policies and Targets. Relevant annual data were collected to ensure that key sustainability information was fully disclosed in this report, effectively addressing stakeholder concerns. Upon completion of the annual sustainability report, the content was reviewed by the Sustainability Information Task Force, followed by approval from the responsible executives and submission to the Board of Directors to ensure accuracy and appropriateness of disclosure. The final report was then published on the Market Observation Post System (MOPS) and the official Sunny Friend website.

Step 4.

Ongoing Review

We conduct regular annual reviews to evaluate the implementation of material topic policies and the achievement of related targets. The outcomes are used to enhance internal management approaches and both qualitative and quantitative goals. Additionally, differences between current and previous material topics are analyzed, with root causes of any changes reported in the following reporting cycle.

CONTENTS

1 General Information

1.1 About This Report

1.2 Sustainability Strategy
and Performance

1.3 Stakeholder Engagement

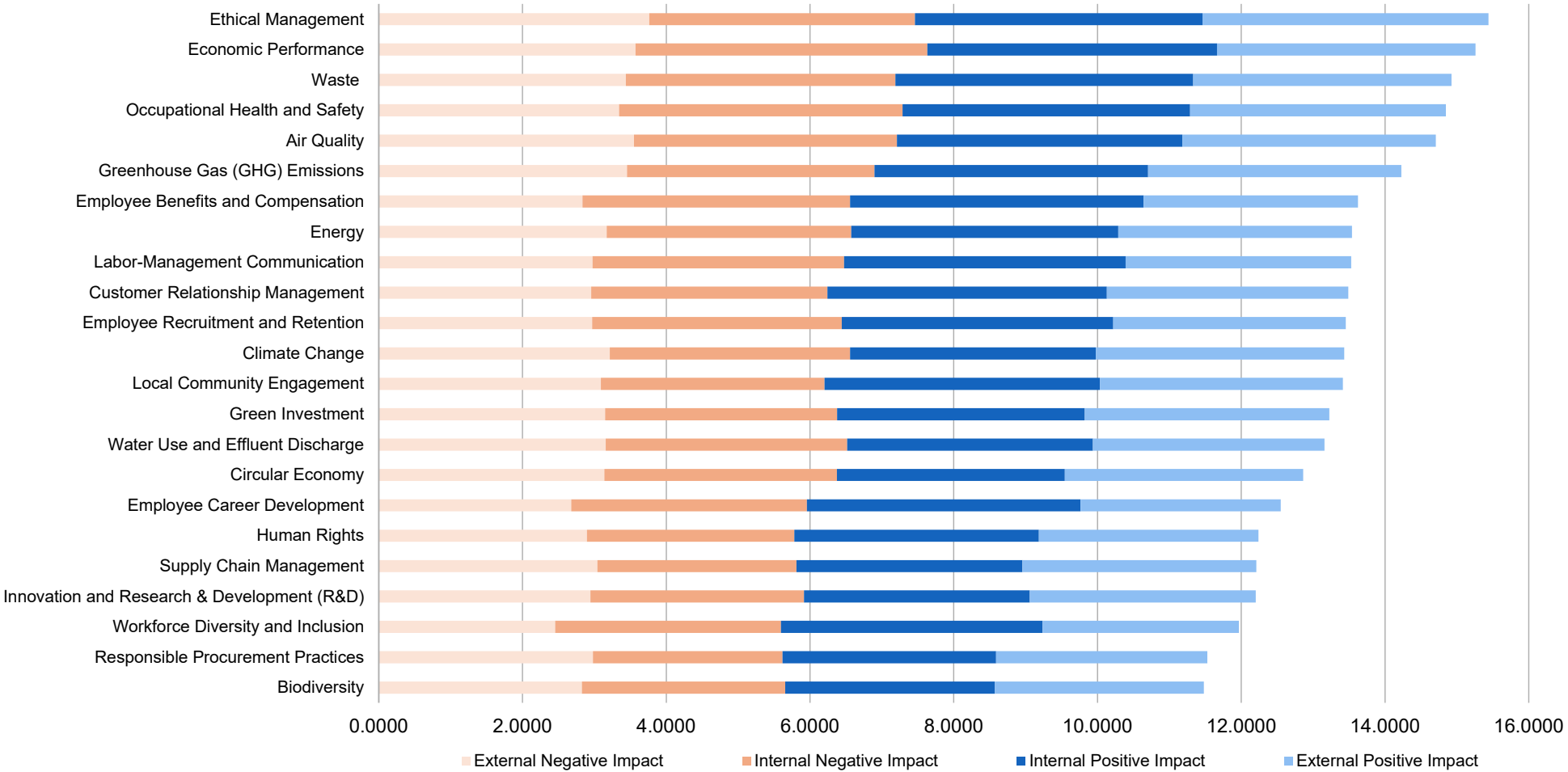
1.4 Material Topic
Management2 Corporate
Governance

3 Employee Wellbeing

4 Shared Prosperity
with Society5 Environmental
Stewardship6 Sustainable Supply
Chain

Appendix

▼ Materiality Matrix :



- (1) Compared to the previous year's materiality assessment results, this year saw the addition of Air Quality, Energy, and Labor-Management Communication as material topics due to evolving global sustainability trends and the rising awareness of labor rights.
- (2) Regulatory Compliance: As the Global Reporting Initiative (GRI) has classified this as a general disclosure topic under its Universal Standards applicable to all organizations, it is no longer considered a separate material topic starting this year.
- (3) Local Community, Circular Economy, and Technological Innovation: These topics were excluded from this year's material topics due to changes in stakeholder interest and levels of concern.

CONTENTS

- 1 General Information
 - 1.1 About This Report
 - 1.2 Sustainability Strategy and Performance
 - 1.3 Stakeholder Engagement
 - 1.4 Material Topic Management
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

1.4.2 Management of Material Topic Impacts

Material Topic Management Strategy

The Board of Directors serves as the highest decision-making and supervisory body for the management of material topics at Sunny Friend. The Board has designated the Sustainability Information Task Force to oversee the management of sustainability-related material topics. Responsibilities include identifying and reviewing management approaches to material topics and proposing enhancement recommendations.

The Task Force also establishes diverse communication channels with stakeholders, regularly consolidates stakeholder feedback, assesses the type and degree of impact of such input, and formulates response strategies or action plans on an annual basis. These are subsequently reported to the Board of Directors.

▼ List of Material Topics–2024 Material Topics and Corresponding Chapters

Material Issues	Corresponding GRI Topics	Corresponding Sections in the Report
Ethical Management	GRI 205-2~205-3	2.4.1 Ethical Management
Economic Performance	GRI 201-1, 201-4	2.3.1 Economic Value
Waste	GRI 306-1~306-5	5.4.1 Waste Management Policy, 5.4.2 Waste Collection and Disposal
Occupational Health and Safety	GRI 403-1~403-10	3.4.1 Occupational Health and Safety Management, 3.4.2 Occupational Injuries and Diseases
Air Quality	GRI 305-7	5.2.4 Other Air Pollutant Emissions
Greenhouse Gas (GHG) Emissions	GRI 305-1~305-4	5.2.1 Greenhouse Gas Inventory, 5.2.2 Greenhouse Gas Reduction
Employee Benefits and Compensation	GRI 2-21, 201-3, 202-1, 401-2, 401-3	3.2.1 Equal and Competitive Compensation, 3.2.2 Comprehensive Employee Benefits, 3.2.3 Family-Friendly Workplace
Energy	GRI 302-1, 302-3	5.1.1 Energy Consumption, 5.1.2 Energy Conservation Measures
Labor-Management Communication	GRI 2-30, 402-1	3.1.3 Labor-Management Agreements

CONTENTS

- 1 General Information
 - 1.1 About This Report
 - 1.2 Sustainability Strategy and Performance
 - 1.3 Stakeholder Engagement
 - 1.4 Material Topic Management
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

Material
Issues

Ethical
Management

Responsibility/
Responsible Unit

Management Department,
Public Relations and Legal Department

— Management Approach to Material Issues(1/9)

Description

To implement ethical management, the Company is committed to fostering a culture of integrity and strengthening corporate governance. We have established a Code of Conduct and Anti-Bribery Policy that require managers, employees, and appointees to refrain from offering or accepting any improper benefits during the course of business operations. These policies are grounded in the principles of transparency, openness, care, and service. To enhance compliance, we conduct regular annual training on ethical governance and external regulatory requirements. These initiatives positively reinforce corporate transparency and stakeholder trust, while mitigating legal and operational risks. However, if integrity management mechanisms are not effectively enforced, the Company may face adverse impacts such as reputational damage, fines, or litigation costs. Therefore, we continue to strengthen our internal control systems and training programs to proactively prevent and mitigate related risks.

Management Policy / Targets

- ◆ Formulated the Code of Ethical Conduct and the Procedures for Ethical Management and Guidelines for Conduct.
- ◆ Established the Corporate Governance Best Practice Principles, Code of Ethical Behavior, and Sustainable Development Best Practice Principles.
- ◆ Incorporated integrity clauses into contracts with business partners.
- ◆ Set the disclosure threshold for major regulatory violations at NT\$60,000 or more, with the target of zero incidents of major violations during the reporting year.
- ◆ Established a whistleblowing and grievance mechanism.
- ◆ Conducted annual training on ethical business practices and regulatory compliance, targeting a 100% employee completion rate.

Specific Actions

- ◆ Reported the implementation status of ethical management to the Board of Directors annually.
- ◆ Published the Code of Ethical Conduct and the Procedures for Ethical Management and Guidelines for Conduct on the company website for reference by internal and external stakeholders.
- ◆ Disclosed the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, Corporate Governance Best Practice Principles, Code of Ethical Behavior, and Sustainable Development Best Practice Principles on the company website for stakeholder reference.
- ◆ Published the Whistleblower Handling Procedures on the company website to ensure transparency and accessibility.
- ◆ Scheduled and implemented internal and external training sessions on ethical management every year.

Progress Toward Target Achievement

- ◆ Governance Disclosure: In 2024, reported the implementation status of ethical management to the Board of Directors.
- ◆ Legal Compliance : No violations of laws or regulations related to ethical business practices or any major compliance breaches occurred during the reporting year.
- ◆ Training and Education : Conducted two specialized courses on "Insider Trading Prevention" and "Code of Ethical Conduct", with 48 total participants. Additionally, held 117 integrated training sessions covering ethical business practices, legal compliance, and internal control systems, with a total of 1,174 participants and 4,395 training hours accumulated. Achieved a 100% employee training completion rate.

Material
Issues

Economic
Performance

Responsibility/
Responsible Unit

General Manager's Office,
Finance Department

Management Approach to Material Issues(2/9)

Description

Economic performance is the cornerstone of corporate sustainability, directly influencing our ability to invest in environmental infrastructure, create employment opportunities, and give back to society. By adhering to sound management practices and valuing the voices of shareholders and investors, we aim to share the fruits of our operations with all shareholders. However, regulatory changes or ineffective management of major capital expenditures may compress profit margins, increase costs, and adversely affect investor returns. We mitigate such risks through investment evaluation, cost control, and regular rolling reviews to ensure strong operational performance and long-term value creation.

Management Policy / Targets

- ◆ Each year in Q4, all departments prepare budget proposals for the following fiscal year. The Finance Department consolidates budgets or targets related to sales, production, procurement, and personnel expenses, and prepares the projected income statement, balance sheet, and cash flow statement. These are submitted to the General Manager for review. The budget results are reported by the Chairman and approved by the Board of Directors at the year-end board meeting.
- ◆ On a monthly basis, the Finance Department compiles the latest financial statements, compares them against the budget and prior operating performance, and submits them for management meetings to review and improve business strategies. Sunny Friend's quarterly and annual consolidated financial statements, as well as stand-alone financial reports, are disclosed on the company website and the Market Observation Post System (MOPS).
- ◆ The Company aims to distribute no less than 50% of its current year's after-tax net income as shareholder dividends.

Specific Actions

- ◆ We provide an integrated service model for both domestic and overseas markets, facilitating the proper disposal of waste through incineration, physicochemical treatment, solidification, and final disposal (landfilling), in support of government and societal needs.
- ◆ In Taiwan, medical waste is handled at Yunlin Yuanchang Plants 1 and 3, while industrial waste is managed at Zhangbin Plants 1 and 2. In 2024, the Yunlin plant applied for a permit code revision and, in September, received official approval of the Environmental Impact Assessment (EIA) change comparison table. This enhances the government's capacity to fulfill its social responsibilities during epidemics and allows for flexible capacity allocation in the post-pandemic era for the treatment of general medical waste, expired medications, vaccines, and waste liquids, thereby improving equipment utilization.
- ◆ Internationally, Beijing Ruentex operates the largest medical waste treatment facility in Beijing, comprising Plant 1 and Plant 2, with a combined approved capacity of 47,450 metric tons per year.

Progress Toward Target Achievement

- ◆ In 2024, the Company achieved consolidated revenue of NT\$3.697 billion, representing a 13.05% year-over-year increase, and after-tax net income of NT\$558 million, with earnings per share of NT\$3.69.
- ◆ The total direct economic value generated was NT\$3.894 billion, with the following distribution: operating costs (49.9%), employee compensation and benefits (26.0%), and returns to investors (14.6%).
- ◆ In 2024, the Company received NT\$14.606 million in government subsidies, primarily for new plant subsidies and investment incentives in mainland China.
- ◆ The Yunlin plant completed its permit amendment in 2024, enhancing flexibility and feedstock efficiency in handling both general and specialized medical waste.
- ◆ We continue to deepen our presence in China's waste management market and are expanding the scope of hazardous waste treatment services.

CONTENTS

1 General Information

- 1.1 About This Report
- 1.2 Sustainability Strategy and Performance
- 1.3 Stakeholder Engagement

1.4 Material Topic Management

- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

Material
Issues

Waste

Responsibility/
Responsible Unit

Factory Affair Department,
Environmental Protection Office

Management Approach to Material Issues(3/9)

Description

As Taiwan's first professional biomedical waste incineration facility and an integrated hazardous industrial waste treatment plant equipped with intermediate treatment capabilities—including incineration, physicochemical treatment, and solidification—and a final disposal landfill, the Company plays a vital role in environmental protection and resource recovery in its daily operations. Waste management is not only a core business activity but also directly impacts the environment, ecosystems, and public health. Non-compliance with regulations or inadequate handling during the treatment process may result in waste leakage or pollutant discharge, potentially leading to air, water, and soil contamination. Such incidents pose health risks to nearby communities and may adversely affect operational stability and corporate reputation.

The Company possesses comprehensive capabilities across research and development, system design, engineering drafting, operations, and process optimization. It actively engages in the industrial waste treatment sector, strengthening competitiveness through corporate management practices and the integration of digital systems. Under the circular economy framework, the Company ensures responsible treatment of each client's entrusted industrial waste, from collection and transportation to treatment and final disposal (or resource recovery). By integrating technology, traditional practices, and innovation into a streamlined operational model, the Company effectively enforces rigorous controls at each stage, enabling the proper treatment and recycling of industrial waste.

Management Policy / Targets

- ◆ A designated responsible unit is established to oversee the management, treatment, and reporting of industrial waste generated from company operations.
- ◆ Industrial waste management plans are prepared and reported in accordance with applicable regulatory requirements.
- ◆ Waste treatment methods are implemented in compliance with local regulations.
- ◆ Waste categories, volumes, and flow are recorded and tracked via waste manifest systems and internal management systems; waste generation is measured using the load count analysis method.
- ◆ A target has been set to reduce fly ash and bottom ash generated per metric ton of incinerated waste by 4% by 2025.

Specific Actions

- ◆ To address the issue of final disposal, development of the third to fifth landfill cells at the Zhangbin Plants has been accelerated.
- ◆ Bottom ash generated at the Yunlin Plant is treated by certified waste management vendors, followed by solidification and subsequent physical treatment.
- ◆ Bottom ash from the Zhangbin Plants is handled by certified waste management vendors for physical treatment, with the final reuse options including applications as admixtures in unreinforced concrete or case-specific reuse. The ash is entrusted to Ruentex Materials Co., Ltd., a subsidiary of the Ruentex Group, for recovery and reuse as an alternative raw material in the cement production process.
- ◆ Both the Yunlin Plant and Zhangbin Plants conduct at least one on-site inspection annually to monitor and track the treatment status of their commissioned waste management vendors.

Progress Toward Target Achievement

- ◆ The third landfill cell obtained an operating permit in August 2023 and is currently in active use.
- ◆ The fourth landfill cell began operations in 2022 and reached full capacity in 2024.
- ◆ Development of the fifth landfill cell is ongoing.
- ◆ In 2024, the total amount of waste generated was 11,706.888 metric tons, of which hazardous industrial waste accounted for 6,060.397 metric tons (51.8%), and non-hazardous industrial waste accounted for 5,646.491 metric tons (48.2%).
- ◆ In 2024, 5.5% of non-hazardous industrial waste was processed through recycling, representing 2.6% of the total waste generated during the year.
- ◆ In 2024, a total of 313.060 metric tons of waste were transferred for off-site treatment by third-party providers.
- ◆ In 2024, a total of 11,517.106 metric tons of waste were directly treated, including 5,859.780 metric tons treated in-house and 5,657.326 metric tons treated by third-party vendors.

CONTENTS

1 General Information

- 1.1 About This Report
- 1.2 Sustainability Strategy and Performance
- 1.3 Stakeholder Engagement
- 1.4 **Material Topic Management**
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

Material Issues

Occupational Health and Safety

Responsibility/ Responsible Unit

Occupational Safety and Health Office

— Management Approach to Material Issues(4/9)

Description

The Company's operational sites involve high-risk environments such as high-temperature facilities, hazardous substances, and mechanical operations. Employees are therefore exposed to potential occupational injury and health risks during routine operations. As such, Occupational Safety and Health (OSH) management is one of the Company's core operational priorities. Internally, it safeguards employee life and well-being; externally, it supports operational continuity and demonstrates our commitment to social responsibility.

Inadequate OSH management could lead to workplace accidents, injuries, operational disruptions, and result in substantial medical and compensation costs, thereby affecting corporate reputation, increasing regulatory compliance risks, and compromising organizational resilience.

To mitigate these risks, the Company has established a comprehensive OSH management system in accordance with the relevant regulations set forth by the Ministry of Labor. We continuously improve our practices through periodic training, risk assessments, and the implementation of standardized incident reporting procedures. Through the cultivation of a safety-first culture and full employee engagement, we aim to enhance risk awareness and emergency response capabilities, thereby effectively reducing the incidence of occupational accidents.

Furthermore, the Company places strong emphasis on health promotion, offering routine health checkups and providing appropriate personal protective equipment (PPE) to safeguard employees' overall well-being and work stability. Through a comprehensive OSH strategy and transparent disclosure, we strengthen stakeholder trust in our occupational health initiatives and demonstrate our commitment to sustainable development.

Management Policy / Targets

- ◆ In accordance with local OSH laws and the ISO 45001 : 2018 Occupational Health and Safety Management System standard, the Company adopts the PDCA (Plan-Do-Check-Act) management approach to establish its OSH management framework.
- ◆ Established an Occupational Safety and Health Committee and communication mechanism.
- ◆ Conduct regular OSH risk assessments.
- ◆ Implement OSH training programs with a target completion rate of 100% for employees.
- ◆ Promote occupational health services and wellness initiatives.
- ◆ Conduct OSH audits on suppliers.
- ◆ Develop standardized occupational incident reporting procedures.

Specific Actions

- ◆ The Zhangbin Plant has implemented an OSH management system and obtained third-party certification.
- ◆ The Occupational Safety and Health Committee is jointly formed by labor and management, comprising 7 members, including 3 labor representatives (accounting for 42% of the committee), chaired by an Associate General Manager.
- ◆ The OSH Committee convenes quarterly to review OSH management policies, assess the effectiveness of implementation procedures, evaluate training programs, and review occupational incident investigation reports.
- ◆ Hazard identification and risk assessment procedures are formulated based on local OSH laws, and are executed by the OSH task force under the Committee.
- ◆ All employees are required to undergo general OSH training annually.
- ◆ PPE is provided to employees, and those working in special-risk environments receive designated health examinations with regular follow-up on health status.
- ◆ All full-time employees are eligible for biannual general health checkup subsidies. Employees identified with significant health concerns are tracked and managed.
- ◆ Annual health promotion activities include health seminars, cancer screening, on-site physician consultations, weight management contests, and wellness challenges.
- ◆ Suppliers are required to comply with the Company's Supplier Code of Conduct, which includes OSH standards.
- ◆ Key suppliers are audited to ensure compliance with the Company's OSH requirements, and the number of occupational injuries and illnesses is tracked annually to evaluate gaps in supplier OSH management.

CONTENTS

1 General Information

- 1.1 About This Report
- 1.2 Sustainability Strategy and Performance
- 1.3 Stakeholder Engagement
- 1.4 Material Topic Management
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

CONTENTS

1 General Information

- 1.1 About This Report
- 1.2 Sustainability Strategy and Performance
- 1.3 Stakeholder Engagement
- 1.4 **Material Topic Management**
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

Progress Toward Target Achievement

- ◆ In 2024, professional training on hazard identification and risk assessment was conducted for the Occupational Safety and Health (OSH) Management Team.
- ◆ In 2024, the Company organized the following health promotion activities: (1) Awareness sessions on cardiovascular and infectious diseases, with a total of 10 participants; (2) Core relaxation and stretching workshops, with a total of 10 participants; (3) Educational campaigns on food poisoning prevention and high-temperature work awareness, with a total of 6 participants.
- ◆ All suppliers successfully passed the OSH audits in 2024.
- ◆ In 2024, the total number of work hours was 595,065 hours. The number of recordable incidents was 6, resulting in a recordable incident rate of 2.0%.
- ◆ In 2024, recordable incidents included: (1) 5 cases related to physical hazards; (2) 1 case related to chemical hazards.
- ◆ In 2024, zero near-miss incidents were reported.

Material Issues

Air Quality

Responsibility/Responsible Unit

Factory Affair Department, Occupational Safety and Health Office

— Management Approach to Material Issues(5/9)

Description

Air pollutants such as nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter (PM) are generated during the incineration process of waste treatment. Air quality management is identified as a material environmental issue for the Company, as its impact extends beyond occupational safety for employees to the health rights of neighboring communities and the Company's corporate social responsibility image. Inadequate air pollution control measures may lead to exceedance of emission limits, public opposition, and violations of the Environmental Impact Assessment Act, Air Pollution Control Act, and other applicable regulations, thereby exposing the Company to fines, mandatory corrective actions, or operational disruptions. Furthermore, air pollutants may contribute to greenhouse gas accumulation, acid rain, and ecological damage, thereby indirectly exacerbating climate change. To mitigate these negative impacts, the Company has installed air pollution control equipment and a Continuous Emission Monitoring System (CEMS) to ensure real-time monitoring and regulatory compliance.

Management Policy / Targets

- ◆ In accordance with the frequency specified by the competent authority, the Company regularly commissions environmental testing institutions accredited by the Ministry of Environment to conduct pollutant sampling and analysis at emission sources within the facility. The goal is to ensure that all air pollutant emissions comply with or exceed the Emission Standards for Stationary Pollution Sources and environmental impact assessment commitments.
- ◆ Upon receiving air quality deterioration alerts issued by the Environmental Protection Bureau, the Company implements corresponding response measures based on the severity of the air quality level.

Specific Actions

- ◆ The Company adopts Best Available Control Technologies (BACT) to equip relevant pollution prevention systems.
- ◆ Pollution control equipment is inspected daily, and periodic testing is conducted by environmental testing institutions accredited by the Ministry of Environment.
- ◆ In response to air quality deterioration levels, the Company takes specific actions including verifying normal operation of pollution control equipment, checking opacity data and equipment parameters, and recording operational adjustments and production load reductions to confirm the effectiveness of implemented measures in achieving actual emission reductions.

Progress Toward Target Achievement

- ◆ In 2024, the Company recorded emissions of 66,557 kg of nitrogen oxides (NOx), 27,224 kg of sulfur oxides (SOx), 26,861 kg of volatile organic compounds (VOC), and 4,200 kg of particulate matter (PM).
- ◆ All responses and documentation in 2024 were conducted in accordance with the submitted "Air Quality Deterioration Contingency and Control Plan" at all levels.

Material Issues

Greenhouse Gas (GHG) Emissions

Responsibility/Responsible Unit

Factory Affair Department, Occupational Safety and Health Office

Management Approach to Material Issues(6/9)

CONTENTS

1 General Information

- 1.1 About This Report
- 1.2 Sustainability Strategy and Performance
- 1.3 Stakeholder Engagement
- 1.4 Material Topic Management
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

Description

Waste treatment processes involve multiple direct and indirect sources of greenhouse gas (GHG) emissions throughout our operations. The primary sources of the Company's GHG emissions include diesel fuel consumption, electricity usage, and emissions from waste incineration. If not properly managed, these emissions could lead to long-term cumulative impacts on climate change and result in operational risks, financial burdens, and increasing regulatory pressures. In accordance with the Climate Change Response Act and the ISO 14064-1:2018 GHG Inventory Standard, the Company has established a comprehensive GHG inventory system that includes both Scope 1 (direct emissions) and Scope 2 (energy indirect emissions). To mitigate emissions, we have continued to implement various carbon reduction measures. These include the addition of a heat recovery system at the Yunlin Plant, which improves energy efficiency. Additionally, our initiatives on waste resource recovery and recycling have effectively reduced GHG emissions from final disposal, achieving both environmental and economic benefits. Through ongoing efforts in GHG quantification, reduction, and disclosure, the Company is actively progressing toward its net-zero carbon transition goals and responding to stakeholders' high expectations regarding climate action. We remain committed to our environmental responsibility by strengthening carbon risk control, seizing low-carbon opportunities, and enhancing our capabilities in addressing climate change through our core business.

Management Policy / Targets

- ◆ In accordance with ISO 14064-1:2018 Greenhouse Gas Inventory Standard, the operational control approach was adopted to define the organizational boundary.
- ◆ The organizational boundary encompasses the Yunlin Plant, Zhangbin Plants, and the Taipei Office (newly included this reporting year). The reporting boundary covers Scope 1 (stationary combustion sources, mobile combustion sources, fugitive emissions, and process emissions) and Scope 2 (purchased electricity).
- ◆ The greenhouse gases inventoried include seven types: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).
- ◆ A GHG reduction target has been set to decrease emission intensity by 1% in 2025 compared to 2024 levels.

Specific Actions

- ◆ GHG emissions are primarily calculated using the emission factor method: Activity Data × Emission Factor × Global Warming Potential (GWP). All results are converted into carbon dioxide equivalent (CO₂e), expressed in metric tons.
- ◆ GWP values are based on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6, 2021).
- ◆ A mass balance approach was applied for calculating emissions from refrigerants, fire extinguishers, welding rods, acetylene, and urea.
- ◆ The electricity emission factor is based on the 2023 emission coefficient for electricity, as published by the Energy Administration in 2024.
- ◆ Carbon reduction and energy-saving initiatives implemented include: (1) planning the installation of a heat recovery process at the Yunlin Plant to replace diesel consumption with recovered thermal energy, (2) optimization of waste collection routes and transport capacity, and (3) increasing the local procurement ratio.

Progress Toward Target Achievement

- ◆ Total GHG emissions in 2024 amounted to 144,149.898 tCO₂e.
- ◆ GHG emission intensity in 2024 was 1.609 tCO₂e per metric ton of waste treated.
- ◆ The actual unit diesel consumption at the Yunlin Plant in 2024 was 10.57 kg/ton, outperforming the original design value of 26.1 kg/ton.
- ◆ Collaborating waste removal vendors adopt GPS monitoring systems and optimize transport routes and logistics to minimize waste transportation distances.
- ◆ The local procurement ratio in 2024 was 62.7%.

Material
Issues

Employee Benefits
and Compensation

Responsibility/
Responsible Unit

Personnel Office

— Management Approach to Material Issues(7/9)

Description

Employees are the Company's most valuable assets. A sound compensation and benefits system not only enhances employee satisfaction and loyalty but also plays a vital role in attracting and retaining top talent, thereby improving operational efficiency and reinforcing corporate social responsibility. The Company is committed to offering a competitive compensation structure. Annual salary adjustments are made based on business performance, and bonuses are granted according to individual performance, ensuring fairness, transparency, and compliance with local laws and regulations. To support work-life balance, the Company provides various employee welfare initiatives, including company trips, team-building activities, health insurance, legally compliant family care leave, and flexible working hours. These initiatives aim to foster physical and mental well-being, reduce absenteeism, and mitigate turnover risks. In addition, the Company emphasizes professional development, believing that continuous learning and training are essential for mutual growth between employees and the organization.

Management Policy / Targets

- ◆ Compensation standards are determined with reference to local regulations, industry benchmarks, and local cost of living.
- ◆ Employee compensation consists of base salary, meal allowances, bonuses, and various subsidies.
- ◆ An Employee Welfare Committee has been established to promote and implement various welfare initiatives.
- ◆ Implementation of a new pension scheme in accordance with regulatory requirements.
- ◆ Formulation of employee performance appraisal policies.
- ◆ Establishment of employee reward and disciplinary measures.

Specific Actions

- ◆ Annual salary adjustments are made in line with operational performance, with bonuses granted based on individual performance evaluations.
- ◆ Monthly contributions to the Employee Welfare Fund are made by both the Company and employees. The fund is used to subsidize various activities and allowances. The Welfare Committee monitors fund usage and employee feedback to ensure effective utilization.
- ◆ Standard benefits include insurance coverage, statutory leave entitlements, and monetary gifts for weddings, funerals, childbirth, and holidays.
- ◆ Additional benefits include company-sponsored travel, team gatherings, employee dormitories, and staff cafeterias.
- ◆ Support mechanisms such as access to partner childcare facilities, legally compliant family care leave, and flexible work schedules are provided.
- ◆ Ongoing training programs are conducted to support employee competency development.

Progress Toward Target Achievement

- ◆ 7% of the Company's annual profit is allocated as employee remuneration.
- ◆ In 2024, the ratio between the highest-paid individual's total annual compensation and the Company's median annual compensation (excluding the highest-paid individual) was approximately 11.3 times. The ratio between the percentage increase in the highest-paid individual's total compensation and the median percentage increase in overall average compensation (excluding the highest-paid individual) was 0.023.
- ◆ In 2024, the average monthly base salary of entry-level employees exceeded the statutory minimum wage. Specifically, the average base salaries for Grade 1 and Grade 2 employees were 1.39 times and 1.65 times the statutory minimum wage, respectively, with all salaries and benefits fully compliant with legal requirements.
- ◆ As of 2024, the number of full-time employees not in managerial positions was 324. Their average and median annual salaries were NT\$896,000 and NT\$773,000, respectively.
- ◆ In 2024, salary structure adjustments were made, including increases in various allowances and starting salaries for new hires, resulting in an overall increase compared to the previous year.
- ◆ The return-to-work rate after parental leave in 2024 was 100%, with a 100% retention rate one year after resuming work.
- ◆ In 2024, a total of 145 training sessions were held, training 1,149 participants and accumulating 4,817 training hours.

CONTENTS

1 General Information

- 1.1 About This Report
- 1.2 Sustainability Strategy and Performance
- 1.3 Stakeholder Engagement
- 1.4 **Material Topic Management**
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

CONTENTS

1 General Information

- 1.1 About This Report
- 1.2 Sustainability Strategy and Performance
- 1.3 Stakeholder Engagement
- 1.4 **Material Topic Management**
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

Material Issues

Energy

Responsibility/ Responsible Unit

Factory Affair Department, Occupational Safety and Health Office

Management Approach to Material Issues(8/9)

Description

The Company's primary source of energy consumption is purchased electricity, accounting for approximately 57% of total energy use. The remaining 43% consists of fossil fuels such as diesel used in incineration processes, as well as gasoline and diesel for in-plant equipment and corporate vehicles. Additionally, a solar photovoltaic system is planned to be installed on the rooftop of the landfill facility upon its completion, reflecting the Company's commitment to adopting renewable energy and energy-saving technologies to advance low-carbon operations and sustainable energy management.

Specific Actions

- ◆ Internal energy conservation initiatives include: upgrading office electrical equipment, implementing deep energy-saving measures for high-energy-consuming equipment, and developing renewable energy solutions.
- ◆ The Company has commissioned ESCOs to evaluate energy usage and prioritize the replacement of high-energy-consuming equipment. Improvement projects are scheduled for implementation in 2025.
- ◆ To support the government's green energy policy, the landfill site in Zone 5 will feature a steel-structured rooftop equipped with a solar photovoltaic system upon facility completion. The system will have an installed capacity of 1,800 kW, expected to generate approximately 2.2 million kWh annually, with full operation anticipated by 2027.

Management Policy / Targets

- ◆ In line with the Energy Administration of the Ministry of Economic Affairs' directive, the Company has set a target to reduce energy consumption by 1% annually from 2025 to 2027.
- ◆ In the short term, the Company is assessing participation in government-subsidized demonstration projects related to energy performance contracting and considering proposals from energy service companies (ESCOs) to establish internal strategies for improving energy efficiency.

Progress Toward Target Achievement

- ◆ In 2024, the Company's total energy consumption amounted to 146,333.854 gigajoules (GJ).
- ◆ In 2024, energy intensity was 1.640 GJ per metric ton of waste processed.
- ◆ In 2024, at the Zhangbin Plant, 30 units of 56W T5 grid light fixtures were replaced with 36W LED panel lights (with the same number of units), along with the replacement of seven air-conditioning units.

Material Issues

Labor-Management Communication

Responsibility/ Responsible Unit

Personnel Office

Management Approach to Material Issues(9/9)

Description

The Company values employee voices and fosters constructive labor-management interactions. We are committed to establishing a harmonious and equitable communication platform between employees and the organization. To this end, we have developed diverse and accessible communication channels, including labor-management meetings, the Employee Welfare Committee, and an employee feedback mailbox. In 2024, no major labor disputes were reported. We will continue to optimize internal communication mechanisms to strengthen corporate cohesion and foster a positive work environment.

Specific Actions

- ◆ Organize regular labor-management meetings
- ◆ Establish the Employee Welfare Committee
- ◆ Set up an employee feedback mailbox
- ◆ Plan to implement an employee satisfaction survey

Progress Toward Target Achievement

In 2024, the number of employee feedback cases recorded was zero.

Management Policy / Targets

- ◆ Establish a harmonious and equitable communication platform between employees and the Company
- ◆ Develop diverse and accessible communication channels

CONTENTS

- 1 General Information
- 2 Corporate Governance**
- 2.1 Company Overview
- 2.2 Governance Framework
- 2.3 Economic Performance
- 2.4 Responsible Business Practices
- 2.5 Risk Management
- 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

2 Corporate Governance

- 2.1 Company Overview
- 2.2 Governance Structure
- 2.3 Economic Performance
- 2.4 Responsible Business Practices
- 2.5 Risk Management
- 2.6 Climate-Related Risks and Opportunities

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 2.1 Company Overview
- 2.2 Governance Framework
- 2.3 Economic Performance
- 2.4 Responsible Business Practices
- 2.5 Risk Management
- 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

2.1 Company Overview

2.1.1 Basic Information

Sunny Friend Environmental Technology Co., Ltd. (hereinafter referred to as “the Company”) was established in 1994 and is headquartered in Yuanchang Township, Yunlin County. It operates Taiwan’s first professional biomedical waste incineration facility (hereinafter “Yunlin Plant”) and possesses the capability to collect and treat general, hazardous industrial, and biomedical waste generated by both commercial and medical institutions across Taiwan. In 1999, the Company pioneered a computerized Waste Collection and Treatment Management System, featuring a centralized control center for real-time reporting and monitoring of waste flows and related information, thereby ensuring effective oversight and traceability of waste throughout the entire process.

In 2001, Sunny Friend became the environmental operations base for the RunTai Group and, in 2012, was awarded the operating rights to the Central Taiwan Integrated Waste Treatment Center (hereinafter “Zhangbin Plant”).

The Yunlin Plant houses two rotary kiln incinerators dedicated primarily to biomedical waste treatment. In 2003, it was designated by the Environmental Protection Administration (EPA) as a dedicated SARS waste treatment facility, responsible for the collection and disposal of waste generated by healthcare institutions treating confirmed or suspected SARS patients. The Company made every effort to properly manage infectious medical waste and prevent further spread of the virus. Since the COVID-19 outbreak in 2020, the Company has continued its commitment to public health by rigorously managing the disposal of COVID-related medical waste from the EPA, local governments, medical institutions, quarantine facilities, and designated hotels, demonstrating its professional waste treatment capabilities and fulfilling its social responsibility through concrete actions.

The Zhangbin Plant is located in the Xianxi District of the Changbin Industrial Park in central Taiwan. It was established under the guidance of the Industrial Development Bureau of the Ministry of Economic Affairs as part of the “National Integrated Special Industrial Waste Disposal Plan.” As a fully integrated hazardous industrial waste treatment facility, it is equipped with incineration, physical-chemical, solidification, and final landfill disposal processes. One key advantage of the facility is its closed-loop treatment system: fly ash and bottom ash from incineration can be further treated via solidification on-site, with the resulting solidified materials disposed of in the on-site landfill; water recovered from the physical-chemical treatment process is reused as cooling water in the incineration process; sludge generated from treatment processes can also be solidified and landfilled within the same site. This vertically integrated, on-site treatment approach eliminates the need for off-site waste transport, thereby reducing treatment costs and minimizing the risk of secondary environmental pollution, while achieving both proper waste management and resource circularity.

Backed by over two decades of hands-on engineering and operational experience, Sunny Friend has developed comprehensive technical capabilities in R&D, system design, drafting, operations, systems integration, and process optimization. To enhance competitiveness, the Company has adopted a corporate management model and integrated information systems. Under the framework of the circular economy, Sunny Friend ensures thorough handling of entrusted industrial waste—from collection and treatment to final disposal or recycling. Through the integration of traditional practices with innovative technologies, the Company has developed a streamlined, closed-loop business model that rigorously safeguards each operational step, achieving both proper waste treatment and resource reuse.

To promote continuous environmental improvement, the Company actively implements the ISO 14001 Environmental Management System (EMS). The Yunlin Plant was recertified under ISO 14001:2015 in 2018, with the latest certificate valid from March 5, 2024, to March 4, 2027. The Zhangbin Plant obtained ISO 14001:2015 recertification in 2022, with the current certification valid from October 18, 2022, to October 17, 2025. Through the EMS framework, the Company effectively manages environmental impacts arising from air pollution, water pollution, and waste generated during treatment processes, while obtaining all requisite operating permits in compliance with regulatory standards.

During its operations, Sunny Friend has established a comprehensive waste collection and treatment management system and real-time CCTV monitoring services. Clients can access up-to-date waste tracking information online, ensuring end-to-end management of waste flows. The Company’s full-spectrum technical capabilities—from R&D and design to operations and system optimization—have positioned it as a leader in advancing Taiwan’s environmental protection industry.

To enhance operational capacity and expand its business scope, Sunny Friend was officially listed on the Taiwan Stock Exchange on March 23, 2015. Through rigorous review mechanisms and transparent information disclosure, the Company has strengthened its operational performance, improved internal governance, and boosted employee engagement. Public listing has also reinforced stakeholder trust—including shareholders, government agencies, clients, local communities, and employees—toward Sunny Friend’s management team.

CONTENTS

- 1 General Information
- 2 Corporate Governance
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

About Sunny Friend

Company NameSunny Friend Environmental Technology Co., Ltd.

Type of OrganizationPublicly Listed Company & Company Limited by Shares

Date of Establishment October 1, 1994

Headquarters Location.....No. 1-20, Yuandong Road, Yuanchang Township, Yunlin County, Taiwan

Industry Classification Waste Treatment Industry

Core Products / ServicesWaste Treatment

Paid-in CapitalNT\$1,300 million

Net SalesNT\$3,696.692 million

Number of Employees356

Membership in Industry Associations

Sunny Friend Environmental Technology Co., Ltd. actively participates in industry-related associations to foster knowledge sharing, information exchange, and collaboration with peers and professionals. These engagements aim to enhance industry standards and respond to dynamic global developments. In 2024, the Company became a member of three industry associations, as listed below :

Industry associations:

Yunlin County Industrial Association	General Member
Chiayi County Industrial Association	General Member
Yunlin County Waste Disposal and Treatment Trade Association	Executive Director Director

▼ Sunny Friend's milestones(1/2)

1994	November	Sunny Friend Waste Disposal Co., Ltd. was founded, with a paid-in capital of TWD50 million.
1997	January	Received a Class A incineration plant operating permit issued by Yunlin County Government.
2000	July December	The Company was renamed to Sunny Friend Environment Technology Co., Ltd. The Company passed the ISO 14001 certification upon successful completion of the NSF review.
2002	May	Received an operating permit from Yunlin County Government for launching the operations of Yunlin Plant 2.
2005	June	Invested in the establishment of Beijing Ruentex Environment Technology Corporation in Mainland China.
2012	February November	The construction of Beijing Ruentex Environment Technology Corporation's medical waste incineration disposal plant was completed. Acquired the management rights to Industrial Waste Comprehensive Processing Center of Central Taiwan (originally managed by RSEA Engineering Corporation).
2014	March	Registered on the Emerging Stock Board
2015	March	Became listed on the stock exchange
2016	September	Invested in the establishment of Jiangsu Suqian Ruentex Environmental Technology Co., Ltd. in Mainland China.



▲ Sunny Friend Environmental Technology Co., Ltd. Yunlin Plant



▲ Sunny Friend Environmental Technology Co., Ltd. Zhangbin Plant



▲ Beijing Ruentex Environment Technology Corp.

CONTENTS

- 1 General Information
- 2 Corporate Governance
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

▼ Sunny Friend' s milestones(2/2)

2017	May	Invested in the establishment of Langfang Ruentex Environmental Technology Co., Ltd. in Mainland China.
	May	Invested in the establishment of Yuncheng Ruentex Environmental Technology Co., Ltd. in Mainland China.
	August	Received an operating permit from Yunlin County Government for launching the operations of Yunlin Plant 3.
2019	May	Received an approval from Industrial Development Bureau, Ministry of Economic Affairs for launching the operations of Industrial Waste Comprehensive Processing Center of Central Taiwan; Zhangbin Plant 2 started to operate.
	December	Acquired 90% of the shares of Rizhao Panyue Environmental Technology Co., Ltd. in mainland China
2021	July	An adjustment to the organizational structure, where the subsidiary Chin Hsin Environ Engineering Co., Ltd. has issued new shares. Obtained all of Chin Hsin and Liang Wei's issued shares through share conversion.
	October	Invested in the establishment of Huan Hsin Precision Co., Ltd.
2022	March	Yuncheng Ruentex Environmental Technology Co., Ltd. secured the hazardous waste disposal permit for one year.
	October	Suqian Ruentex Environmental Technology Co., Ltd. secured the hazardous waste disposal permit for one year.
	October	The investment business in Mainland China was adjusted for the organizational structure by means of stock exchange.



▲ Rizhao Panyue Environmental Technology Co., Ltd.



▲ Jiangsu Suqian Ruentex Environmental Control Co., Ltd.



▲ Yuncheng Ruentex Environmental Technology Co., Ltd.

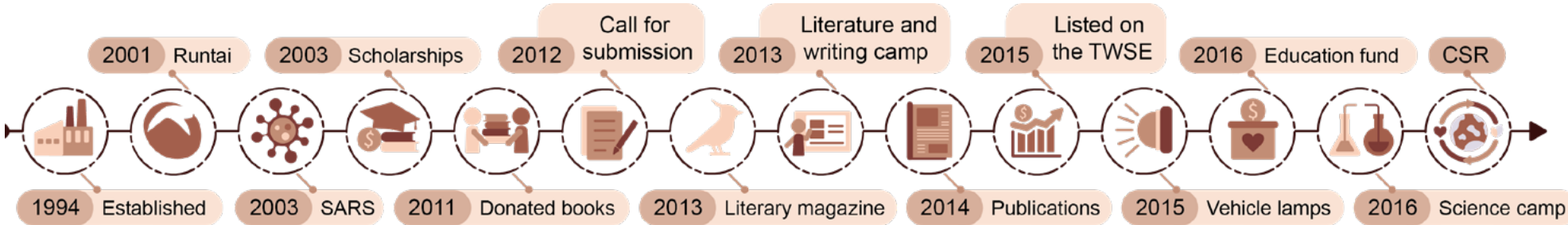


CONTENTS

- 1 General Information
- 2 Corporate Governance
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

▼ Records pertaining to social responsibility activities over the last 10 years

Item Year	Environmental monitoring	Emergency fund for the poor	Scholarships	Environmental management system	Join road-cleaning adoption, tree planting and beach cleaning programs	Environmental protection volunteer services	Educational caring	After-school classes	Supervisory committee	Protect the safety of Yuanchang Junior high school	Circular Economy and Technological Innovation	
2024	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	
2023	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	
2022	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	GRI 2021 Standards incorporated
2021	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	Added to the new chapter “Circular Economy and Technological Innovation” to the ESG report
2020	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Newly added risk management
2019	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Listed management policy for materiality issues; and implemented an evaluation on the impact of climate risks to the Company’s operations.
2018	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Promulgated the Company’s human rights policy.
2017	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Adopted the new version of Environment Social Governance standards: GRI Standards.
2016	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Held the “Sunny Friend Environmental Protection Science Camp”.
2015	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Gifted bike lamps to students and prepared the ESG report.

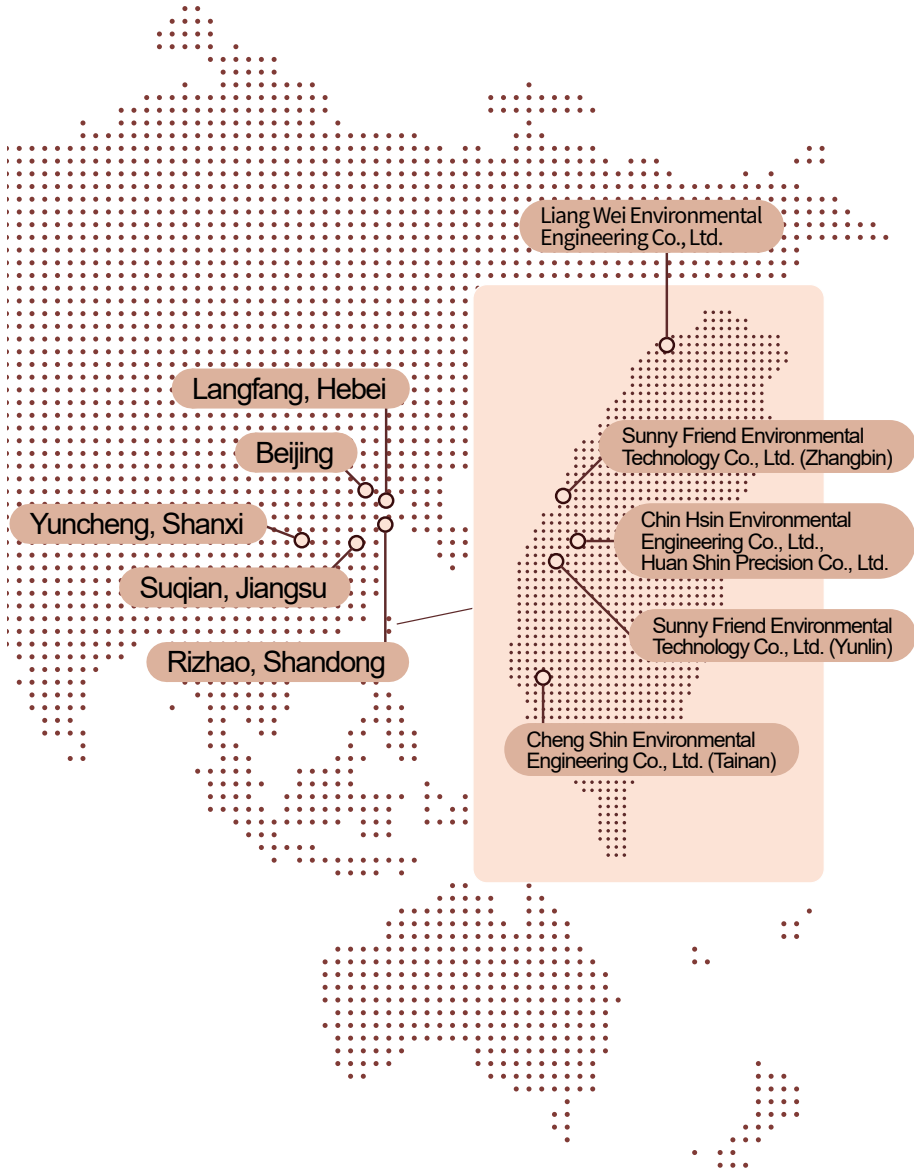


CONTENTS

- 1 General Information
- 2 Corporate Governance
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

2.1.2 Operational Sites

Sunny Friend's Operational Deployment



Region	Nature of Business at Operating Site	Paid-in Capital		
Taiwan				
Sunny Friend Environmental Technology Co., Ltd. (Yunlin)	Incineration and related treatment of medical waste	NTD	1,300,000	thousand
Sunny Friend Environmental Technology Co., Ltd. (Zhangbin)	Incineration, physicochemical treatment, solidification, and landfill disposal of industrial waste			
Chin Hsin Environmental Engineering Co., Ltd.(Cihong)	Waste removal and treatment	NTD	460,000	thousand
Liang Wei Environmental Engineering Co., Ltd. (Taoyuan)	Waste removal and treatment	NTD	55,000	thousand
Cheng Shin Environmental Engineering Co., Ltd. (Tainan)	Waste removal and treatment	NTD	20,000	thousand
Huan Shin Precision Co., Ltd. (Cihong) ^{Note1}	Production of raw materials for construction	NTD	30,000	thousand
Mainland China				
Beijing Ruentex Environment Technology Corp.	Incineration and related treatment of medical waste	USD	53,950	thousand
Jiangsu Suqian Ruentex Environmental Control Co., Ltd.	Landfill disposal and related treatment of industrial waste	USD	15,000	thousand
Yuncheng Ruentex Environmental Technology Co., Ltd. (Shanxi)	Incineration, physicochemical treatment, solidification, and landfill disposal for industrial operations	USD	20,000	thousand
Rizhao Panyue Environmental Technology Co., Ltd. (Shandong)	Incineration and physicochemical treatment of industrial waste	RMB	70,000	thousand
Langfang Ruentex Environmental Technology Co., Ltd. (Hebei) ^{Note2}	Development of environmental protection technologies and undertaking of environmental engineering projects	USD	1,500	thousand
Other				
BVI-Full Giant	Overseas Holding Company	USD	126,100	thousand
BVI-Arise	Investment Operations	USD	44,650	thousand

Note1 : Chin Hsin Environmental Engineering Co., Ltd. and Huan Shin Precision Co., Ltd. completed a simplified merger in February 2025, with Chin Hsin Environmental Engineering Co., Ltd. as the surviving entity.
 Note2 : Langfang Ruentex Environmental Technology Co., Ltd. completed its deregistration in March 2025.

CONTENTS

- 1 General Information
- 2 **Corporate Governance**
 - 2.1 Company Overview
 - 2.2 **Governance Framework**
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

2.2 Governance Framework

2.2.1 Governance Structure

The highest authority of the Company is the Shareholders' Meeting, which elects the Board of Directors. The Board serves as the Company's highest governance body, responsible for overall business strategies and operational decision-making. To enhance governance effectiveness, the Board has established functional committees, including the Remuneration Committee and the Audit Committee, which respectively oversee matters such as compensation policies for directors and executives, and the integrity of financial statements. In addition, the Company has set up an Internal Audit Office to monitor the effectiveness of internal control systems. All committees are required to regularly report their resolutions and implementation outcomes to the Board to safeguard the interests of the Company and its stakeholders.

Board Composition and Operations

The Board of Directors plays a critical role in balancing and overseeing the relationship between the Company's owners and management. It is entrusted with the rights and responsibilities conferred by shareholders, formulates business policies with due consideration to stakeholder interests, appoints and oversees the management team, and makes decisions on sustainability-related strategies and monitors their execution. Directors are elected through a candidate nomination system, whereby shareholders elect 7 to 9 directors from a list of nominees during the Shareholders' Meeting. Each term lasts for three years, and directors are eligible for re-election. Nomination and selection criteria include candidates' independence, professional expertise, relevance to the Company's operational development, and diversity within the Board. The current Board is composed of 9 directors, including 4 independent directors, with a gender ratio of 9:0 (male to female). In principle, Sunny Friend convenes Board meetings quarterly. In 2024, a total of 7 Board meetings were held, with an average attendance rate of 96.8%. For details on individual directors' attendance and agenda items, please refer to page 25 of Sunny Friend's 2024 Annual Report.

▼ Company governance structure (as shown) and job positions



CONTENTS

- 1 General Information
- 2 Corporate Governance
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

▼ Board Member Information of Sunny Friend (Current Board Term: May 26, 2023 to May 25, 2026)

Job title	Term of office	Name	Gender	Age	Concurrent positions in the company	Concurrent key positions in other companies	Functional Committees		
							Audit Committee	Salary and Compensation Committee	ESG Committee
Chairman	2	Chang Fan-cheng	Male	61 to 70 years old	Serving as the general manager of the company	- Chairman of Cheng Shin Environmental Engineering Co., Ltd. - Chairman of Chin Hsin Environmental Engineering Co., Ltd. Chairman of Liang Wei Environmental Engineering Co., Ltd. - Chairman of Huan Shin Precision Co., Ltd. - Chairman of Beijing Ruentex Environmental Technology Co., Ltd. - Chairman of Jiangsu Suqian Ruentex Environmental Control Co., Ltd. - Chairman of Langfang Ruentex Environmental Technology Co., Ltd. - Chairman of Yuncheng Ruentex Environmental Technology Co., Ltd. - Chairman of Rizhao Panyue Environmental Technology Co., Ltd.			
Legal entity as director	2	Cheng Min-gyuan(Yuan Ting Investment Co., Ltd.)	Male	61 to 70 years old	—	- Chairman of Cosmactive Broadband Network Co., Ltd. - Chairman of Yuan Ting Investment Co., Ltd. - Chairman of Twoway Communications, Inc.			
Legal entity as director	2	Li Tien-chieh (Ruentex Development Co., Ltd.)	Male	61 to 70 years old	—	- Deputy General Manager of the Fund Management Department, Ruentex Industries Limited - Director of Ruentex Industries Limited - Chairman of Ruen Tai Hsin Co., Ltd. - Director of Jin Hong Investment Co., Ltd. - Director of Ruen chen Investment Holding Co., Ltd. - Director of Shing Yen Construction Development Co., Ltd. - Director of TaiMed Biologics Inc.			
Legal entity as director	2	LIN, Chin-tzu (Ruentex Development Co., Ltd.)	Male	51 to 60 years old	—	- Deputy General Manager of the Accounting Department, Ruentex Development Co., Ltd. - Director of Ruentex Engineering & Construction Co., Ltd. - Supervisor of Ruentex Management & Maintenance Co., Ltd. - Supervisor of Shing Yen Construction Development Co., Ltd.			

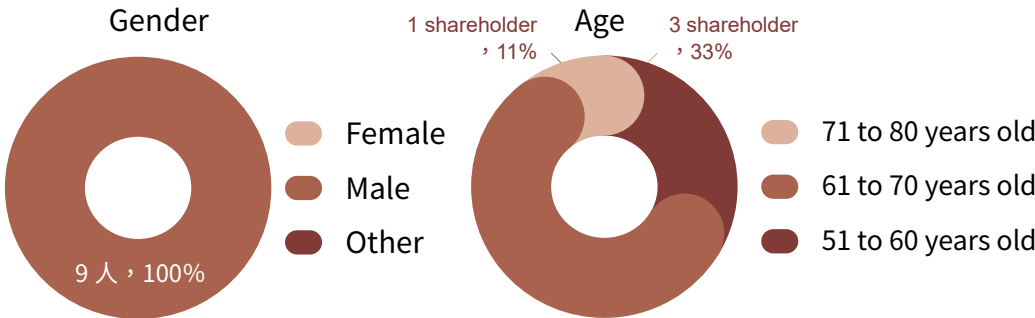
CONTENTS

- 1 General Information
- 2 Corporate Governance
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

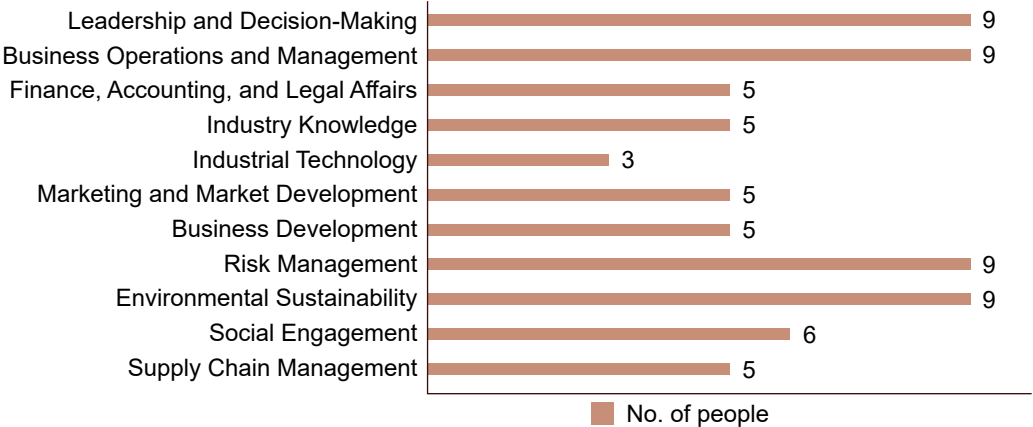
Job title	Term of office	Name	Gender	Age	Concurrent positions in the company	Concurrent key positions in other companies	Functional Committees		
							Audit Committee	Salary and Compensation Committee	ESG Committee
Legal entity as director	2	Chang Yung-tien (Cheng Zhi Investment Co., LTD)	Male	51 to 60 years old	Serving as the general manager of the company	♦ Director of Chin Hsin Environmental Engineering Co., Ltd. ♦ Director of Cheng Shin Environmental Engineering Co., Ltd. ♦ Director of Liang Wei Environmental Engineering Co., Ltd. ♦ Director of Huan Hsin Precision Co., Ltd. ♦ Director of Suqian Ruentex Environmental Technology Co., Ltd. ♦ Director of Jiangsu Suqian Ruentex Environmental Control Co., Ltd. ♦ Director of Rizhao Panyue Environmental Technology Co., Ltd.			
Independent Director	2	Lin Shih-ming	Male	61 to 70 years old	—	♦ Independent Director of Chunghwa Telecom Company, Ltd. ♦ Independent Director of Taiwan Fertilizer Co., Ltd. ♦ Independent Director of AP Biosciences Inc.	✓	✓	
Independent Director	2	Wang Wen-chieh	Male	51 to 60 years old	—	♦ Professor of the NCCU College of Law ♦ Independent Director of TOPLUS GLOBAL (TG) Co., Ltd. ♦ Independent Director of AblePrint Technology Co., Ltd.	✓	✓	
Independent Director	2	Chen Chun-chung	Male	71 to 80 years old	—	♦ Supervisor of UP-Lift Enterprise Co., Ltd.	✓	✓	
Independent Director	2	Chiu Chin-fa	Male	61 to 70 years old	—	♦ Director of Shinkong Textile Co., Ltd	✓	✓	

Note : The roles of Chairperson and General Manager are concurrently held, which facilitates more efficient corporate management and smoother decision-making execution. Since General Manager Mr. Chang assumed the position of Chairperson, he has led Sunny Friend toward continuous growth and development, with steady increases in both revenue and profitability. Among the Board members, only two concurrently serve as employees of the Company, while the remaining directors are external and independent, with no signs of familial control. To further strengthen the Board's supervisory function, both an Audit Committee and a Remuneration Committee have been established.

▼ Board Diversity – Gender and Age Distribution Chart



▼ Distribution of Directors' Professional Expertise and Experience



CONTENTS

- 1 General Information
- 2 **Corporate Governance**
 - 2.1 Company Overview
 - 2.2 **Governance Framework**
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

Continuous education of board members

For details on directors' continuing education programs in 2024, please refer to page 27 of the Sunny Friend 2024 Annual Report.

Sunny Friend annually arranges continuing education programs for its Board members, focusing on enhancing their professional competencies and knowledge in areas relevant to corporate sustainability. These programs cover topics such as formulating ESG governance strategies at the board level, global trends in corporate sustainability and governance, and practical training on sustainability disclosures, aiming to strengthen the Board's ability to navigate operational challenges. In 2024, Board members cumulatively completed 75 hours of training and development programs.

Remuneration Structure of the Board of Directors and Senior Management

For details regarding the remuneration of directors in 2024, including remuneration bands and payment standards, please refer to page 18 of the Sunny Friend 2024 Annual Report.

The remuneration of Sunny Friend's directors comprises fixed monthly remuneration for independent directors, board compensation, and transportation allowances. The Compensation Committee considers industry benchmarks and individual director performance to determine appropriate adjustments to remuneration. In addition to fixed compensation and retirement benefits, performance bonuses are awarded based on the achievement of various performance indicators.

For details on the remuneration of senior management and corresponding remuneration bands in 2024, please refer to page 20 of the Sunny Friend 2024 Annual Report.

The compensation structure for senior management is proposed by the Compensation Committee and approved by the Board of Directors. In addition to fixed salary and retirement benefits, performance-based bonuses are granted based on the achievement of defined performance metrics. Retirement policies for senior management are consistent with those applicable to all other employees.

Resignation and Retirement Policies for Directors and Senior Management

For more information, please refer to page 23 of the Sunny Friend 2024 Annual Report.

The resignation notice period for Sunny Friend's directors and senior management is determined in accordance with local labor laws and regulations. The notice period and severance pay calculation are the same as those for other employees. No additional payments or in-kind benefits are provided upon resignation beyond statutory severance compensation.

Linkage Between Board and Senior Management Remuneration and ESG Performance

Currently, the remuneration of the Board of Directors and senior management is not yet linked to ESG performance. However, the Company plans to integrate relevant ESG performance indicators into the remuneration framework. ESG-related incentives will be gradually introduced and linked to individual engagement in ESG issues and the achievement of ESG targets, thereby reinforcing accountability among directors and senior executives for advancing the Company's sustainability vision.

Clawback Mechanism

To safeguard corporate sustainability and integrity, in the event of any material risk incident that adversely impacts the Company's reputation or results from significant internal misconduct, and in accordance with Sunny Friend's Integrity Management Policy and Anti-Corruption Guidelines, any approved remuneration or bonuses received by directors or employees found to be involved in misconduct may be revoked and clawed back.

Performance Evaluation of the Board of Directors

In principle, the Company conducts annual performance evaluations of the Board of Directors, its functional committees (including the Audit Committee and Compensation Committee), and individual directors. These evaluations aim to enhance board effectiveness and strengthen corporate governance practices.

The evaluation criteria for the Board of Directors cover the following five dimensions:

- 1.Participation in Company operations (including ESG-related involvement and decision-making)
- 2.Improvement in the quality of board decisions
- 3.Board composition and structure
- 4.Director selection and ongoing education
- 5.Internal control

The evaluation criteria for individual directors cover six dimensions:

- 1.Understanding of corporate goals and missions
- 2.Awareness of directors' responsibilities
- 3.Participation in Company operations
- 4.Internal relationship management and communication
- 5.Professional competence and continuous learning
- 6.Internal control

2024 Performance Evaluation Results

Sunny Friend's internal performance evaluations for the year demonstrated excellent results, indicating that the Board of Directors and its functional committees operate effectively and in line with corporate governance expectations. In December 2024, the Company distributed nine "Board Member Self-Evaluation Questionnaires" and received nine completed responses. Together with the self-evaluation results from the "Board Performance Evaluation Questionnaire," "Audit Committee Performance Evaluation Questionnaire," and "Compensation Committee Performance Evaluation Questionnaire," the 2024 Board Performance Evaluation Report was compiled and submitted to the Board on February 27, 2025. The evaluation results for the Board, individual directors, Audit Committee, and Compensation Committee indicate stable and effective operations. These self-assessment results will serve as reference for future board operations, organizational adjustments, and the re-nomination of directors.

CONTENTS

- 1 General Information
- 2 Corporate Governance
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

Board Performance Evaluation Implementation

Evaluation Cycle	Evaluation Date	Evaluation Method	Scope of Evaluation	Evaluation Results
Annually	January 1, 2024 to December 31, 2024	Internal self-evaluation	Overall performance of the Board of Directors	Score: 98.67 (out of a maximum of 100)
Annually	January 1, 2024 to December 31, 2024	Internal self-evaluation	Individual performance of Board members	Average Score: 99.13 (out of a maximum of 100)
Annually	January 1, 2024 to December 31, 2024	Internal self-evaluation	Audit Committee	Average Score: 100 (out of a maximum of 100)
Annually	January 1, 2024 to December 31, 2024	Internal self-evaluation	Remuneration Committee	Average Score: 100 (out of a maximum of 100)

Conflict of Interest Management

✓ For information regarding related party transactions, cross-shareholdings involving directors, controlling shareholders, or other stakeholders in 2024, please refer to page 91 of the Sunny Friend 2024 Annual Report.

Sunny Friend has established conflict of interest avoidance provisions in its Rules of Procedure for Board Meetings, as well as in the organizational charters of the Audit Committee and the Remuneration Committee. When a proposal involves a director's own interest, or the interest of their spouse, relatives within the second degree of kinship, or a company in which the director holds a controlling or subordinate relationship, the director shall disclose the nature of the conflict at the board meeting. If the matter poses a potential detriment to the Company's interest, the director shall neither participate in the discussion or voting nor act as a proxy for other directors. The names of the involved directors, details of the conflict, and recusal status are all documented in the meeting minutes.

In addition, directors and managerial officers are required to complete an annual declaration of related party transactions, the results of which are reported to the Audit Committee. Sunny Friend has also established integrity and ethical conduct guidelines for employees at all levels, including the Code of Ethical Conduct for Directors and Managerial Officers and the Code of Ethical Behavior for Employees. The implementation of these codes is supervised by the relevant management departments and reported to the Board of Directors on a regular basis. As of the end of 2024, Sunny Friend reported no material incidents of conflict of interest.

2.2.2 Functional Committees

Sustainability Information Task Force

Sunny Friend Environmental Technology Co., Ltd. has established the "Sustainable Development Best Practice Principles." The Environmental Protection Office serves as the part-time unit responsible for promoting sustainability initiatives, collaborating with other departments for implementation. Relevant information is disclosed in the Sustainability Report and published on the company's official website.

The Board of Directors authorizes the Chairperson (or General Manager) to instruct the head of the Environmental Protection Office to manage sustainability-related matters and report to the Board at least once a year. The Board reviews the sustainability initiatives reported by the Environmental Protection Office, provides feedback and suggestions, offers guidance for adjustments, or approves the actions for execution without objection. Upon completion of the annual Sustainability Report by Sunny Friend, the report is submitted to the Board of Directors for review and confirmation. Once approved, the report is uploaded to the Market Observation Post System (MOPS) and published on Sunny Friend's official website.

In the reporting year, two major topics were communicated to the Board of Directors, including. Progress on greenhouse gas inventory (including the number of trainees who received education and training, as well as training outcome reports). Review of the annual Sustainability Report.

Remuneration Committee

The current Remuneration Committee consists of four members, all of whom are independent directors, thereby meeting regulatory independence requirements. The term of the committee is from May 26, 2023 to May 25, 2026, which aligns with the term of the Board of Directors. The Company has established the Remuneration Committee Charter, which defines the committee's responsibilities and duties, including formulating and regularly evaluating remuneration policies and standards for relevant personnel. In principle, the committee convenes semi-annually. In 2024, two meetings were held with an attendance rate of 100%.

To ensure transparency and fairness in the remuneration system and to safeguard stakeholders' interests, all annual employee and director compensation must be approved by the Board of Directors and submitted to the Shareholders' Meeting for acknowledgment. In 2025, the proposed employee and director remuneration was approved by the Board on February 27, 2025, and is scheduled for submission to the Shareholders' Meeting on May 27, 2025.

Audit Committee

✓ For the implementation details of the Audit Committee, please refer to page 28 of the Sunny Friend 2024 Annual Report.

The Audit Committee is composed of four independent directors, with a term from May 26, 2023 to May 25, 2026. Its responsibilities include reviewing financial statements, overseeing the selection and independence of the certified public accountant (CPA), establishing or amending internal control systems, and monitoring the Company's compliance with internal regulations and external laws.

The committee generally holds meetings on a quarterly basis. When necessary, departmental heads, internal auditors, CPAs, and legal counsel may be invited to attend. In 2024, the Audit Committee convened six meetings, with a 100% attendance rate.

CONTENTS

- 1 General Information
- 2 Corporate Governance
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

2.3 Economic Performance

2.3.1 Economic Value

Each year in the fourth quarter, departments prepare the budget for the following year. The Finance Department consolidates departmental budgets covering sales, production, procurement, and personnel expenses, and prepares the projected income statement, balance sheet, and cash flow statement for the General Manager's review. The finalized budget is then reported by the Chairperson to the Board of Directors at the year-end board meeting for approval.

On a monthly basis, the Finance Department consolidates current financial statements, compares them with budgeted figures and previous performance, and submits them to the management meeting for discussion and review to improve operational strategies. Sunny Friend's quarterly consolidated financial reports, annual consolidated financial reports, and individual financial statements are disclosed on the Company's website and the Market Observation Post System (MOPS).

Sunny Friend upholds a principle of professional management, values shareholders' and investors' feedback, and shares operational results with all shareholders. To ensure long-term and stable performance, we provide vertically integrated services both domestically and internationally to assist governments and the public in the proper treatment of waste through incineration, physicochemical treatment, solidification, and final disposal (landfilling).

In Taiwan, Sunny Friend operates Yunlin Plants I and III for medical waste and Zhangbin Plants I and II for industrial waste. In 2024, Yunlin Plant applied for a change in permit codes and received the environmental impact assessment (EIA) amendment confirmation letter in September. This supports the government in fulfilling its social responsibility for proper disposal during infectious disease outbreaks and allows for flexible capacity allocation in the post-pandemic era to handle general medical waste, expired pharmaceuticals, vaccines, and liquid industrial waste, thereby enhancing facility utilization efficiency.

Overseas, Beijing Ruentex Environment Technology Corp., the largest medical waste treatment facility in Beijing, operates two plants with a total approved capacity of 47,450 metric tons per year. In 2024, the company treated approximately 36,100 metric tons of waste, including 33,400 metric tons of general medical waste and 2,700 metric tons of other waste. The key business objective for 2024 was to maintain market share in Beijing's medical waste sector and to expand business scope by collaborating with medical institutions and bioscience laboratories to include other hazardous waste types.

However, industrial waste treatment plants in mainland China (Yuncheng, Suqian, and Rizhao) have faced challenges due to continued economic slowdown in manufacturing activities, underwhelming recovery momentum, and pessimism regarding future economic prospects among enterprises and the general public. Additional uncertainties have arisen from escalating U.S. trade and technology sanctions. Looking ahead, the Company aims to pursue growth through stability by expanding into new waste treatment markets to increase market share.

In summary, Sunny Friend reported a consolidated revenue of NT\$3,696,692 thousand in 2024, representing a 13.05% increase compared to 2023. Consolidated net profit after tax amounted to NT\$558,153 thousand, with earnings per share (EPS) of NT\$3.69. For further details on financial performance and analysis, please refer to page 114 of Sunny Friend's 2024 Annual Report.

Sunny Friend Consolidated Financial Performance

Item	2022	2023	2024
Operating Revenue (NT\$ thousand)	3,843,429	3,256,897	3,696,692
Net Income (Loss) Before Tax (NT\$ thousand)	1,117,716	546,553	671,272
Net Income (Loss) After Tax (NT\$ thousand)	858,811	425,232	558,153
Earnings (Loss) Per Share (NT\$/share)	7.72	3.4	3.69
Cash Dividend (NT\$/share)	7.5	3.8	3.80

Description : The cash dividend represents the amount approved for distribution based on the earnings allocation plan of each reporting year. The 2024 dividend distribution was approved by the Board of Directors on February 27, 2025, and reported to the shareholders' meeting.

The Company analyzes its consolidated financial performance from the perspective of economic value distribution to stakeholders in accordance with the GRI Standards. In the reporting year, the total direct economic value generated (comprising operating revenue and non-operating income) amounted to NT\$3,893,773 thousand, with a total economic value distributed of NT\$3,716,502 thousand.

The top three categories of distributed economic value were as follows:

- ◆ Operating costs (49.9%)
- ◆ Employee wages and benefits (26.0%)
- ◆ Payments to providers of capital (14.6%)

CONTENTS

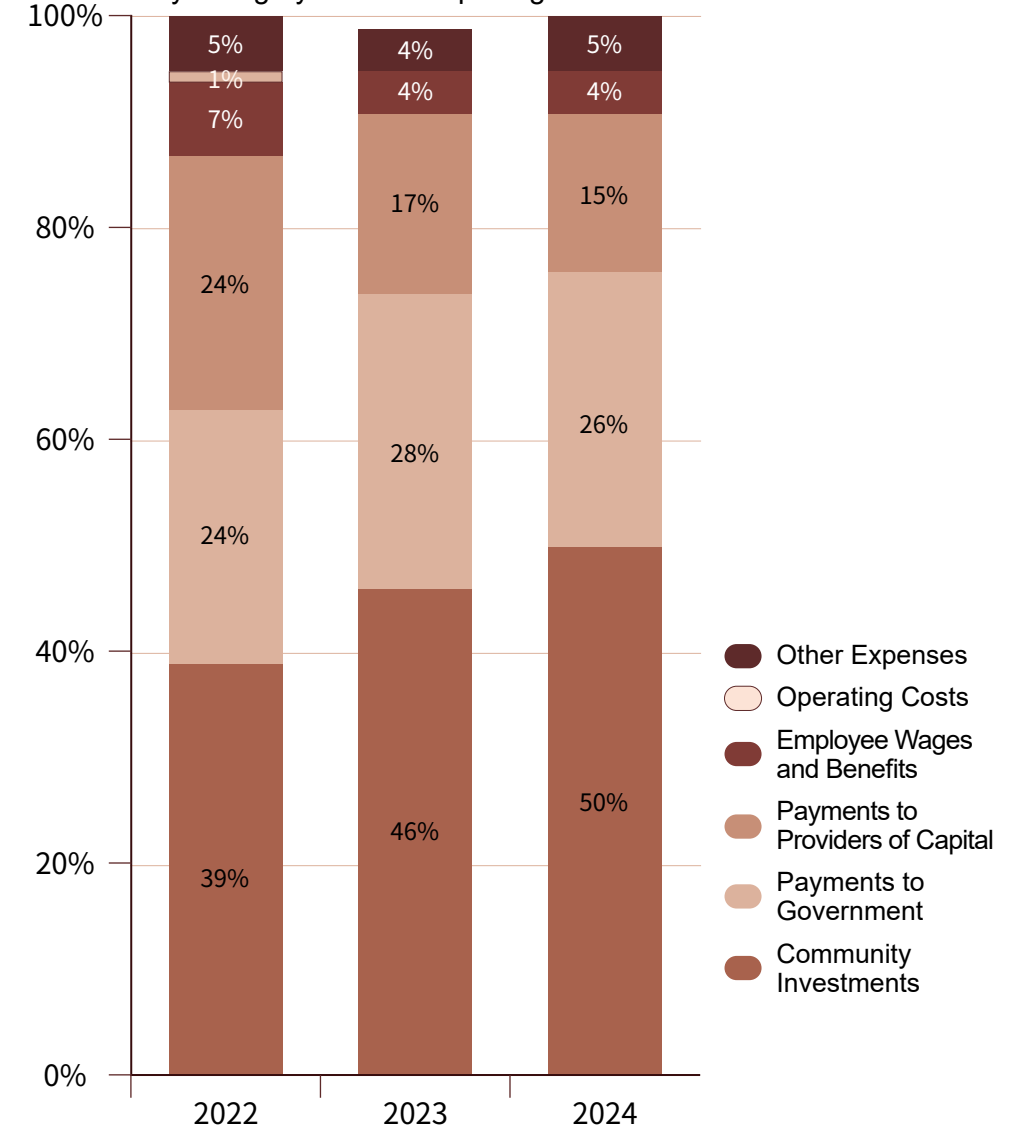
- 1 General Information
- 2 Corporate Governance
- 2.1 Company Overview
- 2.2 Governance Framework
- 2.3 Economic Performance
- 2.4 Responsible Business Practices
- 2.5 Risk Management
- 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

▼ Economic Value Generated and Distributed in the Past Three Years (Unit: NT\$ thousand)

Economic Value	Item	2022	2023	2024
Direct Economic Revenues	Net Revenue	3,843,429	3,256,897	3,696,692
	Income from Financial Investments	7,957	12,723	12,989
	Income from Sale of Assets	2,073	1,270	8,227
	Government Grants Received	3,632	10,773	14,606
	Other Income	204,148	140,934	161,259
Generated Direct Economic Value		4,061,239	3,422,597	3,893,773
Economic Distribution	Operating Costs	1,460,681	1,547,488	1,856,313
	Employee Wages and Benefits	924,441	949,475	965,542
	Payments to Providers of Capital	911,577	567,171	542,521
	Payments to Government	281,930	143,795	141,004
	Community Investments	21,043	13,430	16,377
	Other Expenses	180,101	148,685	194,745
Distributed Economic Value		3,779,773	3,370,044	3,716,502
Retained Economic Value		281,466	52,553	177,271

Description : Retained Economic Value = Direct Economic Value Generated – Economic Value Distributed.

▼ Proportion of Economic Value Distributed by Category in Each Reporting Year



The Company has no government ownership in its shareholding structure. In 2024, a total of NT\$14,606 thousand in government grants was received, primarily consisting of relocation compensation and investment incentives.

CONTENTS

- 1 General Information
- 2 **Corporate Governance**
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 **Responsible Business Practices**
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

2.4 Responsible Business Practices

2.4.1 Ethical Management

To build an integrity-based corporate culture, ensure a sound development thereof, and establish a good business model, Sunny Friend has drawn up “Code of Integrity” in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”; and received the approval of the board of directors. Besides, to implement business integrity requirements and prevent dishonesty, we have stipulated “Procedures for Ethical Management and Guidelines for Conduct”, which has specifically defined the integrity principles with which the Company shall comply, and are published on the Sunny Friend and Market Observation Post System (MOPS) websites for internal and external stakeholders to read and comply with. The Company requires that directors, managers, employees, and appointees possess the capabilities and integrity necessary for ethical business conduct. During the course of business operations, they shall not directly or indirectly offer, promise, solicit, or accept any improper benefits, nor engage in any unethical behavior such as bribery, kickbacks, corruption, gifts, job offers, services, or preferential treatment.

To strengthen the corporate sustainability culture and promote sound corporate development, while ensuring the effective implementation of corporate governance, the Company has established the Corporate Governance Best Practice Principles, the Code of Ethical Conduct, and the Sustainable Development Best Practice Principles of Sunny Friend in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEX Listed Companies, and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies. These policies have been approved by the Board of Directors. To promote integrity and ethical business practices, the Company arranges internal and external training programs annually to enhance awareness among directors, managerial officers, employees, appointees, parties with substantial control, and all staff members, ensuring they understand the importance of ethical conduct and compliance, thereby reducing the risk of violations.

Integrity clauses are explicitly included in all contracts entered into with business partners. These clauses stipulate that if a business partner is found to have directly or indirectly offered, promised, requested, or accepted any undue monetary or non-monetary benefits, or engaged in unethical, unlawful, or fiduciary-breaching behavior, the Company reserves the right to suspend contractual performance. Upon verification, the Company may terminate the contract immediately without prior notice and shall not be liable for any damages.

To establish a robust framework for ethical business practices, the Company's Administration Department is responsible for formulating and overseeing the implementation of the Integrity Management Policy and related preventive measures. These are reported to the Board of Directors annually. The Legal and Public Relations Department assists in revising, implementing, interpreting, and managing records related to the preventive measures, as well as providing consulting services. Furthermore, the Company has developed effective accounting and internal control systems to monitor business risks associated with unethical conduct. The Audit Office conducts periodic audits to ensure compliance, prevent conflicts of interest, and eliminate improper gain-seeking behavior.

- ▼ In 2024, the Company did not incur any penalties arising from violations of laws or regulations related to ethical business practices. The relevant codes of conduct and policies are disclosed on the SUNNY FRIEND website for stakeholders' reference.

Legal basis	Regulations and Policies Formulated by Sunny Friend	Policy Links
Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies	Ethical Management Principles	https://www.sunnyfriend.com.tw/assets/file/Regulations/10.pdf
TWSE/TPEX Listed Companies Procedures for Ethical Management and Guidelines for Conduct	Procedures for Ethical Management and Guidelines for Conduct	https://www.sunnyfriend.com.tw/assets/file/Regulations/11.pdf
Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies	Corporate Governance Best Practice Principles	https://www.sunnyfriend.com.tw/assets/file/Regulations/6.pdf
Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies	Code of Ethical Conduct	https://www.sunnyfriend.com.tw/assets/file/Regulations/3.pdf
Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies	Sustainable Development Best Practice Principles	https://www.sunnyfriend.com.tw/assets/file/Regulations/4.pdf
	Whistleblower Policy and Reporting Procedures	https://www.sunnyfriend.com.tw/assets/file/Regulations/8.pdf

CONTENTS

- 1 General Information
- 2 Corporate Governance
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

Sunny Friend’s “Procedures for Ethical Management and Guidelines for Conduct” specifies that the responsible unit must hold one internal propaganda each year. The purpose thereof is to let the chairman, vice president or high-management team to emphasize the importance of business integrity to the directors, employed and appointed. Apart from it, the Company also holds business integrity related internal and external education and trainings (including courses of, including but not limited to, anti-corruption, regulatory compliance, preventive solutions, business integrity related commercial activities, education, training and assessment) at least once each year. Sunny Friend presented the business integrity implementation report to the board of directors on 27 Dec 2024. The Company arranged a one-hour integrated program on the themes of “Prevention of Insider Trading” and “Ethical Corporate Management Best Practice Principles” at the Yunlin Plant and Zhangbin Plant on 20 Jun 2024 and 19 Sep 2024, respectively. The program was made available for board directors, managers and employees. A total of 51 attendees joined the session at the Yunlin Plant, while 23,25 attended at the Zhangbin Plant. The attendees are categorized by gender, and the number of trainees and training hours (in hours) are summarized as follows. The program covered legal requirements applicable to Sunny Friend (e.g., Procedures for Ethical Management and Guidelines for Conduct, rules for preventing unethical conducts, and management rules for prevention of insider trading) and case studies based on news events

In the current year, a total of 117 sessions of ethical management training and legal compliance promotion were conducted. These included topics such as compliance with ethical management regulations, environmental protection management, occupational health and safety management, accounting systems, and internal control mechanisms. A cumulative total of 1,074 participant attendances were recorded, amounting to 4,395 training hours. The completion rate among company employees reached 100%.

▼ The number of participants and training hours (in hours) for internal training sessions on “Prevention of Insider Trading” and “Ethical Management Principles,” categorized by gender, are presented as a combined report.

Gender	2022				2023				2024			
	Yunlin Plant		Zhangbin Plant		Yunlin Plant		Zhangbin Plant		Yunlin Plant		Zhangbin Plant	
	No. of trainees	No. of training hours	No. of trainees	No. of training hours	No. of trainees	No. of training hours	No. of trainees	No. of training hours	No. of trainees	No. of training hours	No. of trainees	No. of training hours
Male	6	6	0	0	19	19	13	13	6	6	8	8
Female	14	14	0	0	6	6	13	13	17	17	17	17
Total	20	20	0	0	25	25	26	26	23	23	25	25

Note : No training sessions were conducted at the Zhangbin Plant in 2022.



▲ Ethical Management Training

CONTENTS

1	General Information
2	Corporate Governance
2.1	Company Overview
2.2	Governance Framework
2.3	Economic Performance
2.4	Responsible Business Practices
2.5	Risk Management
2.6	Climate-Related Risks and Opportunities
3	Employee Wellbeing
4	Shared Prosperity with Society
5	Environmental Stewardship
6	Sustainable Supply Chain
	Appendix

The Company has established a diverse and accessible whistleblowing mechanism that allows internal and external stakeholders to report any violations of ethical conduct—such as bribery, fraud, conflicts of interest, and legal breaches—via written correspondence, telephone, email, or fax. Reports are received by the Human Resources Office and the Audit Office, and subsequent investigations and actions are conducted in accordance with the Procedures for Handling Whistleblower Reports. This mechanism provides a secure channel for whistleblowers to report any misconduct or violations of the Code of Ethical Conduct and Ethical Corporate Management Best Practice Principles by Sunny Friend personnel. The identity of whistleblowers and the content of the reports are kept strictly confidential. The Procedures for Handling Whistleblower Reports are publicly disclosed on the Sunny Friend official website for stakeholder reference.

Whistleblowing Case Handling Process:

- ◆ Based on the identity of the accused, an investigation team is appointed by the General Manager, Chairperson, or Independent Director.
- ◆ The investigation team is responsible for verifying the reported matters and issuing an investigation report.
- ◆ If the allegation is substantiated, disciplinary action, accountability measures, or corrective actions are implemented in accordance with relevant regulations, and the case is reported to the Board of Directors for follow-up.
- ◆ All reports are archived with confidentiality safeguards to protect the identity of the whistleblower.

Principles Governing Whistleblower Reporting and Investigation:

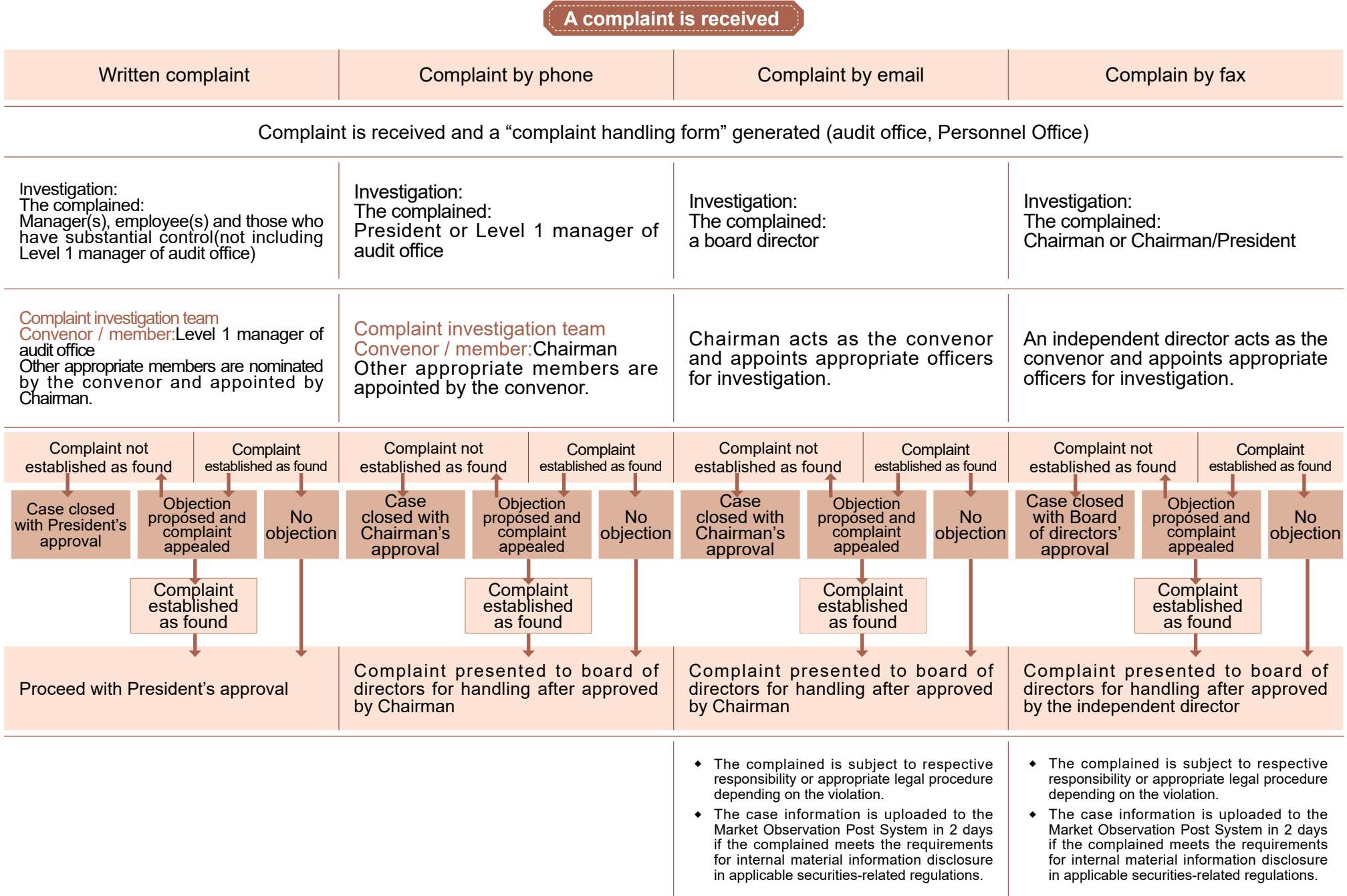
- ◆ The investigation process is conducted in strict confidentiality, with due respect for personal privacy and legal rights.
- ◆ A preliminary investigation shall be completed within 30 days upon receipt of the report.
- ◆ If the investigation reveals any material violations of law, the case shall be reported to the competent authorities in accordance with applicable regulations.



Reported to		Directors, chairman of the board, chairman and general manager, managers, employees, and persons with substantial control capabilities	First-level managers of general manager’s office and audit office
Reporting method	In writing or telephone	02-25795580 Ext.202	05-7885788 Ext.622
	Fax	02-22885788	05-22885788
	E-mail	report@mail.sunnyfriend.com.tw	accuse@mail.sunnyfriend.com.tw
Handling unit		Audit office accepts an incident report and fills in “Internal Incident Reporting Form”; and Personnel Office and PR & Legal Department assist in handling relevant affairs.	Personnel Office accepts an incident report and fills in “Internal Incident Reporting Form”; and PR & Legal Department assists in handling relevant affairs.

CONTENTS

- 1 General Information
- 2 **Corporate Governance**
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 **Responsible Business Practices**
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix



CONTENTS

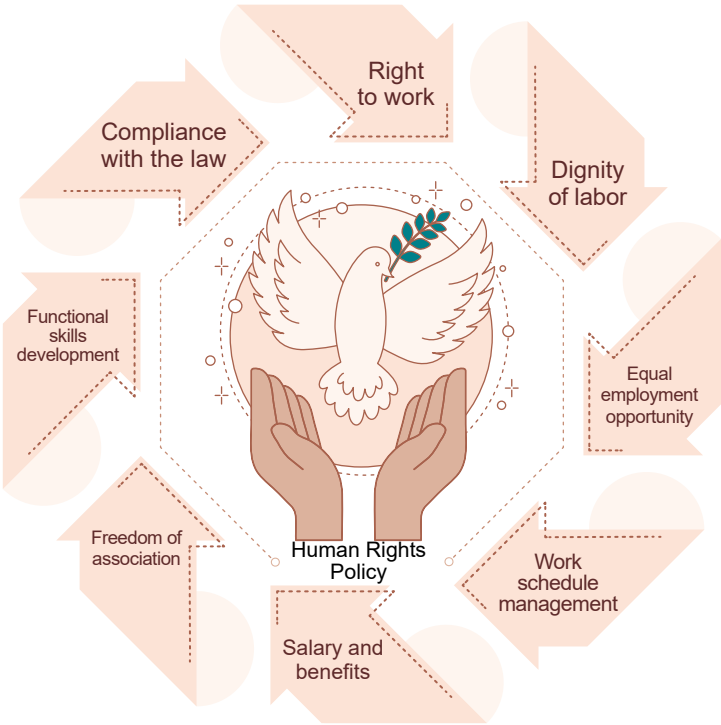
- 1 General Information
- 2 **Corporate Governance**
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 **Responsible Business Practices**
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

2.4.2 Human Rights Policy

The Company formulates its human rights policy in accordance with international human rights standards, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, ILO Conventions, and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy issued by the International Labor Organization. Domestically, the policy also aligns with relevant labor regulations, such as the Labor Standards Act, the Act of Gender Equality in Employment, and the Occupational Safety and Health Act. We are committed to upholding human rights throughout our operations and require our business partners to adhere to these standards as well. Through these efforts, we strive to prevent any form of human rights violations and ensure that all internal and external stakeholders are treated with fairness and dignity.

▼ The Company’s human rights policy and management approaches, which have been disclosed on Sunny Friend’s official website, are as follows:

Policy key point	Description
Compliance with the law	Commitment to fully comply with the applicable labor laws and human rights standards.
Right to work	All work should be voluntary and selective, giving employees the right to leave freely with reasonable notice, and the use of forced and child labor is prohibited.
Dignity of labor	Any form of harassment or inhuman treatment is prohibited, including sexual harassment, abuse, slavery, corporal punishment, threat, exploitation, mental or physical oppression or verbal abuse. The Company also provides an environment for employees to work in dignity.
Equal employment opportunity	Employees are hired based on their capabilities. At the time of recruiting, hiring, training, rewarding, promotion, termination, retirement or other employment circumstances, they are not assessed based on their race, social class, language, thoughts, religion, political party, native place, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, physical and mental disability, past membership in the labor union or other conditions which are protected by the law. There shall not be discrimination and the Company adheres to the concept of equal pay for equal work.
Work schedule management	Comply with the working hours, rest and vacation standards specified by the labor regulations.
Salary and benefits	Provide remuneration and treatment for employees in accordance with the labor regulations, including minimum wages, paid leave, official holidays, rest days and other benefits as required by laws and regulations.
Freedom of association	Respect the rights of employees to associate freely and organize unions, and arrange labor-management meetings in accordance with the laws and regulations to provide a communication channel for employees.
Functional skills development	Committed to protecting employees' equal development opportunities, providing training programs required for their duties and continuously improving and adding employees' work abilities and skills.



CONTENTS

- 1 General Information
- 2 Corporate Governance
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

To ensure that contractors also adhere to the Company's human rights protection policy, human rights provisions have been incorporated into the Supplier Code of Conduct. All contractors above a certain scale are required to sign and comply with these standards. The Company also conducts regular annual communication to ensure the consistent implementation of the human rights policy throughout the contractor supply chain.

Sunny Friend has no record of any human rights violations. To reinforce the implementation of the Company's human rights policy, relevant management plans have been developed as outlined below:

1. Establish rules related to right to work, work schedule management and salary and benefits. They are included in Sunny Friend's "Work Rules" which are submitted to the local labor authorities for review.
2. Regularly conduct human rights education and training for employees, such as gender equality, prevention of unlawful violations at workplace and others.
3. Establish "Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace" to protect employees' right to work in dignity.
4. Regularly hold labor-management meetings, at least once every three months.
5. In compliance with labor laws and regulations, the Company has no labor dispute and violation of labor laws and regulations in 2023.
6. The Company complies with the "Employment Service Act" to implement equal employment opportunity.
7. To ensure employees' functional skills development, the Company continues to organize education and training programs and provide subsidies to improve employees' professional competence.

The Company employs staff based on their capabilities and does not discriminate on the basis of race, social class, language, beliefs, religion, political party, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, physical features, disabilities, previous union membership, or any other legally protected status in recruitment, hiring, training, rewards, promotions, terminations, retirements, and other employment conditions. The Company adheres to the principle of equal pay for equal work.

Besides, the Company complies with the People with "Disabilities Rights Protection Act" and the "Indigenous Peoples Employment Rights Protection Act" by hiring the required number of people with disabilities and indigenous individuals (three each as mandated). If there is a shortfall due to employee turnover, the Company then makes the legally required monetary substitution. The Company also respects the cultural practices of indigenous employees and provides leave for their indigenous rituals and ceremonies.

To address incidents of sexual harassment, the Company has established the "Regulations for the Prevention, Complaint, and Disciplinary Measures of Sexual Harassment." Employees may file complaints through the Human Resources Office via telephone at (05)7885788#621 or by email at lnss@mail.sunnyfriend.com.tw. Upon receipt of a complaint, the Company upholds principles of confidentiality and non-disclosure, forms a dedicated committee and investigation task force to conduct an impartial investigation, and ensures the protection of the rights and interests of all involved parties. In cases where employees experience unfair treatment due to human rights violations or discrimination, complaints may be submitted in writing, by telephone ((05)7885788 ext. 622), by fax ((05)7887933), or via email (accuse@mail.sunnyfriend.com.tw). The Company will handle such cases in accordance with the "Procedures for Handling Whistleblower Reports" and is committed to safeguarding the rights and interests of the complainants.

Communication and Remediation Mechanisms for Human Rights Policies or Incidents

The Company has established a feedback platform and dedicated email account to facilitate communication between all workers, external stakeholders, and the responsible departments regarding human rights issues. These include suggestions for policy improvements, alerts on potential risks, and grievances related to human rights violations.

To ensure a fair and impartial review and investigation process for complaints or whistleblower cases, the Company has formed an interdepartmental task force composed of representatives from the Audit Office, Human Resources, and other relevant departments. This task force is responsible for investigating reported human rights incidents and formulating appropriate corrective and preventive measures.

2.4.3 Regulatory Compliance

The Company's core business operations include medical waste treatment, hazardous and general industrial waste management, waste treatment facility design, planning, and construction, as well as the development of incineration plants and landfills. As a waste management enterprise, in addition to complying with the Company Act and regulations applicable to publicly listed companies under the Taiwan Stock Exchange, the Company is primarily regulated by the Ministry of Environment and the Ministry of Economic Affairs. Key applicable legal frameworks include the Waste Disposal Act, Permit Management Regulations for Public or Private Waste Clearance and Disposal Organizations, and the Regulations Governing the Establishment and Management of Industrial Waste Disposal Facilities Assisted by the Ministry of Economic Affairs.

The Company adheres strictly to the above-mentioned waste management regulations and has instituted rigorous internal controls to ensure compliance.

In accordance with GRI 2-27-b, which requires disclosure of "the total number and monetary value of significant fines for non-compliance with laws and regulations during the reporting period," Sunny Friend has determined that traffic fines incurred due to personal conduct are not directly related to the Company's business operations and therefore are excluded from disclosure in the Sustainability Report.

The Company has set the disclosure threshold for material regulatory violations at fines of NT\$60,000 or more. In 2024, there were no such material violations, as shown below:

Year 2024	2024
Number of fines paid for violations incurred in the current reporting year	0
Amount of fines paid for violations incurred in the current reporting year	0
Number of fines paid for violations incurred in previous reporting years	0
Amount of fines paid for violations incurred in previous reporting year	0

CONTENTS

- 1 General Information
- 2 **Corporate Governance**
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 **Responsible Business Practices**
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

2.4.4 Personal Data Protection

To enhance the protection and management of personal data, the Company has established the “Personal Data Protection Management Policy,” “Personal Data Protection Operational Procedures,” and “Personal Data Protection Policy,” in accordance with the Personal Data Protection Act promulgated by the Executive Yuan.

The Company adopts stringent personal data security management and protection measures. A classification-based data file management system has been implemented, and specific protocols have been developed to regulate access by authorized personnel. These measures apply to all individuals, customers, and suppliers across the Company’s operational sites. During the collection, processing, use, and protection of personal data in business operations, the Company strictly complies with relevant governmental laws and regulations, and does not disclose, rent, or provide personal data to any third party beyond the scope permitted by law. All practices are carried out in alignment with the Company’s “Personal Data Protection Policy,” to ensure the protection of personal data and the privacy rights of all employees, customers, and suppliers across our business locations. To effectively manage risks related to personal data, the Company has established a Personal Data Protection Task Force responsible for overseeing and ensuring compliance with the “Personal Data Protection Policy.” Through annual meetings, the Task Force serves as a cross-departmental communication platform and provides support required for personal data protection initiatives. The Company’s Personal Data Protection Policy is as follows:

To promote the lawful use of personal data and prevent violations of personal rights, the Company has developed this policy and commits to full compliance with applicable laws and regulations. Personal data shall be collected, processed, and used fairly and lawfully within the scope of specific purposes, based on principles of honesty, integrity, and fairness.

1. The Company collects and processes personal data only as necessary for business or job functions, and provides data subjects with required legal notifications regarding the purpose, scope, location, recipients, and means of use at the time of collection.
2. Comprehensive records and inventories of collected, processed, or used personal data are maintained. Appropriate security measures are implemented to prevent theft, alteration, loss, damage, or leakage of personal data, ensuring its safety and accuracy.
3. The Company respects the legal rights of data subjects over their personal data. In cases involving cross-border data transfers, such actions will only be performed lawfully, appropriately, and under adequate protection.
4. The Company establishes and implements internal regulations and systems for personal data management, clearly defining the responsibilities and duties of both internal and external stakeholders, and assigning dedicated personnel or organizational units to oversee protection efforts.
5. When engaging third parties to collect, process, or use personal data, the Company supervises the entrusted parties and ensures their data management practices comply with legal and contractual requirements.
6. Any exceptions to the above are only permitted under the circumstances allowed by the Personal Data Protection Act, its Enforcement Rules, the Company’s “Personal Data Protection Management Policy,” “Operational Procedures,” and other applicable laws.

To strengthen the protection and management of personal data, the Company has established a Personal Data Protection Task Force, which is responsible for the following tasks: 1. Promoting the implementation of the Company’s personal data management system. 2. Proposing awareness-raising and training programs for employees of all departments (hereinafter referred to as “units”) regarding personal data protection. 3. Reviewing, deliberating, and evaluating the legality and appropriateness of the Company’s personal data management system. 4. Providing consultation on applicable personal data protection laws and regulations. 5. Planning and executing other matters related to the protection and management of personal data within the Company. Through scheduled annual internal and external personal data protection training, the Company ensures that directors, managerial officers, employees, appointed representatives, individuals with substantial control, and other relevant personnel are informed of and understand the importance of compliance with personal data protection requirements, thereby mitigating the risk of non-compliance. On June 20, 2024 and September 19, 2024, the Company conducted internal training sessions at the Yunlin and Zhangbin Plants, covering the “Personal Data Protection Management Guidelines,” the “Personal Data Protection Operational Management Guidelines,” and the “Personal Data Protection Policy.” The training sessions were one hour in duration and were open for voluntary participation by the Company’s directors, managerial officers, and employees. A total of 48 participants attended (23 and 25 participants, respectively). The number of trainees and training hours by gender is summarized in the table below (unit: hours):

CONTENTS

- 1 General Information
- 2 Corporate Governance
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

▼ Number of Participants and Training Hours (by Gender) for Internal Training on the Company’s “Personal Data Protection Management Regulations,” “Operational Procedures for Personal Data Protection,” and “Personal Data Protection Policy” (Unit: Hours)

Gender	2022				2023				2024			
	Yunlin Plant		Zhangbin Plant		Yunlin Plant		Zhangbin Plant		Yunlin Plant		Zhangbin Plant	
	No. of trainees	No. of training hours	No. of trainees	No. of training hours	No. of trainees	No. of training hours	No. of trainees	No. of training hours	No. of trainees	No. of training hours	No. of trainees	No. of training hours
Male	6	6	0	0	19	19	13	13	6	6	8	8
Female	14	14	0	0	6	6	13	13	17	17	17	17
Total	20	20	0	0	25	25	26	26	23	23	25	25

Description : The training was not organized at Zhangbin Plant in 2022.



▲ Personal Data Protection (Policy) Training

The number of participants and total training hours (in hours) by gender for internal training sessions conducted in accordance with the Company’s Personal Data Protection Management Guidelines, Personal Data Protection Operation Guidelines, and Personal Data Protection Policy. The Company incorporates the implementation status of its Personal Data Protection Policy and related mechanisms, procedures, programs, and measures into the annual operational risk self-assessment, internal control self-inspection, legal compliance self-assessment, and internal audit items.

Any whistleblowing or complaints regarding violations of the Company’s Personal Data Protection Management Guidelines, Personal Data Protection Operation Guidelines, and Personal Data Protection Policy shall be handled in accordance with the Company’s Whistleblowing Handling Procedures. The said procedures have been publicly disclosed on the Company’s official website for stakeholder access and reference.

CONTENTS

- 1 General Information
- 2 Corporate Governance
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

2.5 Risk Management

2.5.1 Risk Identification and Mitigation Measures

Sunny Friend’s risk management is jointly carried out by the Corporate Sustainability Promotion Unit (Corporate Management Department) and relevant functional units. In accordance with the principle of materiality in corporate sustainability, risks across various aspects of the Company’s operations are systematically identified. Based on the identified risk categories, risk management policies and strategies are developed collaboratively with relevant departments to ensure effective risk control.

Risk Aspect	Risk Description	Responsible Department	Risk Mitigation Measures
Financial Risk	◆ Risks arising from highly leveraged investments, intercompany lending, endorsements and guarantees, and derivative transactions. ◆ Risks associated with fluctuations in interest rates, exchange rates, and inflation impacting corporate profitability.	Finance Department	◆ The Company has established and implements the “Procedures for Acquisition or Disposal of Assets,” “Procedures for Endorsement and Guarantee,” and “Procedures for Lending of Funds to Others” in accordance with relevant regulations. ◆ The Finance Department closely monitors interest rate trends to mitigate risks arising from interest rate fluctuations.
Climate Change Risk	◆ In alignment with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations issued by the Financial Stability Board, climate-related risks are assessed based on "magnitude of impact/benefit" and "likelihood of occurrence." The top three climate-related risk items identified through this assessment are: air pollution control, general environmental regulations, and rising raw material costs.	Environmental Protection Office	◆ Air Pollution Control : To align with energy conservation and sustainable development goals, and to enhance both process efficiency and pollution control effectiveness, the Company is assessing improvements to incinerator operations. These efforts aim to elevate the standards and efficiency of environmental protection measures, thereby achieving air pollution control standards and reducing greenhouse gas emissions. Regulatory filings have been made in accordance with relevant environmental laws. ◆ General Environmental Regulations : The Company continues to monitor changes in domestic and international environmental regulations and proactively plans investments and improvements in environmental protection facilities. Regular wastewater quality testing is conducted in compliance with legal requirements. The Company actively participates in governmental forums to gain insights and incorporate recommendations. In terms of greenhouse gas (GHG) inventory management, emission inventories for 2022–2024 have been established, and an internal audit of the 2024 GHG inventory has been completed. Moving forward, the Company will continue GHG inventory and verification efforts in alignment with the Financial Supervisory Commission’s sustainable development roadmap, aiming for third-party verification within the designated timeframe. ◆ Rising Raw Material Costs : (1) Adjustment of Treatment Fees: The Company negotiates with government agencies and clients to increase waste treatment fees to reflect rising costs. (2) Improving Equipment Efficiency: Process improvements are planned to enhance resource efficiency and reduce consumption of energy and chemicals.
Occupational Health and Safety Risk	◆ Hazards induced by electricity, heat, or other energy sources. ◆ Occupational incidents resulting from failure to implement occupational safety and health protection measures.	Occupational Safety and Health Office	◆ The Company has adopted the ISO 45001 Occupational Health and Safety Management System and actively ensures the safety and well-being of employees. ◆ Continuous implementation of various occupational safety and health training programs, case studies, and workplace environmental monitoring helps enhance employees’ emergency response capabilities regarding workplace hazards, contributing to the prevention of occupational incidents and the protection of employee health. ◆ Daily patrols of the plant site are conducted to identify and rectify unsafe conditions or behaviors, thereby preventing occupational accidents.

CONTENTS

- 1 General Information
- 2 **Corporate Governance**
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 **Climate-Related Risks and Opportunities**
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

Risk Aspect	Risk Description	Responsible Department	Risk Mitigation Measures
Information Security Risk	- Operational disruptions caused by damage to information systems, impacting normal business continuity. - Malicious cyberattacks using destructive software that may interfere with operations or require significant remediation costs.	Information Office	- Business Continuity and Information Security Measures: - Backup servers and scheduled daily automated off-site data backups are maintained and monitored by dedicated personnel to ensure uninterrupted operations. - Strengthened cybersecurity infrastructure, including email server filtering mechanisms and installation of antivirus software. - Deployment of redundant IT systems to support operational resilience.
Equipment Malfunction Risk	- Unexpected power outages leading to emergency furnace shutdowns or equipment malfunction. - Abnormal equipment operation caused by frequent wear of certain components or aging parts.	Factory Affair Department	- Installation of uninterruptible power supply (UPS) systems to prevent sudden power outages; extended downtime response plans are in place for emergency shutdowns during prolonged outages. - Regular replacement and maintenance of equipment components, with routine site inspections to ensure proper equipment operation.

2.6 Climate-Related Risks and Opportunities

2.6.1 Climate Governance

To advance climate change response and sustainable management strategies, the Board of Directors of Sunny Friend holds ultimate responsibility for overseeing climate-related issues and plays a key role in supervision and governance. Directors are obligated to fulfill their fiduciary duty as prudent managers, ensuring the effective implementation of sustainable development across the organization. The Board regularly reviews implementation outcomes and drives continuous improvement to ensure the successful execution of sustainability policies. Sunny Friend has established a comprehensive risk management framework, encompassing organizational structure, policies, and management guidelines. The scope of risk management includes operational, financial, market, and compliance risks. Through a structured enterprise risk management (ERM) process—including risk identification and assessment, impact evaluation, response and adaptation, and oversight and reporting—the company systematically implements risk control measures. To institutionalize risk management practices, the Board delegates authority to the senior management team. Each department appoints representatives to form the Sustainability Information Task Force, which convenes periodic meetings to discuss climate-related risks and opportunities, supervise sustainability management strategies, and formulate corresponding action plans. The Sustainability Information Task Force reports annually to the Board of Directors on the progress of sustainability-related initiatives. Key environmental, social, and governance (ESG) issues and associated risk management measures that are relevant to the company's operations are also submitted to the Board. This enables the Board to monitor and supervise the company's performance against climate-related targets and indicators. The most recent report was presented on August 7, 2025.

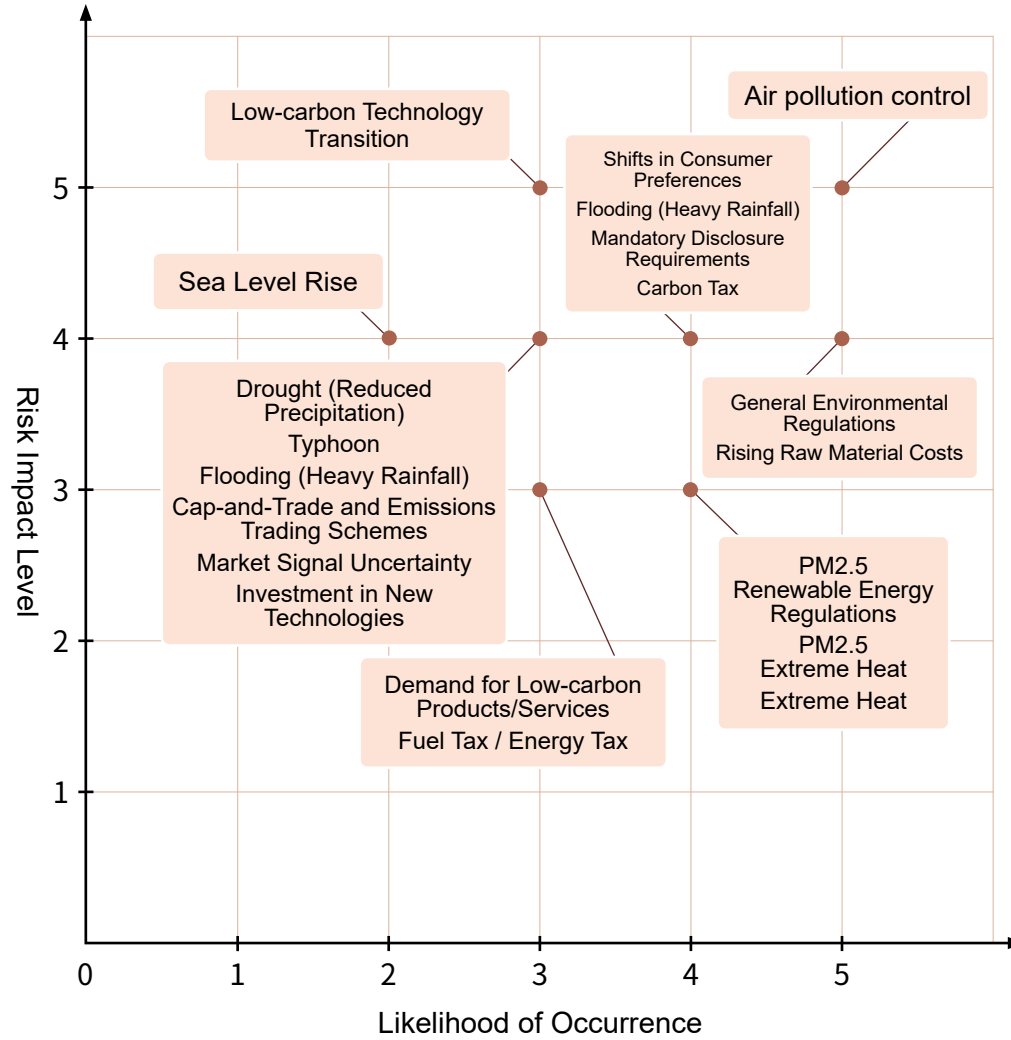
2.6.2 Climate Risk and Opportunity Identification and Assessment

To enhance the transparency of disclosures related to climate risks and opportunities, the Company adopts the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB). A scoring mechanism is applied based on the "magnitude of impact/benefit" and "likelihood of occurrence" for each risk and opportunity, and a risk-opportunity matrix is developed accordingly to determine the significance and materiality of each item. Based on this analysis, the Company has identified the top three climate-related risks as air pollution control, general environmental regulations, and rising raw material costs. The top three climate-related opportunities are reduced water consumption, recycling and reuse, and leveraging government incentive programs. The actual and potential impacts of these risks and opportunities on the organization are disclosed in the following section.

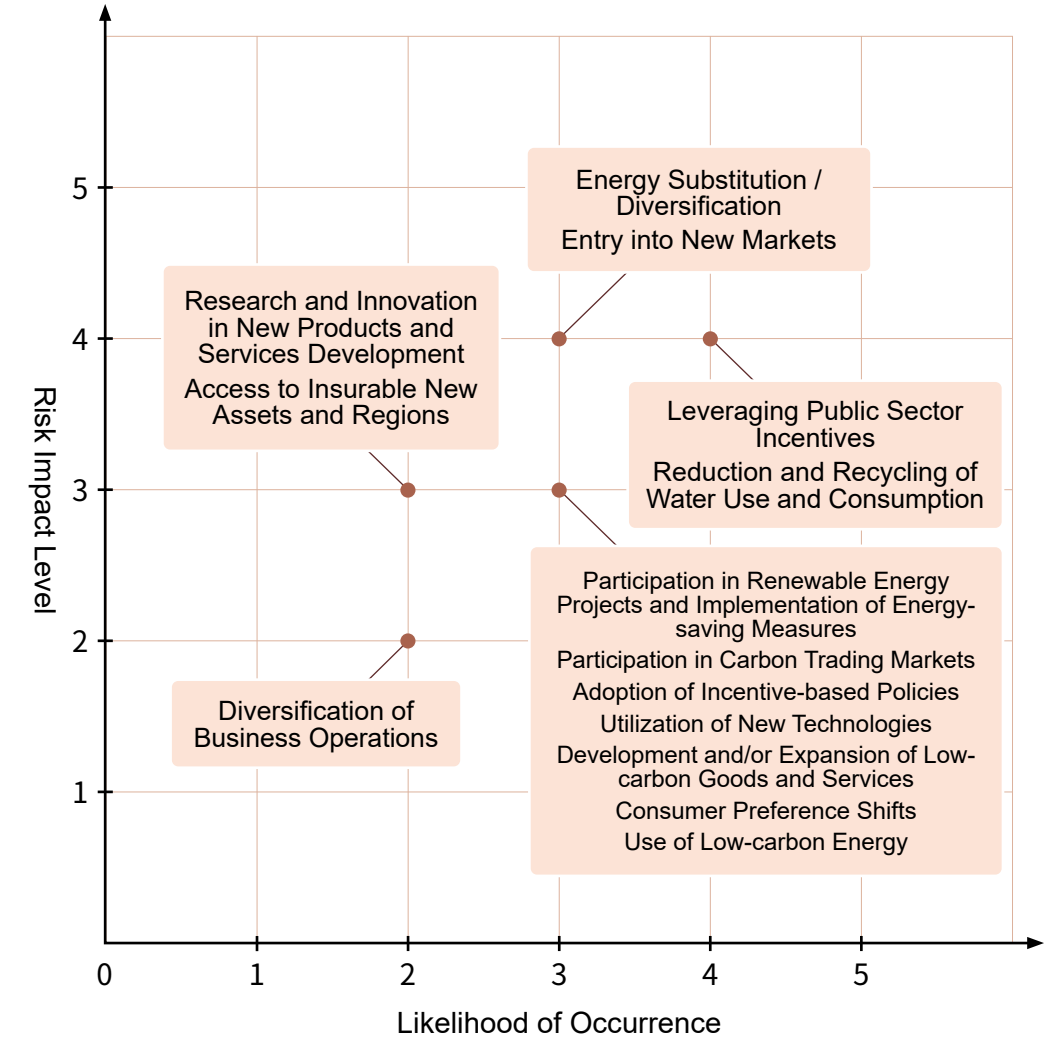
CONTENTS

- 1 General Information
- 2 **Corporate Governance**
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 **Climate-Related Risks and Opportunities**
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

▼ Climate Change Risk Matrix



▼ Climate Change Risk Matrix



CONTENTS

- 1 General Information
- 2 Corporate Governance
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

2.6.3 Climate Risk and Opportunity Impact Assessment

Under the supervision of the Board of Directors and the guidance of the designated working group, the Company has conducted an assessment of the top three climate-related risks and opportunities, evaluating their actual and potential impacts on our business operations, strategic direction, and financial performance. The assessment considers factors such as the magnitude of impact, timeframe/geographic scope, value chain implications, and financial repercussions. Based on these insights, the Company formulates strategic response measures to proactively address both current and potential effects of climate change, thereby enhancing organizational climate resilience. To better understand the short-, medium-, and long-term impacts of climate-related risks and opportunities, the Company has defined the following time horizons: short-term as 1 to 3 years, medium-term as 3 to 10 years, and long-term as over 10 years.

▼ Climate Change Risk Impacts and Corresponding Opportunities

Primary Category	Subcategory	Risk or Opportunity Item	Description	Financial Impact	Magnitude of Impact	Frequency of Occurrence	Time of Occurrence	Likelihood of Occurrence	Management Approach
Transition risks	Regulatory and Policy Risks	Air Pollution Control	In response to the global impacts of climate change and to strengthen climate adaptation efforts, the government has amended relevant regulations to encourage current and future carbon fee payers to expedite the adoption of voluntary emission reduction measures. These measures include enhancing energy efficiency, improving manufacturing processes, and other related initiatives.	Increased Operating or Capital Expenditures	5	4	Long-term	5	To align with energy conservation goals and the broader imperatives of sustainable development, and to enhance process efficiency and pollution control effectiveness while mitigating the impacts of climate change, the Company has evaluated process upgrades for its incineration facilities. These enhancements aim to elevate the standards and efficiency of environmental protection measures. Applications have been submitted in accordance with relevant regulatory requirements, with the objective of achieving air pollution control standards and reducing greenhouse gas emissions.
		General Environmental Regulations	In alignment with international trends and sustainable development goals, the government continues to strengthen and revise environmental regulations and introduce carbon pricing mechanisms based on global practices.	Increased Operating or Capital Expenditures	4	4	Long-term	5	We closely monitor regulatory developments both domestically and internationally and proactively plan for investments and upgrades in environmental protection equipment. We continue to comply with regulations by conducting regular wastewater quality testing and actively participate in government-led forums to exchange experiences and gather best practices. Regarding greenhouse gas (GHG) management, we have established GHG emission inventories for the years 2022 to 2024 and completed an internal audit of the 2024 GHG inventory. Going forward, we will continue to conduct GHG inventories in accordance with the sustainability roadmap published by the Financial Supervisory Commission and will complete third-party verification within the specified timeframe.

CONTENTS

- 1 General Information
- 2 **Corporate Governance**
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 **Climate-Related Risks and Opportunities**
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

Primary Category	Subcategory	Risk or Opportunity Item	Description	Financial Impact	Magnitude of Impact	Frequency of Occurrence	Time of Occurrence	Likelihood of Occurrence	Management Approach
Transition risks	Market risks	Increased cost of raw materials	In response to the rising cost of raw materials, shifting to lower-cost alternatives with higher environmental impacts (e.g., materials with a higher carbon footprint) may conflict with the Company's commitment to sustainable development. Such decisions may raise concerns among stakeholders regarding the Company's sustainability performance, potentially affecting corporate image and reputation. In recent years, the government has strengthened waste management policies and environmental regulations. If treatment costs increase, the Company may need to allocate additional resources to upgrade equipment and enhance pollution control measures. For example, under Taiwan's 2050 Net-Zero Emissions Policy, incineration facilities are required to reduce carbon emissions, which could result in higher operating costs.	Increased Operating or Capital Expenditures	4	4	Long-term	5	Adjustment of treatment fees: Engage in negotiations with government agencies or clients to revise waste treatment fees in order to reflect increased operating costs. Enhancement of equipment efficiency: Plan for process optimization and equipment upgrades to improve resource efficiency and reduce energy and chemical consumption.
		Reduction in Water Consumption and Withdrawal	Reduction in Water Consumption and Withdrawal	Decreased Operating or Capital Expenditures	4	3	Mid-term	4	A rainwater harvesting system was additionally installed above the steel structure roof of the landfill site, with the collected rainwater stored onsite for use in process cooling and street washing activities. Wastewater from the wet scrubber generated during the incineration process undergoes treatment through an inorganic saline wastewater regeneration system. The reclaimed clean water is then reused in the original incineration process. Both measures contribute to reducing water consumption and enhancing the efficient use of valuable water resources.
Opportunity	Resource Efficiency	Recycling and Reuse	Reuse of Incinerator Bottom Ash	Increased Demand for Products or Services	4	4	Long-term	4	Plans are in place to promote the circular reuse of bottom ash generated from the Zhangbin incineration process.
		Leveraging Public Sector Incentive Programs	On March 20, 2024, the Ministry of Economic Affairs amended and promulgated the "Incentive Program for Demonstration and Promotion of Energy Performance Contracting (EPC)." The program is commissioned to the Energy Administration, Ministry of Economic Affairs, R.O.C., with the primary objective of promoting energy conservation initiatives. It also aims to support the implementation of EPC projects, thereby stimulating the development of the energy service industry and enhancing overall energy efficiency.	Increased Operating or Capital Expenditures	4	3	Short-term	4	Based on the content of the Energy Performance Contracting (EPC) Demonstration and Promotion Subsidy Program and the recommendations provided by energy service companies (ESCOs), the Company evaluates strategic directions for improving energy efficiency within the facility.

CONTENTS

- 1 General Information
- 2 Corporate Governance
 - 2.1 Company Overview
 - 2.2 Governance Framework
 - 2.3 Economic Performance
 - 2.4 Responsible Business Practices
 - 2.5 Risk Management
 - 2.6 Climate-Related Risks and Opportunities
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

▼ Degree of Cost Impact from Actions Taken to Manage Risks or Opportunities

Sub-category	Risk or Opportunity Item	Labor Costs	Equipment Costs	Capital Expenditures	Research and Development Expenses	Social Engagement Expenditures	Losses and Remediation	Outsourcing Costs	Insurance Premiums
Policy and Regulatory Risks Market Risks	Air Pollution Control	2	3	3	2	1	2	1	1
	General Environmental Regulations	2	2	3	1	1	2	1	1
Resource Use Efficiency	Rising Raw Material Costs	1	3	3	1	1	2	1	0
Market Opportunities Policy and Regulatory Risks	Reduction in Water Usage and Consumption	2	2	3	2	1	1	2	0
	Recycling and Reuse	2	3	3	3	1	1	2	1
Market Risks	Utilization of Public Sector Incentive Programs	2	2	2	1	0	1	1	0

Description : A higher score indicates a greater level of impact; a score of 0 denotes no impact.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing**
 - 3.1 Human Capital
 - 3.2 Compensation and Benefits
 - 3.3 Diversity and Development
 - 3.4 Workplace Health and Safety
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

3 Employee Wellbeing

3.1 Human Capital

3.2 Compensation and Benefits

3.3 Diversity and Development

3.4 Workplace Health and Safety

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
 - 3.1 Human Capital
 - 3.2 Compensation and Benefits
 - 3.3 Diversity and Development
 - 3.4 Workplace Health and Safety
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

3.1 Human Capital

3.1.1 Human Resource Management

Sunny Friend regard employees as the Company’s most valuable assets. Accordingly, we have established human resource management procedures, compensation mechanisms, and workplace regulations based on local labor laws where we operate. These policies are regularly reviewed and updated to align with the latest legal requirements, ensuring the protection of employees’ fundamental labor rights. The Company explicitly prohibits child labor, discrimination, workplace sexual harassment, and forced labor, and has established independent grievance mechanisms to provide a safe, equitable, and respectful working environment.

Our recruitment practices emphasize academic and professional qualifications, technical expertise, integrity, and enthusiasm. In compliance with relevant regulations, we also hire persons with disabilities to protect their right to work. Employees at the same grade or competency level are entitled to equal benefits, remuneration standards, and training opportunities, regardless of gender, age, nationality, or other personal attributes. Annual performance evaluations are conducted and serve as the basis for decisions regarding employee retention, promotion, salary adjustments, and bonus allocations.

3.1.2 Talent Recruitment

As of the end of 2024, Sunny Friend employed a total of 356 personnel, all of whom were regular employees. The workforce consisted of 356 full-time employees, with no part-time or non-guaranteed hour employees. In addition, certain functions, such as security and engineering services within the plant premises, were outsourced to external contractors. By the end of 2024, the total number of outsourced workers was three. There have been no significant changes in employment figures over the past three years.

Definition of Terms:

- ♦ **Regular Employees:** Individuals employed under open-ended (indefinite) labor contracts.
- ♦ **Temporary Employees:** Individuals employed under fixed-term labor contracts.
- ♦ **Full-time Employees:** Employees whose weekly working hours meet the definition of full-time as stipulated by local labor laws.
- ♦ **Part-time Employees:** Employees whose weekly working hours are below the threshold defined by local labor laws for full-time employment.
- ♦ **Non-guaranteed Hour Employees:** Employees without fixed weekly working hours, such as on-call workers.

▼ Employee Composition by the End of 2024 (Unit: Persons)

Employment Type	Gender	Region			Total
		Taipei	Yunlin Plant	Zhangbin Plant	
Total Employees	Male	7	96	179	282
	Female	11	25	38	74
	Total	18	121	217	356
Regular Employees	Male	7	96	179	282
	Female	11	25	38	74
	Total	18	121	217	356
Temporary Employees	Male	0	0	0	0
	Female	0	0	0	0
	Total	0	0	0	0
Full-time Employees	Male	7	96	179	282
	Female	11	25	38	74
	Total	18	121	217	356
Part-time Employees	Male	0	0	0	0
	Female	0	0	0	0
	Total	0	0	0	0
Non-guaranteed Hour Employees	Male	0	0	0	0
	Female	0	0	0	0
	Total	0	0	0	0

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
 - 3.1 Human Capital
 - 3.2 Compensation and Benefits
 - 3.3 Diversity and Development
 - 3.4 Workplace Health and Safety
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

▼ Number of Employees Over the Past Three Years (Unit: persons)

Year	End of 2022	End of 2023	End of 2024
Number of Male Employees	280	290	282
Number of Female Employees	69	72	74
Total Number of Employees	349	362	356

Workforce Diversity Structure

As of the end of 2024, male and female employees respectively accounted for 79% and 21% of the total workforce. Employees aged between 30 and 50 represented the majority, comprising 67% of the total headcount. In accordance with relevant labor laws, the Company has employed three persons with disabilities. To further implement the Company’s commitment to diversity and inclusion, two employees identifying as Indigenous peoples have also been hired.

The Company’s senior management team is composed entirely of local personnel. In 2024, 100% of senior executives were local residents.

▼ Total Number of Employees by Job Level and Diversity Indicators as of the End of 2024 (Unit: Persons)

Job Level		Senior Management	Middle Management	First-line Management	Frontline Employees	Total
Total Number of Employees by Job Level		13	21	98	224	356
Percentage of Employees by Job Level (%)		3.7%	5.9%	27.5%	62.9%	100%
Diverse Indicators						
Gender	Male	13	18	86	165	282
	Female	0	3	12	59	74
Age	Under and including 29 years old	0	0	2	56	58
	30 to 50 years old	1	7	81	150	239
	51 years old and above	12	14	15	18	59
Identified as Indigenous Peoples		0	0	1	1	2
Identified as Persons with Disabilities		0	0	1	2	3

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
 - 3.1 Human Capital
 - 3.2 Compensation and Benefits
 - 3.3 Diversity and Development
 - 3.4 Workplace Health and Safety
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

▼ Percentage of Employees by Job Level and Diversity Indicators as of the End of 2024 (Unit: %)

Job Level		Senior Management	Middle Management	First-line Management	Frontline Employees	Total
Gender	Male	100%	86%	88%	74%	79%
	Female	0%	14%	12%	26%	21%
Age	Under and including 29 years old	0%	0%	2%	25%	16%
	30 to 50 years old	8%	33%	83%	67%	67%
	51 years old and above	92%	67%	15%	8%	17%
Identified as Indigenous Peoples		0%	0%	1%	0.4%	1%
Identified as Persons with Disabilities		0%	0%	1%	1%	1%

Description : The percentages in this table are calculated based on the total number of employees within the same job level and category. For example, the percentage of male frontline employees = number of male frontline employees ÷ total number of frontline employees.

We have established a comprehensive recruitment system aimed at fostering mutual growth between the Company and its employees while respecting individual career transitions. In 2024, the Company recruited a total of 51 new employees, including 41 males and 10 females, with the majority aged between 30 and 50. During the same period, 58 employees left the Company (including one who retired upon reaching the statutory retirement age), comprising 51 males and 7 females. The reasons for departure included family considerations, career planning, and job changes. To safeguard employee rights and continuously enhance our recruitment practices, responsible department supervisors conduct exit interviews with all departing employees to understand their reasons for leaving, which serves as a reference for future human resource management improvements.

Sunny Friend's Notice Period for Termination

In the event of significant operational changes, such as organizational restructuring, adjustments in workforce requirements, force majeure, or cases where employees are deemed unsuitable for continued employment, the Company adheres to the advance notice periods prescribed by the Labor Standards Act and provides severance pay accordingly.

- ◆ Employment for more than 3 months but less than 1 year: 10 days' prior notice
- ◆ Employment for more than 1 year but less than 3 years: 20 days' prior notice
- ◆ Employment for more than 3 years: 30 days' prior notice

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
 - 3.1 Human Capital
 - 3.2 Compensation and Benefits
 - 3.3 Diversity and Development
 - 3.4 Workplace Health and Safety
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

▼ Total Number and Proportion of New Hires in 2024

Gender	Age	Region (Country)	Total	New Hire Rate (%)
		Taiwan		
Male	Under and including 29 years old	10	10	15%
	30 to 50 years old	27	27	
	51 years old and above	4	4	
	Subtotal	41	41	
Female	Under and including 29 years old	6	6	14%
	30 to 50 years old	4	4	
	51 years old and above	0	0	
	Subtotal	10	10	
Total		51	51	14%

▼ Total Number and Proportion of Employee Turnover in 2024

Gender	Age	Region (Country)	Total	Turnover Rate (%)
		Taiwan		
Male	Under and including 29 years old	12	12	18%
	30 to 50 years old	34	34	
	51 years old and above	5	5	
	Subtotal	51	51	
Female	Under and including 29 years old	2	2	9%
	30 to 50 years old	5	5	
	51 years old and above	0	0	
	Subtotal	7	7	
Total		58	58	16%

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
 - 3.1 Human Capital
 - 3.2 Compensation and Benefits
 - 3.3 Diversity and Development
 - 3.4 Workplace Health and Safety
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

▼ Total Number and Proportion of Employee Turnover in 2024

Gender	Age	Region			Total	New Hire Rate (%)
		Taipei	Yunlin Plant	Zhangbin Plant		
Male	Under and including 29 years old	0	1	9	10	15%
	30 to 50 years old	0	1	26	27	
	51 years old and above	1	0	3	4	
	Subtotal	1	2	38	41	
Female	Under and including 29 years old	0	4	2	6	14%
	30 to 50 years old	1	1	2	4	
	51 years old and above	0	0	0	0	
	Subtotal	1	5	4	10	
Total		2	7	42	51	14%

▼ Total Number and Proportion of New Hires in 2024

Gender	Age	Region			Total	New Hire Rate (%)
		Taipei	Yunlin Plant	Zhangbin Plant		
Male	Under and including 29 years old	0	1	11	12	18%
	30 to 50 years old	0	3	31	34	
	51 years old and above	1	2	2	5	
	Subtotal	1	6	44	51	
Female	Under and including 29 years old	0	1	1	2	9%
	30 to 50 years old	1	2	2	5	
	51 years old and above	0	0	0	0	
	Subtotal	1	3	3	7	
Total		2	9	47	58	16%

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
 - 3.1 Human Capital
 - 3.2 Compensation and Benefits
 - 3.3 Diversity and Development
 - 3.4 Workplace Health and Safety
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

3.1.3 Labor-Management Agreements

Sunny Friend is committed to fostering a harmonious and equitable communication platform between employees and the company. To this end, it has established diverse and transparent communication channels, including labor-management meetings, the employee welfare committee, and an employee suggestion mailbox. Matters discussed in labor-management meetings apply to all employees. While the Company has neither established nor joined any labor unions and has not entered into collective agreements, regular communication and consultation through the aforementioned mechanisms have enabled the formation of mutual understanding and contributed to a stable and harmonious labor-management relationship. Looking ahead, the Company plans to further enhance communication by conducting employee satisfaction surveys as an additional channel for labor-management engagement. This initiative aims to safeguard the rights and obligations of both parties and to facilitate timely improvements to the working environment and labor-related policies.

Types of Employee Communication Channels

▼ Employee Feedback Statistics for 2024

Communication Channels	Number of Feedback Submissions	Key Feedback Topics	Number of Issues Addressed	Number of Issues Pending
Labor-Management Meetings	None	None	None	None
Employee Welfare Committee Meetings	None	None	None	None
Employee Suggestion/Feedback Mailbox	None	None	None	None

3.2 Compensation and Benefits

3.2.1 Equitable and Competitive Compensation

Sunny Friend prioritizes talent retention and development by offering competitive remuneration and comprehensive employee benefits. The Company determines its compensation standards based on local regulations, industry benchmarks, and cost of living considerations. Compensation is never influenced by gender, race, language, religion, age, political affiliation, or marital status. In this inclusive and equitable workplace, starting salaries are the same for male and female employees. However, total compensation (base salary plus other pay components) may vary based on seniority, experience, and job grade. Employee remuneration consists of base salary, meal allowances, various bonuses, and stipends. The Company conducts annual salary reviews based on business performance and grants bonuses tied to individual performance to incentivize employees and foster mutual growth between employees and the Company. The year-end bonus is determined with reference to the Company's earnings per share (EPS) for the year. The general manager approves the bonus base, and in accordance with the Company's Articles of Incorporation, 7% of the annual profit is allocated to the employee compensation pool, which is distributed in accordance with internal regulations, ensuring that business results are appropriately reflected in employee compensation.

In 2024, the ratio of the total annual compensation of the highest-paid individual to the median total annual compensation of all other employees was approximately 11.3 times. The ratio of the annual increase in total compensation for the highest-paid individual to the median percentage increase for all other employees was 0.023. Despite stable business performance, the Company proactively adjusted employee compensation structures, increased various allowances, and raised salary standards for new hires. As a result, the average salary increase for general employees significantly exceeded that of managerial personnel.

The Company fully complies with local labor laws in all regions of operation. In Taiwan, the Company's entry-level salaries exceed the minimum wage stipulated by the Labor Standards Act. In all other operating locations, the Company adheres to applicable minimum wage regulations. In 2024, the average monthly base salary for frontline employees exceeded the statutory minimum wage. Specifically, the average base salary for Grade 1 and Grade 2 frontline staff was 1.39 times and 1.65 times the statutory minimum wage, respectively. In addition, the Company provides all legally mandated benefits and compensation packages.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
 - 3.1 Human Capital
 - 3.2 Compensation and Benefits
 - 3.3 Diversity and Development
 - 3.4 Workplace Health and Safety
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

Year		2022		2023		2024	
Gender		Male	Female	Male	Female	Male	Female
Rank 1 personnel	No. of people	141	26	138	21	119	11
	Average basic salary /minimum basic salary	1.41	1.32	1.35	1.28	1.4	1.28
	Comprehensive basic salary in average/legal minimum salary	1.39		1.34		1.39	
Rank 2 personnel	No. of people	79	29	88	35	99	44
	Average basic salary /minimum basic salary	1.7	1.62	1.61	1.52	1.69	1.56
	Comprehensive basic salary in average/legal minimum salary	1.68		1.59		1.65	

Description : The legal minimum basic salary was NT\$25,250 in 2022, NT\$26,400 in 2023, and NT\$27,470 in 2024.

In compliance with regulatory requirements, the Company discloses salary information for full-time employees not holding managerial positions. As of 2024, there were 324 such employees. The average salary and median salary were NTD 896,000 and NTD 773,000, respectively. The increase compared to the previous year was primarily due to adjustments in the salary structure, including higher allowances and revised starting salary standards for new hires.

Items	2022	2023	2024
No. of non-managerial full-time employees – weighted average	328	339	324
Salary average of non-managerial full-time employees	1,019,000	806,000	896,000
Salary median of non-managerial full-time employees	828,000	8673,000	773,000
No. of employees stated in financial statements	347	362	350
Average employee benefits cost in financial statements	1,340,000	1,249,000	1,189,000
Average employee salary cost in financial statements	1,168,000	1,077,000	1,009,000

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 3.1 Human Capital
- 3.2 Compensation and Benefits
- 3.3 Diversity and Development
- 3.4 Workplace Health and Safety
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

3.2.2 Comprehensive Employee Benefits

To enhance employee cohesion and strengthen market competitiveness, Sunny Friend has implemented a wide range of employee benefits, including leave entitlements that exceed statutory requirements, insurance coverage, and monetary gifts for marriage, bereavement, and childbirth. The Company has also established an Employee Welfare Committee responsible for the promotion and planning of various welfare programs, all of which are available to full-time employees. A fixed monthly welfare fund is allocated by the Company, supplemented by voluntary employee contributions, and deposited into the Welfare Committee's designated account. These funds are utilized to support a variety of employee activities and subsidies. The Welfare Committee regularly monitors the utilization of the welfare fund and collects employee feedback to ensure the proper and effective allocation of resources.

Sunny Friend Standard Employee Benefits

Insurance Coverage

- ◆ Enrollment in Labor Insurance and National Health Insurance in accordance with statutory contribution brackets.
- ◆ Group accident insurance coverage of NT\$10 million; overseas staff are additionally covered by overseas travel accident insurance and related protection plans.

Statutory Leave Benefits

- ◆ Provision of annual leave and other statutory leave entitlements in compliance with the Labor Standards Act.

Wedding, Funeral, Child Birth Cash Incentives and Anniversary Gift

- ◆ Bonuses distributed during major holidays, including the Dragon Boat Festival and Mid-Autumn Festival.
- ◆ Monetary gifts for weddings, funerals, and childbirth.

Additional Employee Welfare Programs at Sunny Friend

Welfare Activities

- ◆ Company-sponsored employee trips.
- ◆ Team-building and employee gathering events.

Other Benefits

- ◆ Provision of employee dormitories.
- ◆ On-site employee cafeteria.

To safeguard the rights and interests of retired employees, the Company has established a retirement system in accordance with Taiwan's Labor Standards Act and Labor Pension Act. Employees who joined the Company on or before June 30, 2005, were covered under the defined benefit (old) pension scheme, while those who joined on or after July 1, 2005, are enrolled in the defined contribution (new) pension scheme. As of July 31, 2021, the Company completed the settlement of all accrued benefits under the old scheme through consultation with all employees covered by it, and has fully disbursed the corresponding payments. Currently, all employees are covered under the new pension scheme, with the Company making monthly contributions equivalent to 6% of each employee's monthly salary to their individual pension accounts managed by the Bureau of Labor Insurance. In addition, to express appreciation for employees' long-standing dedication and contributions, the Company presents commemorative retirement plaques or holds farewell gatherings upon retirement.



CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
 - 3.1 Human Capital
 - 3.2 Compensation and Benefits
 - 3.3 Diversity and Development
 - 3.4 Workplace Health and Safety
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

3.2.3 Family-Friendly Workplace Initiatives

We are committed to fostering a family-friendly workplace that supports employees in balancing work and parenting responsibilities. In addition to complying with statutory parental leave entitlements, the Company offers a range of supportive measures, including partnerships with designated childcare facilities, legally compliant family care leave, and flexible working hours. To further accommodate nursing mothers, we have established a comfortable lactation room within the office, equipped with a refrigerator and freezer to ensure proper storage of breast milk.

In 2024, the return-to-work rate following parental leave was 100%, and the retention rate one year after returning from leave also reached 100%, with a few employees choosing to resign due to individual career development plans.

▼ Analysis of Employees on Parental Leave

	2022			2023			2024		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No. of eligible employees for parental leave without pay in the current year (A)	20	6	26	23	6	29	25	6	31
Actual no. of employees applying for parental leave without pay (B)	0	2	2	3	1	4	3	1	4
No. of employees to be reinstated from parental leave in the current year (C)	0	1	1	3	1	4	2	0	2
No. of employees actually reinstated from parental leave in the current year (D)	0	1	1	2	1	3	2	0	2
No. of employees actually reinstated from parental leave in the previous year (E)	0	0	0	0	1	1	2	1	3
No. of people that are still employed 12 months after being reinstated from parental leave in the previous year (F)	0	0	0	0	1	1	2	1	3
Application % for parental leave without pay (=B/A*100%)	0%	33%	8%	13%	33%	14%	12%	17%	13%
Reinstatement % (=D/C*100%)	0%	100%	100%	67%	100%	75%	100%	100%	100%
Retention % (=F/E*100%)	0%	0%	0%	0%	100%	100%	100%	100%	100%

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
 - 3.1 Human Capital
 - 3.2 Compensation and Benefits
 - 3.3 Diversity and Development
 - 3.4 Workplace Health and Safety
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

3.3 Diversity and Development

3.3.1 Talent Development and Training

Sunny Friend places great emphasis on the professional development of its employees, firmly believing that continuous, forward-looking education and training are essential for the joint growth of both employees and the company. We offer a wide range of learning channels and comprehensive training programs that combine depth and breadth, aiming to holistically enhance employees' skills and knowledge.

▼ Learning Channels and Training Programs

Learning Channels	Training Programs
On job training	New Employee Orientation
	General Knowledge Training Programs
	Occupational Safety and Health Training Regulatory Compliance Training Courses
External Training Programs	Professional Competency Development Programs
Others	Others

A total of 145 training sessions were conducted in 2024, with 1,149 employee participants and an accumulated total of 4,817 training hours. On average, each employee received 14 hours of training. Compared to 2023, the training hours remained stable, demonstrating the Company's continued commitment and investment in employee learning and development.

▼ Number of Training Sessions, Participants, and Training Hours in 2024

Training Category	Number of Sessions Held	Total Participants	Total Training Hours
New Employee Orientation	37	141	1,058.0
Professional Competency Programs	74	137	1,997.0
General Education Courses	32	860	1,584.0
Foreign Language Enhancement Programs	0	0	0.0
Management and Leadership Development	0	0	0.0
Others	2	11	178.0
Total	145	1,149	4,817.0

Our employee training policy is implemented without gender-based differentiation. In 2024, the average training hours per male employee were 13.02 hours, while the average for female employees was 15.49 hours.

▼ Average Training Hours by Gender (Unit: Hours)

Gender	2022	2023	2024
Male	10.29	16.67	13.02
Female	12.83	12.69	15.49

Description : Average training hours = Total training hours by gender ÷ Number of employees by gender at year-end.

The average training hours by job level in 2024 are presented in the table below. Compared to the previous two years, all job levels showed steady growth in average training hours, reflecting the Company's continuous investment in employee training and development. This demonstrates our commitment to supporting employees' career advancement and fostering a mutually beneficial outcome for both the Company and its workforce.

▼ Average Training Hours by Job Level

Job Level	2022	2023	2024
Senior Management	1.09	2	3.38
Middle Management	5.96	11.75	8.38
First-line Management	9.64	14.05	13.71
Frontline Employees	12.31	17.57	14.52

Description : Average training hours = Total training hours per job level ÷ Number of employees in each job level at year-end.

Employee Transition Assistance Policy

Retirement can lead to a significant shift in lifestyle, often resulting in a loss of purpose or financial challenges due to the absence of regular income. To support employees in preparing for retirement, Sunny Friend complies with relevant regulations by allocating statutory pension contributions and encourages voluntary pension contributions to help safeguard employees' post-retirement well-being. The Company also offers retirement-related consultation services, including guidance on old-age benefit applications, pension claims, and retirement planning. These resources are designed to assist employees in understanding the potential challenges of retirement and to support them in developing a comprehensive retirement plan.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
 - 3.1 Human Capital
 - 3.2 Compensation and Benefits
 - 3.3 Diversity and Development
 - 3.4 Workplace Health and Safety
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

3.3.2 Performance Evaluation

The Company has established a comprehensive performance evaluation system, including probation evaluations for new hires, quarterly performance reviews for all employees, and both mid-year and year-end evaluations for management personnel. These assessments aim to objectively reflect employee performance, provide constructive feedback, and encourage employees to set goals for continuous improvement in the following year.

In addition, the Company’s personnel regulations include reward and disciplinary measures. When an employee’s workplace performance or conduct meets or violates the Company’s established standards, the respective department head shall submit a reward or disciplinary proposal for the General Manager’s approval and subsequent announcement. Records of rewards, disciplinary actions, and annual performance evaluations serve as critical references for decisions regarding promotions, salary adjustments, and bonus allocations.

In 2024, all newly hired employees completed the probation performance evaluation. Except for those who joined during the year or were on unpaid leave, all full-time employees underwent annual performance evaluations.

▼ Percentage of Employees Who Completed Annual Performance Evaluations by Gender

Gender	Number of Employees Evaluated	Total Number of Employees	Percentage (%)
Male	266	282	94%
Female	70	74	95%
Total	336	356	94%

Description : Performance evaluation rate by gender = Number of employees of each gender who received performance evaluations ÷ Total number of employees of the same gender at year-end × 100%

▼ Number and Percentage of Employees Who Completed Annual Performance Evaluations by Position Level (Unit: persons, %)

Job Level	Number of Employees Evaluated	Total Number of Employees	Percentage (%)
Senior Management	12	13	92%
Middle Management	21	21	100%
First-line Management	96	98	98%
Frontline Employees	207	224	92%
Total	336	356	94%

▼ Annual Performance Evaluation Completion Rate by Position Level and Gender (Unit: %)

Job Level	Male	Female
Senior Management	100%	0%
Middle Management	86%	14%
First-line Management	89%	11%
Frontline Employees	73%	27%

Description : Completion rate = Number of employees of each gender and position level who received performance evaluations ÷ Total number of employees of the same gender and position level at year-end.

CONTENTS

1	General Information
2	Corporate Governance
3	Employee Wellbeing
3.1	Human Capital
3.2	Compensation and Benefits
3.3	Diversity and Development
3.4	Workplace Health and Safety
4	Shared Prosperity with Society
5	Environmental Stewardship
6	Sustainable Supply Chain
Appendix	

3.4 Workplace Health and Safety

3.4.1 Occupational Health and Safety Management

Workers are among the key contributors to the Company's operational activities. Any safety or health risks in the workplace may have significant impacts on the Company's economic performance as well as on the health and well-being of employees and external workers. Sunny Friend has established an Occupational Health and Safety Management System (OHSMS) based on the relevant occupational health and safety regulations at each operating site and the ISO 45001:2018 Occupational Health and Safety Management System standard. The system is structured around the Plan-Do-Check-Act (PDCA) cycle to ensure continuous improvement. The Company has also established an Occupational Health and Safety Committee to identify potential hazards across all working environments, and to formulate management guidelines and control procedures. The purpose of implementing the OHSMS is to enable the organization to eliminate hazards or minimize occupational health and safety risks as much as possible, build an effective management system, and provide a safe and healthy working environment. This helps to prevent work-related injuries and illnesses, enhance occupational health and safety performance, and ensure continual improvement. Internal audits are conducted regularly to proactively prevent workplace incidents and protect the health and safety of all workers.

Note: External workers refer to individuals who are not employees of the Company but are engaged in Company-assigned tasks either within or outside Company premises, such as raw material suppliers, equipment maintenance service providers, and external consultants.

▼ The following operating sites have established Occupational Health and Safety Management Systems that have been certified by external third parties. The table below outlines the management system standards adopted by each site, along with the number and percentage of workers covered.

Operating Site	Occupational Health and Safety Management System Certification Standard	Applicable Workplace	Scope of Covered Workers / Workers Covered by the System ^{Note1}			
			Employees (persons)	Percentage ^{Note2} (%)	External workers (persons)	Percentage ^{Note3} (%)
Zhangbin Plant	ISO 45001	Directly operated by the Company at this location	224	100%	0 人	0%

Note1 : The number of individuals covered by the occupational safety and health management system is calculated based on internal workers only, and this figure has been verified through internal audits and external assurance processes.

Note2 : Employee coverage rate = Number of employees at Zhangbin Plant as of December 2024.

Note3 : Worker coverage rate = Excludes external workers from the coverage scope.

Occupational Safety and Health Committee

Sunny Friend's Occupational Safety and Health Committee is a joint labor-management body comprising a total of seven members, chaired by an Assistant Vice President. Among the committee members, three are employee representatives, accounting for 42% of the total. The Committee convenes regularly on a quarterly basis to review and deliberate on the Company's occupational safety and health (OSH) management regulations, the effectiveness of implementation procedures, OSH training plans, and occupational incident investigation reports.

A designated task force under the Committee is responsible for regularly conducting risk assessments, planning and promoting OSH policies, organizing annual training programs, providing occupational health services, and implementing health promotion activities. The Company also publishes its OSH management regulations and policies on the corporate website and offers multilingual versions of relevant procedural documents to ensure that all employees, including migrant workers, clearly understand the Company's OSH policies.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
 - 3.1 Human Capital
 - 3.2 Compensation and Benefits
 - 3.3 Diversity and Development
 - 3.4 Workplace Health and Safety
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

Worker Communication and Reporting Mechanisms

The management team has established an independent reporting mechanism, allowing workers to anonymously provide feedback, communicate, and consult on occupational safety and health (OSH) matters via a dedicated hotline and email (ryan@mail.sunnyfriend.com.tw). For foreign employees requiring communication or consultation, bilingual employees or designated interpreters act as intermediaries to facilitate effective two-way communication.

In alignment with the Company's Occupational Safety and Health Management Regulations, employees, suppliers, and contractors are encouraged to proactively report potential OSH risks in the workplace. In the event of an imminent and serious hazard, workers may suspend operations and retreat to a safe area—provided it does not endanger others—and promptly notify their department supervisor and the OSH management team. Upon receiving such reports, the management team must immediately conduct investigations, assess the likelihood and severity of the hazard, and formulate corresponding mitigation measures. These findings are then submitted to the OSH Committee for review and communicated to all workers across the organization. Workers and external personnel who proactively report potential OSH risks may be eligible for commendation as part of an incentive system designed to foster hazard reporting and minimize incidents.

Occupational Health and Safety Risk Assessment

Sunny Friend complies with occupational health and safety (OHS) regulations applicable to each of its operating locations and has established a Hazard Identification and Risk Assessment Management Procedure, which is implemented by the OHS Management Task Force under the Occupational Safety and Health Committee. In 2024, the Company provided professional training on hazard identification and risk assessment to members of the OHS Management Task Force and encouraged them to obtain relevant external certifications.

The Task Force conducts annual reviews of workplace environments across all operational sites and upstream and downstream suppliers. Risk levels are classified into four categories based on factors such as severity of hazards, probability of occurrence, and existing control measures:

1. Intolerable High Risk 、 2. High Risk 、 3. Medium Risk 、 4/5. Low Risk

Assess the potential categories of significant occupational injuries or work-related illnesses, and implement risk mitigation controls for:

1. Intolerable high-risk, and
2. High-risk items are addressed through the implementation of risk mitigation control measures, which are subject to regular audits conducted by external personnel to verify their effectiveness.

To ensure the effectiveness of control measures, the Company compares the results of external audits with established targets. These audits are conducted by qualified external auditors who have received professional training in hazard identification and risk assessment and hold relevant certifications. Regular review meetings are held to examine deficiencies, track corrective actions, and formulate further improvement strategies.

In addition to routine risk assessments, the Company conducts supplementary risk evaluations in response to non-routine events such as significant changes in workplace equipment or operating procedures, the occurrence of serious occupational accidents, or major complaints from workers. These assessments involve re-evaluating the risk levels and updating preventive measures to promptly mitigate and prevent incidents.

The Company has implemented a Confined Space Hazard Prevention Plan, which includes identification of confined space hazards, ventilation methods, monitoring of oxygen levels and hazardous substance concentrations, and preventive measures against potential risks such as oxygen deficiency, falls, electric shock, fire and explosion, entrapment or entanglement, poisoning, collapse, exposure to hazardous substances (gases, dust), slips, cuts or abrasions, and exposure to extreme temperatures. The plan also covers operational procedures, safety management practices, entry permit procedures, inspection and maintenance of protective equipment, safety control measures, safety check procedures, and emergency response actions.

To address electrical safety, the Company has established an Electric Shock Prevention Plan and Electrical Safety Operating Standards. These include requirements for power shutdowns during electrical work, use of personal protective equipment, and coordinated operations. Comprehensive guidelines and training are provided to ensure safe practices and prevent electric shock incidents.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
 - 3.1 Human Capital
 - 3.2 Compensation and Benefits
 - 3.3 Diversity and Development
 - 3.4 Workplace Health and Safety
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

▼ Risk Level of Operating Sites

Operating Site	Site Risk Level	Number of Audits	Number of Audits Identified with Major Non-Conformities
Zhangbin Plant	Medium to Low Risk	Once	None

▼ Risk Classification and Corresponding Management Mechanism

Risk Levels	Management Mechanism
Intolerable High Risk	The Occupational Safety Department shall convene the responsible unit supervisors associated with intolerable and high-risk operational activities to plan and implement risk mitigation measures.
High Risk	The Occupational Safety Department shall convene the responsible unit supervisors associated with intolerable and high-risk operational activities to plan and implement risk mitigation measures.
Medium Risk	Conditionally accepted, with appropriate procedures, controls, and safeguards in place, and additional control measures established as necessary.
Low Risk	Currently accepted, with no further actions required.

Occupational Health and Safety Education and Training

Occupational health and safety education and awareness programs serve as the foundation for enhancing safety consciousness among employees and contracted personnel. All Sunny Friend employees are required to undergo general OHS training annually. In addition, tailored training programs are conducted based on the nature of work and working environments across departments, targeting both internal staff and external workers. These initiatives aim to strengthen safety awareness and prevent workplace accidents.

Category	Training Content	Training Recipients	Total Training Hours / Sessions
General Safety Training	General Occupational Health and Safety (OHS) Training, covering an overview of relevant regulations, OHS concepts and workplace rules, standard operating procedures (SOPs), emergency response protocols, as well as basic knowledge of fire safety and first aid.	All Employees	3 hours / session
ISO 45001 Internal Auditor Training	Audit training, including auditing techniques, pre-audit planning and preparation, key audit execution points, and follow-up of corrective actions.	Internal Auditors	12 hours / over two days
In-service First Aid Personnel Training	♦ Introduction to First Aid, including topics such as poisoning, suffocation, and emergency resuscitation techniques ♦ Overview and operational guidance on Automated External Defibrillators (AEDs), and emergency rescue and response during disaster events ♦ Hemostasis, wound dressing, and immobilization of skeletal and muscular injuries	Employees Holding First Aid Certification	3 hours / session
Hazardous Condition Response Training	Emergency response training for hazardous situations, such as fire drills and earthquake simulations.	All Employees	4 hours / 2 sessions per year

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
 - 3.1 Human Capital
 - 3.2 Compensation and Benefits
 - 3.3 Diversity and Development
 - 3.4 Workplace Health and Safety
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

Occupational Health Services and Health Promotion Activities

Sunny Friend conducts risk assessments based on work environments and job characteristics to identify potential hazards such as harmful operations, confined spaces, and electric shock, which may pose significant risks to employees. To mitigate exposure to excessive hazardous substances during operations, the Company provides employees with appropriate personal protective equipment (PPE). Employees working in high-risk environments are scheduled for specialized medical examinations annually to monitor their health status and enable timely intervention and treatment. In addition, Sunny Friend collaborates with designated clinics and medical institutions to ensure that employees exhibiting symptoms of occupational illnesses can receive appropriate diagnostic services and medical care.

In terms of personal health promotion, Sunny Friend offer full-time employees subsidies for general health examinations twice a year, with follow-up and case management for those identified with significant abnormalities. Taking into account employee age, health check data from the past three years, and major disease trends identified by national health authorities, the Company has identified common personal health risks such as cancer, physical inactivity, unhealthy diets, and psychological stress. In response, Sunny Friend organizes a variety of health promotion initiatives annually, including health seminars, cancer screening services, and on-site physician consultations. Furthermore, the Company promotes healthy lifestyles by organizing weight management competitions and sports incentive programs such as health certification campaigns. These efforts aim to disseminate health knowledge and encourage employees to adopt regular exercise habits, thereby enhancing their overall physical and mental well-being.

▼ Health Promotion Activities Conducted in 2024

Health Promotion Initiatives	Description and Outcomes of Activities
Awareness Campaigns on Cardiovascular Diseases and Communicable Diseases	Awareness campaigns on cardiovascular and communicable diseases were conducted, with a total of 10 employee participations.
Core Stretching and Stress Relief Exercises	Stretching and mobility exercises were promoted to prevent back pain, enhance flexibility, and support recovery, with 10 employee participations.
Food Poisoning Prevention and Heat Stress Awareness Campaigns	Educational sessions on food hygiene and occupational heat illness prevention were held, emphasizing the importance of avoiding heatstroke, heat exhaustion, or heat cramps during outdoor operations; 6 employees participated.

Occupational Health and Safety Audits for Suppliers

In addition to requiring all operating sites to strictly comply with local occupational health and safety (OHS) regulations, Sunny Friend mandates that its suppliers adhere to the Company's Supplier Code of Conduct, which includes OHS provisions. The Company conducts annual audits of key suppliers to ensure there are no violations of its OHS standards. These audits also include a review of the number of occupational injuries and diseases reported during the year to assess potential shortcomings in the suppliers' OHS management. For non-critical deficiencies, the Company provides a list of required improvements and recommended corrective actions. Suppliers are granted a three-month period for remediation, after which a follow-up review is conducted to confirm that no major OHS risks remain in the workplace. All suppliers successfully passed the Company's OHS audits during the reporting year.

In addition, the Company conducted multiple OHS training sessions for both new and existing suppliers. These included orientations on Sunny Friend's OHS standards, general safety and health training, and emergency response drills for high-risk contractors. The Company also shared its occupational health and safety management practices to foster a safe and healthy working environment across the supply chain.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 3.1 Human Capital
- 3.2 Compensation and Benefits
- 3.3 Diversity and Development
- 3.4 Workplace Health and Safety
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

3.4.2 Occupational Injuries and Work-related Ill Health

Sunny Friend has established a standardized Occupational Health and Safety (OHS) incident reporting procedure. In the event of an OHS incident, the injured party, site supervisor, or other personnel present must immediately respond and handle the situation in accordance with the OHS management procedures. The incident must then be promptly reported by on-site personnel through the OHS incident reporting system under the Occupational Safety Office, detailing the nature of the incident, identity of the injured individual, location, cause, and severity of the injury. Upon receiving the report, the Occupational Safety Office will classify the incident according to its severity level and simultaneously notify the Human Resources Department, Occupational Safety Office, or medical institutions as needed. A joint investigation will then be conducted to determine if there were any deficiencies or irregularities in the work environment, personnel operations, or standard operating procedures at the time of the incident. Once the root cause is identified, the Occupational Safety Office must report the investigation findings and corrective action plan to the relevant department head and the Occupational Health and Safety Committee. Improvement measures for the working environment or standard procedures will be jointly determined and communicated to all employees and contractors. Within three months of the incident, enhanced training and promotion of the new control measures will be carried out.

Through continuous safety training and risk control initiatives in recent years, Sunny Friend has successfully reduced its employee occupational injury rate from 3.0 and 2.6 in the previous two years to 2.0 this year. The Company will continue to enhance its management measures with the goal of reducing the recordable injury rate to below 1% by 2026.

▼ Employee Occupational Injuries and Illnesses Statistics Table

Statistical Item (Unit)	2022	2023	2024
Total Working Hours (hours)	604112	628256	595,065
Number of Work-related Fatalities (cases)	0	0	0
Work-related Fatality Rate ^{Note1}	0	0	0.0
Number of Cases of Severe Occupational Injuries (cases) ^{Note2}	0	0	0
Severe Occupational Injury Rate ^{Note3}	0	0	0.0
Number of Recordable Incidents (cases) ^{Note4}	9	8	6
Recordable Incident Rate ^{Note5}	3.0	2.6	2.0

Note1 : Occupational Injury Fatality Rate = (Number of Occupational Injury Fatalities ÷ Total Work Hours) × 200,000.

Note2 : A severe occupational injury is defined as an incident resulting in an employee being unable or unlikely to recover to their pre-injury health status within six months, excluding fatal cases.

Note3 : Severe Occupational Injury Rate = (Number of Severe Occupational Injuries ÷ Total Work Hours) × 200,000.

Note4 : The number of recordable cases refers to all occupational injury incidents occurring during the reporting year, including both severe injuries and fatalities.

Note5 : Recordable occupational incidents involving non-employee workers: Data for external workers is not included in the statistics.

▼ Analysis of Occupational Injury Incidents Over the Years (Unit: Number of Cases)

Type of Incident	2022		2023		2024	
	Recordable Incidents	Work-related ill health	Recordable Incidents	Work-related ill health	Recordable Incidents	Work-related ill health
Physical Hazards	9	0	8	0	5	0
Chemical Hazards	0	0	0	0	1	0
Biological Hazards	0	0	0	0	0	0
Ergonomic Hazards	0	0	0	0	0	0
Psychosocial Hazards	0	0	0	0	0	0
Total	9	0	8	0	6	0

Near Miss Incidents

There were zero near miss incidents reported in the current year and over the past three years.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society**
- 4.1 Social Investment
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

4

Shared Prosperity with Society

4.1 Social Investment

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 4.1 Social Investment
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

4.1 Social Investment

4.1.1 Social Inclusion

Sunny Friend recognizes that achieving corporate sustainability begins with a deep understanding of genuine societal needs. We regard employees as our most valuable asset and a critical link between the company and society. Upholding the philosophy of local engagement and community contribution, we strive to reduce the social impact of our business operations through localized development and support for local education, thereby continuously enhancing our positive social value. Internally, we are committed to employee well-being by fostering a supportive workplace environment and improving employee benefits. Externally, we prioritize community development by actively participating in social initiatives and advancing local education. Moving forward, we will continue to enhance corporate policies and improve relevant performance metrics to ensure alignment with our overall corporate sustainability strategy. Upon identifying potential social risks at our key operation site in Yunlin County—such as population outflow leading to a threatened local talent pool—Sunny Friend recognizes the critical importance of education in rural areas. As a locally based enterprise, we prioritize hiring from within the communities where we operate, thereby creating employment opportunities and fostering community cohesion. Both our Yunlin Plant and Zhangbin Plant serve as foundations for local engagement, fulfilling our corporate social responsibility and reinforcing our sustainability commitments.

Our headquarters is located in Yuanchang Township, Yunlin County, which comprises 21 villages. The primary economic activities in this area are agriculture and animal husbandry, rendering it economically disadvantaged. Over the years, Sunny Friend has continuously carried out regular initiatives such as winter relief programs, scholarships, environmental volunteer services during the Tomb-Sweeping Festival, emergency aid donations, funeral assistance, and material and financial support for local organizations. We are also deeply engaged in supporting rural education through sponsorships of writing contests, writing camps, science camps, and the donation of reading materials and magazines to students.

The community contribution of Sunny Friend's Zhangbin Plant is guided by the "Community Contribution Agreement for the Operation Period of the Central Taiwan (Zhangbin Plant) Industrial Waste Treatment Center," managed by Sunny Friend Environmental Technology Co., Ltd. All local contribution matters are jointly facilitated by the Shengang Township Office and Xianxi Township Office, with additional collaboration from the Changhua Coastal Industrial Park in participating in environmental protection activities.

In addition, Sunny Friend has established effective communication channels with neighboring community residents to facilitate timely engagement and dialogue in the event of any potential impacts. The Company's local contribution initiatives are categorized into three key areas: social care, educational and cultural activities, and environmental protection.

▼ Strategy of promoting social care and giving back to local communities

Social Care	Education Facilitation	Environmental Protection
◆ Emergency aid and funeral allowance; ◆ Winter emergency fund for the poor; ◆ Environmental volunteer programs during Ching Ming festival (Tomb-Sweeping Day); ◆ Support activities held by local clubs; ◆ Zhangbin Plant Supervisory Committee.	◆ Donate books to elementary and junior high schools of Yuanchang Township; ◆ Sponsor writing contest held in Yuanchang; ◆ Publish "Northern Lapwing Literary Magazine"; ◆ Hold "Sunny Friend Literature and Writing Camp"; ◆ Hold "Sunny Friend Environmental Protection Science Camp"; ◆ Gift excellent monthly magazines: "Global Kids Junior Monthly" and "Global Kids Monthly"; ◆ Distribute scholarships; ◆ Protect students of Yuanchang Junior High Schools and ensure their safety.	◆ Conduct the consensus and environmental education programs for Northern Lapwing; ◆ Join the adoption of air-quality purification zone; ◆ Join coast-cleaning and adoption programs; ◆ Actively participate in and sponsor various activities of environmental groups. ◆ Assist the government in solving social and environmental protection related incidents.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
 - 4.1 Social Investment
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

▼ Results of promoting social care and giving back to local communities

Year	Emergency aid (No. of people)	Funeral allowance (No. of people)	Winter emergency fund for the poor (No. of people)	Scholarships (No. of people)
2022	4	22	170	90
2023	2	10	185	90
2024	3	6	173	90

Description : The application of emergency aid and funeral allowance shall be submitted to the Company by village heads, village secretaries, or local legislators based on applicants’ actual needs. The number of people may be increased or decreased, depending on the actual status after the implementation.



▲ Make donations to disadvantaged groups to give back to local community.



▲ Received special thanks from local competent authority.



CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 4.1 Social Investment
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

Zhangbin Plant Environmental Protection Supervisory Committee

Our Zhangbin Plant has collaborated with Shengkang Township and Xianxi Township to jointly establish “Environmental Protection Supervisory Committee, Industrial Waste Comprehensive Processing Center of Central Taiwan”. Formed by mayors of both townships, village heads and local representatives, the Committee holds meetings on a regular basis to supervise the Center’s operations. The purpose thereof are to make sure the Company has complied with environmental regulations; implemented environmental protection works; and succeeded in maintaining local environment and the quality thereof.

Contributions made by Sunny Friend to where Zhangbin Plant is located are primarily based on “Agreement of the Give Back Fund during the Operations of Industrial Waste Comprehensive Processing Center of Central Taiwan, Sunny Friend Environmental Technology Co., Ltd. (Zhangbin Plant)”; and both Shengkang Township Office and Xianxi Township Office have been supporting us in handling relevant affairs.

The agreement has specified the uses of the said give back fund, including:

- (1) environmental beautification and hygiene;
- (2) construction, management and management of public facilities;
- (3) environmental protection, pollution monitoring, environmental protection facilities, equipment purchase and promotion of eco-friendly education and observations tours;
- (4) promotions of local folklore festivals and industry;
- (5) enhancement on life quality, education or cultural activities;
- (6) welfare (ex. subsidy for national health insurance) for people living in surrounding villages.



▲ Environmental Protection Supervisory Committee Meeting

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 4.1 Social Investment
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

4.1.2 Educational Facilitation

Sunny Friend sensed that “the money that has not been spent on education today will be spent on building prisons in the future”. To encourage students to read more, the Company also holds writing contest, “Sunny Friend Literature and Writing Camp” and Sunny Friend Environmental Protection Science Camp; created “Northern Lapwing Literary Magazine”; and cooperated with “Global Views Educational Foundation” to make reading an interesting hobby. For example, Sunny Friend has not only been giving free “Global Kids Junior Monthly” and “Global Kids Monthly” to children living in remote countries, but also invested in a series of educational resources to enrich disadvantaged students’ resources, hoping to reverse their life and make them dream big. We also encourage students living in Yuanchang to apply for Sunny Friend’s scholarship, which is offered each year to encourage and motivate them to learn more. It is also our hope that they will be able to give back to the society and help even more students.



- ▲ A group photo of students who received the scholarship. It is our aspiration that the scholarships will motivate them to go up in the ladder of knowledge.



CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
 - 4.1 Social Investment
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

Publication of “Northern Lapwing Literary Magazine”

Sunny Friend has invested resources in supporting the cultural development in Taiwan. To foster local students’ writing skills since their childhood, Sunny Friend has been publishing an annual literary magazine named “Northern Lapwing”, a pampered guest that visits Yunlin each year. For us, this magazine not only provides local families and students a platform to share their culture, but also encourage students to learn more and to practice their writing skills starting from childhood. For children who win the writing contest held by Sunny Friend, we do not only distribute awards thereto, but also collect their writing in this magazine with other excellent works selected from Sunny Friend Literature and Writing Camp. This magazine also has various interesting contents and stories. For example, schools of Yuanchang are invited to introduce their teaching characteristics and education concepts; and some people, stories and development results of the region are also presented in the magazine. It is our aspiration that this magazine will link up students with this land and accomplish the goal of “corporation-facilitated cultural development.” For more information about this magazine, you are welcome to go to Sunny Friend’s official website.

2013 No.1 issues 2,500books 38Pages	 In response to Sunny Friend's book donation activity, this issue is themed on “reading promotions” and its front page is “The Book Forest”, the library of Yuanchang Elementary School. We also held the 1st reflective writing contest based on the books that we donated in the first year. The winners' works were also collected in this magazine, successfully built a good foundation for the promotion of reading.	2014 No.2issues 3,500books 72Pages	 In the 2nd issue, we started to collect excellent works selected from “Sunny Friend Literature and Writing Camp”. This issue is about participating in various activities held by the community. The front page of this issue is Pastor Tim Iverson of Amazing Grace Church who was teaching English at a Hakka elementary school.	2015 No.3 issues 4,000books 108Pages	 The scope of writing contest has been extended, where writers are invited to share with the readers their reflections on and feelings of local life. There are a number of excellent works that shared with us different views of life. The 3rd issue also collected works and reflections selected from “Sunny Friend Literature and Writing Camp”. All of these works have enriched the contents of the Northern Lapwing Literary Magazine.
2016 No.4 issues 3,000books 128Pages	 In 2016, Sunny Friend launched “Sunny Friend Environmental Protection Science Camp”. Reflections on and stories about the Science Camp were therefore collected in this issue, making this magazine even more interesting and fun. Besides, the number of pages also increased from 38 (the 1st issue) to 128 (the 4th issue), showing Sunny Friend's success in promoting literature activities.	2017 No.5 issues 3,800books 128Pages	 Students are able to freely show their thinking without page limitations. Besides, inside the back cover, we also promoted the green consumption point collection activity held by Environmental Protection Burau, Yunlin County, showing our support to environmental protection with action.	2018 No.6 issues 3,800books 128Pages	 Yuanchang Junior High School and Sunny Friend Literature and Writing Camp cooperated to produce many excellent microfilms. These microfilms even received the golden, silver, bronze and excellence awards at the “2017 Yunlin County Life Education Microfilm Contest”, showing the entire Yunlin County the efforts and growth of Yuanchang's students.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
 - 4.1 Social Investment
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

2019 No.7 issues 3,500books 144Pages



This issue introduced the graceful bearings of Yuanchang, including Tsai Chiu-Tung who was the pioneer of literature in Wukuai Community and whom was known for creating works in Taiwanese using Chinese characters; Xizhuang Community's poetic records that describes the beauty of Yuanchang; evergreen canteens that received positive feedbacks from the community; the outstanding development results of Zhangbei community; and Guoshuxia Park's grass field, which has become children's playground.

2020 No.8 issues 3,500books 144Pages



Yuanchang Township Office sets up a single window to serve new immigrants, so that they can quickly integrate into the local life, and make the foreign land become their hometown after a long time. This time, Yuanchang Characteristic community introduced Lubei village and Lunzi village. The people with lofty ideals not only inherit the community culture, but also unite the hearts of the community residents, making Yuanchang more and more beautiful and happy from top to bottom.

2021 No.9 issues 3,500books 160Pages



Sinsheng Elementary School has established a community reading station designed with a bright and warm atmosphere, hoping to facilitate parent-child communion through the sharing of reading resources. Introduction to the outcomes of Yuanchang's local communities: Yuanchang Digital Learning Center – succeeded in bridging digital divide, enhancing the information competency of people living in remote country; Young Farmers Returning to Hehe Village – succeeded in integrating multiple marketing and contemporary farming technology and encouraging more young people into farming.

2022 No.10 issues 3,500books 160Pages



"We are one big family – Yuanchang Community Theater," a theateric play increases the opportunity of interactions. It facilitates the fusion between new immigrants and community people. Lunzal, Xizhuang and Wayao Communities join hands to promote the little flagship families. The idea and objective of the little flagship families are to create a community spirit of "common good, fusion and sharing," and to achieve family members joining hands for service together. The "Taiwan Dream – children and teenagers community companion program" ensures that socially disadvantaged children in local communities are taken care of after school.

2023 No.11 issues 3,500books 176Pages



Organized "Lubei Community – Discovery Bike Tour", "Xizhuang Community – Woodcraft Workshop", and "Thinking of Bai-sha-dung-bao: Rediscovering the Memories of Yuanchang People" activities to promote community values and encourage active participation in local affairs. These activities foster community consensus and help build a distinctive identity for each local community.

2024 No.12 issues 3,500books 200Pages



To encourage diverse forms of creative expression, the 2024 Yuanchang Township Student Writing Competition in Yunlin County introduced a new "Poetry Category" starting this year. This addition aims to provide students with an interest in poetry an opportunity to convey emotions and imagery through concise and evocative language.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
 - 4.1 Social Investment
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

To encourage diverse forms of creative expression, the 2024 Yuanzhang Township Student Writing Competition in Yunlin County introduced a new "Poetry Category" starting this year. This addition aims to provide students with an interest in poetry an opportunity to convey emotions and imagery through concise and evocative language.



To enhance long-term care services in rural areas, China Medical University Beigang Hospital established the first Type C Community-Based Long-Term Care Station in Xinji Community, Yuanzhang Township, Yunlin County. The station offers a range of programs including health promotion, aging prevention, and disability delay for the elderly. It also provides communal meals, social participation activities, and home visits, integrating the hospital's medical resources and professional expertise into community-based care services to safeguard the health and well-being of older adults.



The Lun Zi Community Bicycle Sports and Recreation Park serves not only as a fitness venue for residents, but also as a communal space for rest and relaxation. It has become a popular resting spot for local farmers returning from the fields. In 2023, the park received international recognition, winning the Silver Award in the Urban Planning and Landscape Design category at the French Innovation Design Awards and another Silver Award in the Landscape Renovation category at the MUSE Design Awards in the United States.



About the Northern Lapwing Literary Magazine

(Vanellus vanellus)

Northern Lapwing (Vanellus vanellus) travels far away from Siberia to Taiwan every year to pass the winter. The biggest habitat of Northern Lapwing is Yuanzhang Township (Yunlin County), which is known nationwide for its black peanuts. Northern Lapwing loves to forage in peanut plant fields and is therefore nicknamed as "peanut bird". This is the reason that the Northern Lapwing Literary Magazine is also nicknamed as "The Peanut Bird Literary Magazine".

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
 - 4.1 Social Investment
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

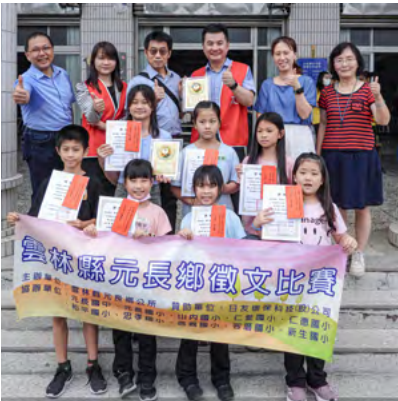
Appendix

Book Donations to Yuanchang’s Elementary and Junior Schools

As elementary and junior schools of Yuanchang are short on book resources due to the resource gap between rural and urban schools, Sunny Friend has specially replenished the libraries of 10 elementary and junior schools located in Yuanchang, hoping to enhance students' reading habit. For three consecutive years starting from 2011, Sunny Friend has totally donated NTD4,276,000 and purchased around 18,000 books.

Holding the Writing Contest in Yuanchang

As it has always been our desire to enhance students’ reading habits. After donating books, Sunny Friend have cooperated with Yuanchang Township Office and Yuanchang District of Kiwanis International to hold writing contests since 2012. It is our aspiration that, through the process of writing, students will be able to sharpen their observation skills, improve their literary expressions and enhance their creation skills. In the meantime, Sunny Friend also holds award ceremony and gives rewards, medals and certificates to honor the winning students; and discusses with teachers from different schools about how to ameliorate contest rules and assessment standards.



▼ Statistics on the number of writing contest participants

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
No. of participants	145	118	145	158	193	215	206	216	234	248	215	279	365	2,737
No. of winners	42	59	60	70	70	76	77	78	84	99	97	119	137	1,068

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
 - 4.1 Social Investment
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

Holding “Sunny Friend Literature and Writing Camp”

The "Sunny Friend Literary Writing Camp" not only teaches the children how to write, but also, through various multi-faceted learning, increases students' knowledge of and passion for literature and teaches them how to incorporate current affairs in drama writing, advertising design and self-media management. The camp makes learning diverse and dynamic; opens children's senses to “feel” about life; arouse their interests; and help them to understand how literature is applied in our surrounding environment. From a detailed observation on and imaginations of small things and objects, the children can be trained to write “articles with a soul”.



▼ Statistics on the number of people joining Sunny Friend Literature and Writing Camp

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
No. of participants	38	109	95	95	90	75	80	83	0 ^{Note1}	50	44	58	817

Note1 : Due to the impact of COVID-19, the “Sunny Friend Literary Writing Camp” was cancelled in 2021.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
 - 4.1 Social Investment
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

Holding “Sunny Friend Literature and Writing Camp”

The Sunny Friend Environmental Protection Science Camp held by Sunny Friend in cooperation with Department of Mechanical Engineering, National Yunlin University of Science and Technology (YunTech) is highly popular among students of Yuanchang Township. This science camp specially designed by YunTech’s students not only imparts knowledge, but also has a number of group activities that enable students to brainstorm, DIY science and move their bodies. In the world of science games, the students are able not only to discover more knowledge and dreams, but also to satisfy their curiosity and build up confidence. Apart from the unforgettable memories, the students who ever participated in the camp also felt a sense of fulfillment and are looking for the arrive.



▼ Statistics on the number of people joining Sunny Friend Environmental Protection Science Camp

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Junior-high-school students	60	74	63	61	59	49	0 ^{Note1}	50	45	461
University students	33	37	44	41	39	31	0	17	22	264
Total	93	111	107	102	98	80	0	67	67	725

Note1：Due to the impact of COVID-19, the “Sunny Friend Environmental Protection Science Camp” was cancelled in 2022.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
 - 4.1 Social Investment
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

Give away quality monthly magazines “Global Kids Monthly” and “Global Kids Junior Monthly”

Sunny Friend has been giving away quality monthly magazines to every class, making reading reachable to everyone. These magazines, which are regularly updated and designed with some fun elements, enables students to enlarge their scope of learning, cultivate diverse knowledge, discover their interests and further motivate them to learn. By enriching these children’s learning environment, we see that children living in remote countries also have the possibility to reverse their life.

▼ Statistics on “Global Kids Junior Monthly” and “Global Kids Monthly” that have been given away

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Global Kids Junior Monthly (No. of issues)	26	26	25	25	25	24	24	24	24	24	24	271
Global Kids Monthly (No. of issues)	37	37	37	37	37	32	32	32	32	32	32	377



CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 4.1 Social Investment
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

4.1.3 Social Support

Participation of Northern Lapwing Census and Implementation of Environmental Education

The “Census of Northern Lapwing” held by Wild Bird Society of Yunlin (WBSY) and Endemic Species Research Institute has been carried on for many years. As Yuanchang is the primary habitat of Northern Lapwing throughout Taiwan, nationwide volunteers are therefore attracted to Yunlin each year, searching for the footprints of Northern Lapwing. Many of Sunny Friend’s employees have been continuously participated in the census, showing our determination of implementing environmental education and enhancing ecological conservation concepts.



- ▲ Care about local environmental conservation and encourage employees to participate in Northern Lapwing Census.

Adoption of Air Purification Zone

The Changbin factory of SUNNY FRIEND has been (where the maintenance unit is Da Tung Elementary School of Shengang township) for adopting an air purification zone sized 2.6227 ha under “The Bare Land Greenery Project of Land No. 254, Shenggu Section, Shengang Township (Shengang Township Coastal Botanical Garden)”. The works include regularly watering the plants in adopted zone; and pest control and prevention related works since 2017.



- ▲ The air quality purification zone undergoes regular pest and disease control operations.



- ▲ Changhua County Government issued the Excellence Award for “Assessment of Changhua County Air Purification Zone” in 2024

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 4.1 Social Investment
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

Coastal Cleanup and Adoption Program

Since 2010, Sunny Friend's Zhangbin Plant has participated in the Coastal Adoption Program by applying to the Environmental Protection Bureau of Changhua County, demonstrating its commitment to environmental stewardship through tangible action. The adopted coastal section is located at the intersection of West 2nd Road and South 4th Road in Xianxi Township, Changhua County, covering approximately 2,000 meters. Regular coastal cleanup activities are conducted to maintain environmental cleanliness. Upholding the spirit of "caring for our homeland and protecting the environment," the plant also proactively organizes large-scale beach cleanups to further its commitment to environmental protection through concrete action.



▲ Coastal Cleanup Adoption Program (Regular Beach Cleanups)

Assistance to the Government in Properly Handling Social and Environmental Protection Incidents

Possessing professional waste disposal techniques, Sunny Friend knows that environmental protection works must be taken immediately. This is the reason that, upholding our initiative of maximizing our very best efforts for environmental sustainability, Sunny Friend has proactively assisted the government in properly handling social and environmental protection incidents; and in disposing illegally disposed wastes appropriately to prevent the increase of environmental pollution.

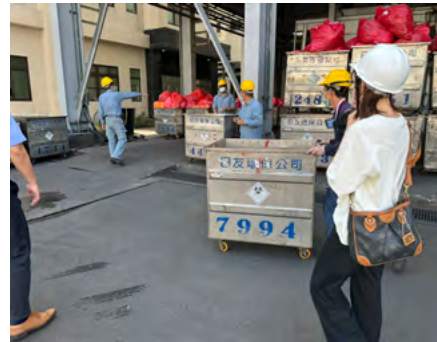
- (1) On April 3, 2024, Sunny Friend was commissioned to assist the Environmental Protection Bureau of Taichung City in handling an illegal waste disposal case involving 60.3 metric tons of industrial waste. The case involved unscrupulous parties illegally backfilling land in the Longjing coastal area with hazardous waste—containing excessive levels of dioxins, cadmium, and lead—under the guise of land leasing. The waste, including black powdery furnace slag, severely contaminated the surrounding soil and local ecosystem.



CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 4.1 Social Investment
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

- (2) On July 30, 2024, Sunny Friend supported the Yunlin County Police Bureau in the destruction and disposal of confiscated narcotics, handling a total of 26 kilograms of illicit substances in compliance with relevant safety and environmental regulations.



- (3) On August 1, 2024, Sunny Friend dispatched a team to assist the Environmental Protection Bureau of Changhua County in the removal of 1,020.6 kilograms of hazardous waste. The waste included chemical reagents, waste samples, and heavy metal liquids accumulated during laboratory operations.



CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 4.1 Social Investment
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- Appendix

- (4) On September 5, 2024, an accident occurred on National Freeway No. 1 in Minxiong, Chiayi County, involving the spillage of multiple barrels of potassium hydroxide from a cargo truck. Some barrels leaked onto the road and caused a vehicular collision. Sunny Friend promptly responded by dispatching personnel to manage the chemical spill and handle 23.48 metric tons of resulting hazardous waste.



- (5) On November 1, 2024, Sunny Friend assisted the Fangyuan Precinct of the Yunlin County Police Bureau in the proper disposal of 5.025 kilograms (including container weight) of deteriorated gasoline, which posed fire safety risks and was deemed unsuitable for storage.



CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship**
- 5.1 Energy Management
- 5.2 Emissions Monitoring
- 5.3 Water Resource Management
- 5.4 Waste Management
- 6 Sustainable Supply Chain
- Appendix

5

Environmental Stewardship

- 5.1 Energy Management
- 5.2 Emissions Monitoring
- 5.3 Water Resource Management
- 5.4 Waste Management

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
 - 5.1 Energy Management
 - 5.2 Emissions Monitoring
 - 5.3 Water Resource Management
 - 5.4 Waste Management
- 6 Sustainable Supply Chain
- Appendix

5.1 Energy Management

5.1.1 Energy Consumption

In 2024, Sunny Friend's total energy consumption amounted to 146,333.854 gigajoules (GJ), with an energy intensity of 1.634 GJ per metric ton of waste treated. Purchased electricity remained the primary energy source, accounting for approximately 57% of total energy use. The remaining 43% comprised fossil fuels, including diesel used in incinerators and MVR processes, as well as gasoline and diesel consumed by mobile equipment and company vehicles. As such, future energy-saving initiatives will focus primarily on reducing electricity consumption.

The Company's energy intensity in 2024 decreased compared to 2023 and 2022. The reduction is mainly attributable to the exclusion of purchased electricity and fossil fuel consumption from the Taipei Office in 2022, and lower fossil fuel usage per metric ton of waste treated in 2024.

In alignment with the energy conservation targets set for energy users by the Energy Administration, Ministry of Economic Affairs, R.O.C., the Company aims to reduce annual energy consumption by 1% each year from 2025 to 2027. In the short term, the Company will cooperate with government-funded initiatives—such as the Energy Performance Contracting (EPC) demonstration and subsidy programs—and incorporate recommendations provided by energy service companies (ESCOs) to evaluate and implement strategies for improving energy efficiency within the facilities.

▼ Sunny Friend Energy Consumption Analysis Table (Unit: GJ)

Energy Consumption Items		Energy Consumption Volume ^{Note1}			Percentage of Energy Consumption		
		2022	2023	2024	2022	2023	2024
Purchased Non-Renewable Energy	Fossil Fuels	72,353.163	60,551.984	62,927.746	45	43	43
	Purchased Electricity	87,065.667	81,781.845	83,406.107	55	57	57
Total Non-Renewable Energy Consumption		159,418.830	142,333.829	146,333.854	100	100	100
Total Energy Consumption		159,418.830	142,333.829	146,333.854	—		
Energy intensity (GJ per metric ton of waste treated)		1.898	1.838	1.634			

Note1 : Energy consumption is calculated by multiplying the amount of energy used by the corresponding calorific value, as published by the Energy Administration, Ministry of Economic Affairs, and converting the result into gigajoules (GJ).

Description 1 : Fossil fuels include gasoline and diesel used in company vehicles and mobile equipment, diesel used in incinerators and mechanical vapor recompression (MVR) systems, and liquefied petroleum gas (LPG) used in the kitchen.

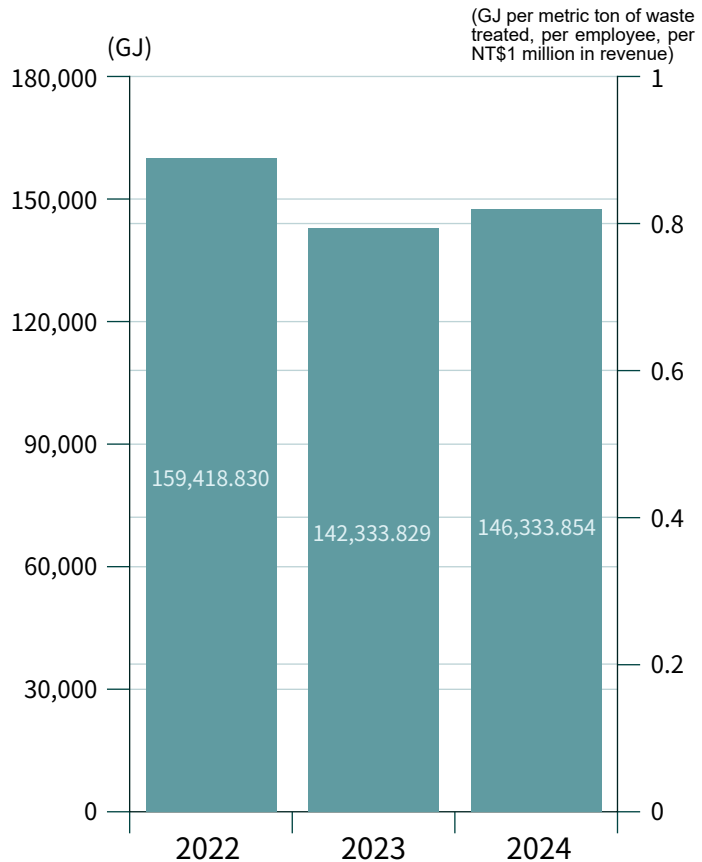
Description 2 : As the Company operates in the waste management sector, the denominator for energy intensity is defined as the amount of waste processed (per metric ton).

Description 3 : The "waste processed (per metric ton)" used as the denominator of energy intensity includes incineration, solidification, and physico-chemical treatment volumes, but excludes landfill volumes.

Description 4 : Energy data for purchased electricity and fossil fuels used by the Taipei office were not included in the 2022 calculation.

Description 5 : No renewable energy sources are currently in use.

▼ Total Internal Energy Consumption and Energy Intensity Over the Past Three Years



CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
 - 5.1 Energy Management
 - 5.2 Emissions Monitoring
 - 5.3 Water Resource Management
 - 5.4 Waste Management
- 6 Sustainable Supply Chain
- Appendix

5.1.2 Energy Conservation Measures

Energy management was identified as a newly disclosed material topic in 2024. In alignment with relevant international standards such as GRI and SASB, Sunny Friend designated 2024 as the base year for internal energy efficiency initiatives. The Company developed an in-house energy conservation plan, beginning with the inventory and analysis of electrical equipment across departments in 2024. An energy service company (ESCO) was commissioned to assess energy usage and prioritize high-consumption equipment for future replacement. Implementation of improvement projects is scheduled to commence in 2025. The goal is to align with the energy-saving targets set by the Energy Administration, Ministry of Economic Affairs, R.O.C., aiming for a 1% annual reduction in energy consumption from 2025 to 2027. These efforts will be supported through participation in the Energy Performance Contracting (EPC) Demonstration and Promotion Subsidy Program and the Power and Utility Equipment Subsidy Program facilitated by the Energy Administration.

▼ 2024 Energy Conservation Plan

Energy-saving Measures	Description
Optimization of office electricity-consuming equipment	To enhance the energy efficiency of lighting and air-conditioning systems, outdated models were replaced with energy-efficient alternatives bearing energy-saving labels. In 2024, the Zhangbin Plant of the Company replaced thirty 56W T5 fluorescent light fixtures with 36W LED panel fixtures (with no change in fixture quantity) and upgraded seven air-conditioning units.
Advanced energy efficiency upgrades for high-energy-consuming facilities	In alignment with the government's energy-saving policies, the Company evaluated potential energy efficiency improvement strategies within the plant based on recommendations provided by energy service companies (ESCOs).
Development of renewable energy sources	To support the government's renewable energy policy, Sunny Friend plans to install a rooftop solar power system with a total installed capacity of 1,800 kW on the steel-structured roof of the Area 5 landfill site following the site's completion. The system is expected to generate approximately 2.2 million kWh of electricity annually and is scheduled to be completed and operational by 2027.

5.2 Emissions Monitoring

5.2.1 Greenhouse Gas (GHG) Inventory

In recent years, the issue of global warming has garnered increasing global attention. The primary sources of the Company's GHG emissions are waste incineration (accounting for 89%), electricity consumption (8%), and diesel fuel usage (3%). In response, Sunny Friend is committed to mitigating greenhouse gas emissions generated during operational processes and promoting efficient energy use, striving to strike a balance between economic development and environmental protection. To better understand and manage the Company's GHG emissions, a comprehensive GHG inventory has been conducted.

Sunny Friend follows the ISO 14064-1:2018 standard for GHG accounting and reporting, and has adopted the operational control approach to define its organizational boundaries. Since 2022, the Company has conducted annual GHG inventories, designating 2022 as the base year for periodic evaluation and control of organizational emissions.

In the current reporting year, the organizational boundary includes the Yunlin Plant, Zhangbin Plant, and the Taipei Office (newly added this year). The reporting boundary covers Category 1 (direct emissions from stationary combustion, mobile sources, fugitive emissions, and process emissions) and Category 2 (indirect emissions from purchased electricity). Major emission sources within the reporting boundary were identified, and emissions of the following seven GHGs were included: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). Notably, Category 1 process emissions have been expanded this year to include urea-related emissions from incinerators.

The calculation of greenhouse gas (GHG) emissions in this inventory primarily adopts the Emission Factor Method, with quantification based on the formula: Activity Data × Emission Factor × Global Warming Potential (GWP). All results are converted into carbon dioxide equivalent (CO₂e), expressed in metric tons. The GWP values applied for various greenhouse gases are sourced from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (2021). In addition to the Emission Factor Method, a mass balance approach was utilized to quantify emissions from refrigerants, fire extinguishers, welding electrodes, acetylene, and urea. The electricity emission factor is based on the 2023 national grid emission factor announced by the Bureau of Energy in 2024.

In 2024, Sunny Friend's total GHG emissions amounted to 144,149.898 tCO₂e. Using the volume of waste treated as the intensity denominator, the emission intensity was 1.609 tCO₂e per metric ton of waste treated. Compared to the base year of 2022, the 2024 emission intensity represents a 1.71% reduction. The Company has set a reduction target of achieving a 1% decrease in emission intensity in 2025 compared to 2024.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
 - 5.1 Energy Management
 - 5.2 Emissions Monitoring
 - 5.3 Water Resource Management
 - 5.4 Waste Management
- 6 Sustainable Supply Chain
- Appendix

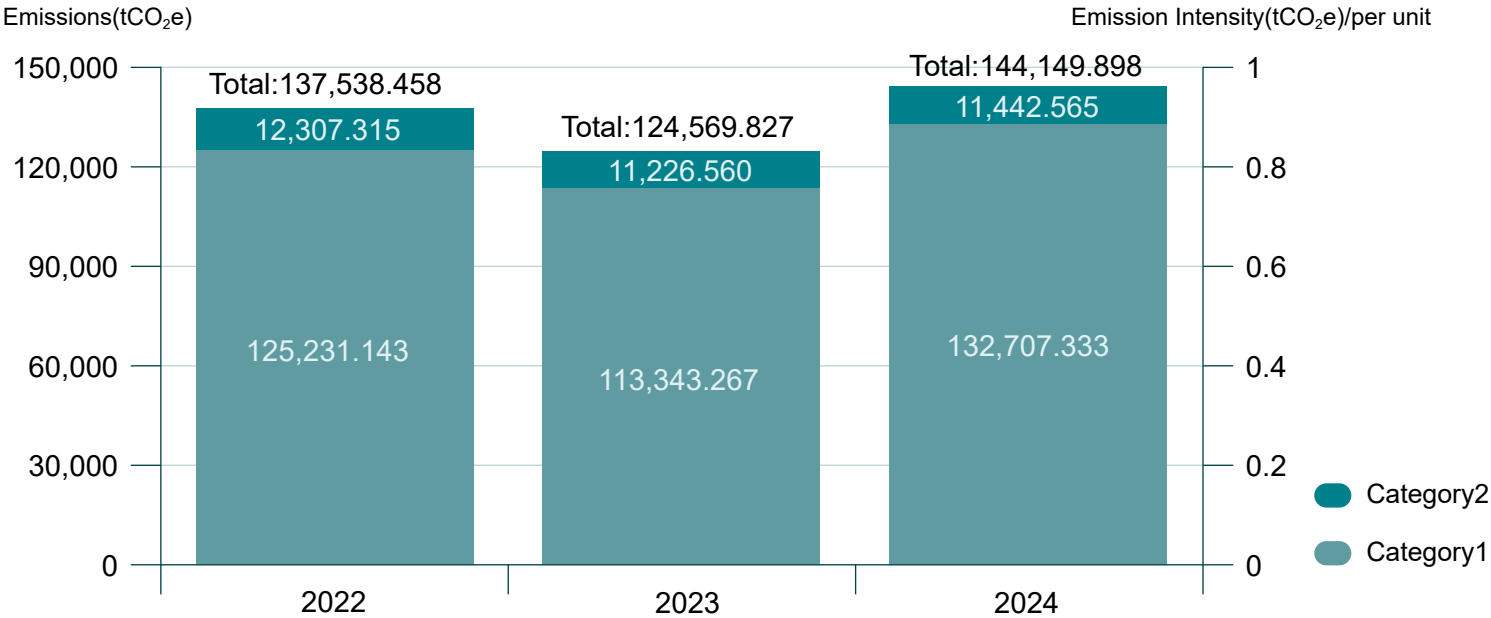
▼ Greenhouse Gas Emissions Analysis Table

(Unit : tCO₂e)

Greenhouse Gas (GHG) Emissions	2022	2023	2024
Category 1	125,231.143	113,343.267	132,707.333
Percentage (%)	91.0	91.0	92.1
Category 2	12,307.315	11,226.560	11,442.565
Percentage (%)	9.0	9.0	7.9
Total Greenhouse Gas (GHG) Emissions	137,538.457	124,569.827	144,149.898
Emission Intensity (tCO ₂ e per metric ton of waste treated)	1.637	1.609	1.609

Description : The denominator of the greenhouse gas emissions intensity, "per metric ton of waste treated," includes the volume of waste processed through incineration, solidification, and physicochemical treatment. Landfilled waste is excluded.

▼ Category 1 and Category 2 Greenhouse Gas (GHG) Emissions and Emission Intensity



CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
 - 5.1 Energy Management
 - 5.2 Emissions Monitoring
 - 5.3 Water Resource Management
 - 5.4 Waste Management
- 6 Sustainable Supply Chain
- Appendix

5.2.2 Greenhouse Gas (GHG) Emissions Reduction

Energy Saving and Carbon Reduction Project

(1) Yunlin Plant Reducing CO₂ Emissions Using Recovered Heat Energy: Yunlin Plant's Approach

As white smoke can result in bad perception of people living around the Yunlin Plant, Sunny Friend therefore increases the emission temperature using fuel oil before the release thereof. Nevertheless, not only have the fuel expenses increased the operating costs, but also fuel combustion can severely impact the environment, as it is not eco-friendly and does not help to save energy. Therefore, to reduce GHG emission, Yunlin Plant therefore plans to launch heat recovery process in Plant 3, hoping that the recovered heat will be used as an alternative energy. This will help to reduce the consumption of fuel energy and CO₂ emission. This equipment improvement was evaluated in the 2014 environmental impact evaluation, and completed for Plant 1 in May 2020. The fuel consumption per ton in 2024 was 10.57 kg/ton for actual operations, which is better than the original design of 26.1 kg/ton.

(2) Clearance and transportation route; and transportation capacity plan

Sunny Friend and professional waste clearance organizations with whom we are cooperating with have adopted not only the GPS monitoring system, but also the most ideal transportation route and optimized transportation capacity plan. The purposes thereof are to reduce the waste transportation distance; to decrease clearance and transportation costs; and to protect our environment.

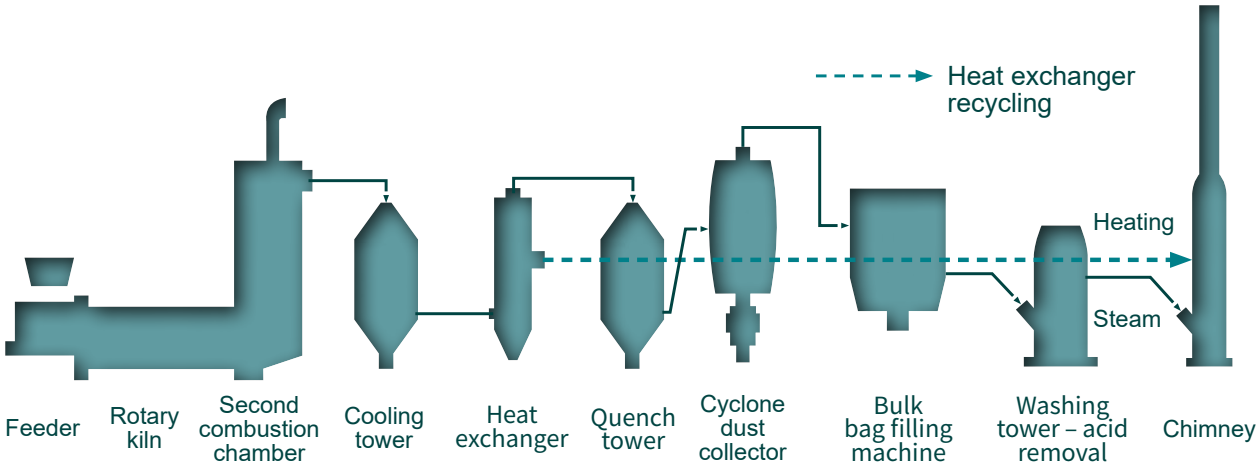
(3) Increase the local procurement rate

Local procurement is Sunny Friend's principle of purchasing raw materials. For raw materials with the same specification and quality, they are mostly purchased in nearby regions not only to support local economy, but also to shorten the transportation schedule of raw materials. For Management Department, the first priority upon receipt of a purchase order is raw material suppliers' economic delivery volume. In 2024, Sunny Friend's local procurement rate was 62.7%. This not only effectively decreases the energy consumed in the delivery of raw materials, but also prevents waste of resources.

▼ Assessment of improvements to incineration facilities (Yunlin Plant)

Plant 1	Waste disposal amount (ton/day)		Fuel consumption (kg/day)		Fuel consumption per waste disposal of unit (kg/ton)		
	Before the improvement	After the improvement	Before the improvement(s)	After the improvement(s)	Before the improvement(s)	After the improvement(s)	2024 Actual Practices
	48	27.6	2,880	720	60.0	26.1	10.57

Description : The fuel consumption of Plant 1 before the improvement was 2,880 kg/day, which dropped to 720 kg/day after the improvement



▲ Professional waste clearance and disposal fleet

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
 - 5.1 Energy Management
 - 5.2 Emissions Monitoring
 - 5.3 Water Resource Management
 - 5.4 Waste Management
- 6 Sustainable Supply Chain
- Appendix

5.2.3 Other Air Pollutant Emissions

The primary air pollutants generated by Sunny Friend originate from process emissions, particularly from the incineration of waste, which produces nitrogen oxides (NOx), sulfur oxides (SOx), particulate matter (PM), and other air pollutants. To monitor and manage air emissions within the facility, the Company has not only adopted Best Available Control Technology (BACT) to install pollution control equipment but also conducts daily inspections of the pollution control systems. Additionally, we commission accredited environmental testing institutions, recognized by the Ministry of Environment, to perform periodic emission testing in accordance with the frequency stipulated by the competent authority. These efforts ensure that all emissions comply with, or exceed, the air pollutant emission standards for stationary pollution sources and relevant environmental impact assessment (EIA) commitments.

Upon receiving air quality deterioration alerts from the Environmental Protection Bureau, Sunny Friend initiates tiered response actions based on the severity level of the alert. These include verifying the proper operation of air pollution control equipment, confirming opacity measurements, reviewing equipment parameters, recording all actions taken, and reducing production volumes where applicable. Environmental Protection Bureaus issue such warnings in accordance with meteorological data released by the Ministry of Environment when there is a risk of severe air quality degradation. Regulated businesses are then required to implement corresponding response measures under their approved “Air Pollution Deterioration Contingency Plans.” In 2024, Sunny Friend followed the actions outlined in its submitted contingency plan, including equipment inspections, validation of opacity data, confirmation of control equipment parameters, and documentation of all procedures undertaken.

To align with GRI and SASB standards, Sunny Friend reviewed its air pollutant emissions disclosures in 2024 and began reporting emissions of Volatile Organic Compounds (VOCs) for 2022–2024. In 2024, the Company reported emissions of 66,557 kg of nitrogen oxides (NOx), 27,224 kg of sulfur oxides (SOx), 26,861 kg of volatile organic compounds (VOCs), and 4,200 kg of particulate matter (PM).

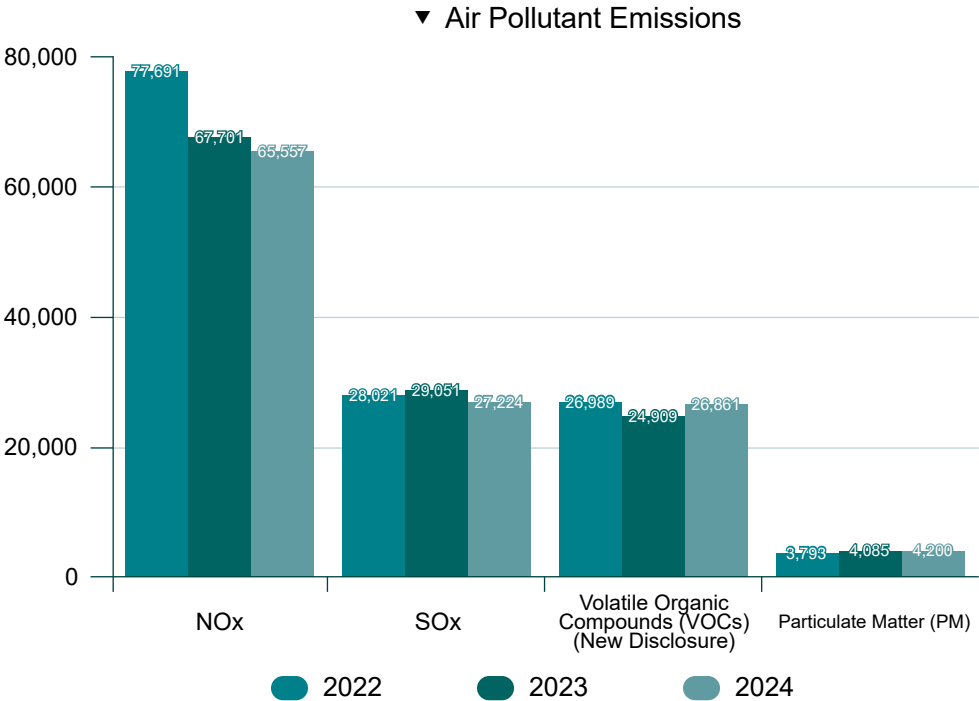
▼ Historical Air Pollutant Emissions (Unit: kg)

Item	2022	2023	2024
NOx	77,691	67,701	65,557
SOx	28,021	29,051	27,224
Volatile Organic Compounds (VOCs) (New Disclosure)	26,989	24,909	26,861
Particulate Matter (PM)	3,793	4,085	4,200

Description1 : Method of Measurement : The emission volumes of sulfur oxides (SOx), nitrogen oxides (NOx), and particulate matter (PM) are calculated in accordance with the “Emission Calculation Method for Air Pollutants from Stationary Sources in Public and Private Premises.” The emission volume of volatile organic compounds (VOC) is calculated based on the “Emission Factors by Industry Process, Operating Unit (including Equipment Components), Control Efficiency, and Other Measurement Requirements for VOCs Declared for Air Pollution Control Fee from Stationary Sources in Public and Private Premises.”

Description2 : Source of Emission Factors : The emission volumes of sulfur oxides (SOx), nitrogen oxides (NOx), and particulate matter (PM) are calculated based on monitoring data. VOC emissions are calculated in accordance with the “Emission Factors by Industry Process, Operating Unit (including Equipment Components), Control Efficiency, and Other Measurement Requirements for VOCs Declared for Air Pollution Control Fee from Stationary Sources in Public and Private Premises.”

Description3 : Persistent Organic Pollutants (POPs) and Hazardous Air Pollutants (HAPs) are not subject to mandatory periodic testing under current regulations, and thus are not included in the emission statistics.



CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
 - 5.1 Energy Management
 - 5.2 Emissions Monitoring
 - 5.3 Water Resource Management
 - 5.4 Waste Management
- 6 Sustainable Supply Chain
- Appendix

5.3 Water Resource Management

5.3.1 Water Resource Impact Assessment

With respect to environmental regulatory compliance and implementation of pollution prevention, the Company has drawn up management measures for wastewater, which is divided primarily into process wastewater, domestic sewage and surface runoff (rainwater) based on the characteristics of incineration industry. To reach the objective of managing wastewater properly, Yunlin Plant collects all process wastewater through the sewer system and then to the wastewater storage tank, whereas the surface runoff is collected to the storage tank through the ditches. To properly dispose wastewater collected in the storage tank, the Company then commissions a qualified clearance organization to transport the wastewater to a qualified disposal organization using a silo truck as prescribed by Waste Disposal Act; regularly tracks the clearance and disposal of wastewater; and regularly tests the quality of wastewater to reach the objective of having an effective management. Since the Changbin factory is located in the Changbin Industrial zone, the process wastewater in the factory is collected through pipelines and then piped to the Changbin Industrial zone sewage treatment factory for subsequent treatment.

Assessment of Water-Related Risks and Impact Pathways

The Company utilizes the Water Risk Atlas developed by the World Resources Institute (WRI) to identify water stress levels and assess various water-related risks at each operating site. Additionally, with reference to PwC's Environmental Impact Pathway Report, the Company evaluates the sources of water withdrawal, the discharge destinations, and the quality of both withdrawn and discharged water. Based on these assessments, water resource flow diagrams are developed for each site to map the water context and assess potential environmental and social impacts, along with the extent of such impacts.

▼ Water Stress and Water-Related Risk Assessment for Each Sunny Friend Operating Site

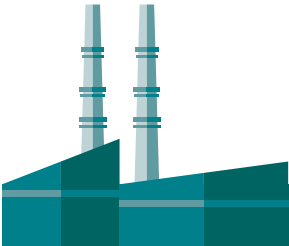
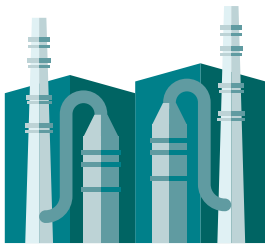
Operating Site	Location	Water Stress Level	Physical Risk (Quantity)	Physical Risk (Quality)	Reputational and Transition Risk	Overall Risk Score
Zhangbin Plant	Taiwan – Xianxi Township, Changhua County	Medium to Low	Medium to High	Medium to High	Low	Medium to Low
Yunlin Plant	Taiwan – Yuanchang Township, Yunlin County	Medium to Low	Medium to High	Medium to High	Low	Medium to Low
Taipei Office	Taiwan – Songshan District, Taipei City	Medium to Low	Medium to High	Medium to High	Low	Medium to Low

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
 - 5.1 Energy Management
 - 5.2 Emissions Monitoring
 - 5.3 Water Resource Management
 - 5.4 Waste Management
- 6 Sustainable Supply Chain
- Appendix

Effluent Water Quality Standards

The Company establishes effluent water quality standards in accordance with applicable local regulations. All process water is properly treated in-house to meet either internal or regulatory standards before being reused or outsourced to licensed third-party service providers for further treatment.

Site	Region	Indicators	Regulatory Minimum Standard	Water Quality Test Results
 Zhangbin Plant	Taiwan – Xianxi Township, Changhua County	Chemical Oxygen Demand (COD)	640mg/l	Compliance with Standards
		Suspended Solids (SS)	400mg/l	Compliance with Standards
		pH Value	5-9	Compliance with Standards
		Temperature (T)	<40°C	Compliance with Standards
		Total Chromium	1.5 mg/l	Compliance with Standards
		Copper	1.5 mg/l	Compliance with Standards
		Nickel	0.7 mg/l	Compliance with Standards
		Dissolved Iron	10 mg/l	Compliance with Standards
		Grease	50 mg/l	Compliance with Standards
		Total Mercury	0.005 mg/l	Compliance with Standards
		Cadmium	0.02 mg/l	Compliance with Standards
		Lead	0.5 mg/l	Compliance with Standards
 Yunlin Plant	Taiwan–Yuanchang Township, Yunlin County	Dioxins (pg I-TEQ/L)	80 pg I-TEQ/L	Compliance with Standards
		Chemical Oxygen Demand (COD)	500 mg/l	Compliance with Standards
		pH Value	6-9	Compliance with Standards
		Suspended Solids (SS)	500 mg/L	Compliance with Standards
		Lead (mg/L)	15 mg/L	Compliance with Standards
		Cadmium (mg/L)	8 mg/L	Compliance with Standards
		Mercury (mg/L)	2 mg/L	Compliance with Standards
		Output Volume (m³/day)	151(m³/day)	Compliance with Standards

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
 - 5.1 Energy Management
 - 5.2 Emissions Monitoring
 - 5.3 Water Resource Management
 - 5.4 Waste Management
- 6 Sustainable Supply Chain
- Appendix

As a responsible global citizen amid growing water resource imbalances, Sunny Friend actively promotes water conservation awareness through environmental education, encouraging employees to incorporate water-saving practices into every aspect of daily life. Internally, the company monitors water usage per metric ton of waste incinerated. Using the average water withdrawal levels of 2019 and 2020 as the baseline, Sunny Friend aims to reduce water withdrawal per metric ton of waste incinerated by 3% by the year 2025.

Plant	Source of Risk	Risk Issue	Adaptation Action
Yunlin Plant	Regulations	- Regulatory Compliance Measures - Water Consumption Fee Collection Regulations - Water Pollution Control Act	- Investment in and improvement of environmental protection facilities - Regular monitoring of wastewater quality
	Hazards	- Water Resource Scarcity - Increased Frequency of Heavy Rainfall and Flooding	- Establishment of standard operating procedures (SOPs) for natural disaster response, accompanied by regular training and emergency response drills - Construction of interception ditches, detention basins, and storage ponds as adaptive measures
Zhangbin Plant	Regulations	- Regulatory Compliance Measures - Water Consumption Fee Collection Regulations - Water Pollution Control Act	- Promotion of wastewater treatment facility upgrades and water reclamation - Regular monitoring of wastewater quality (repeated, may be consolidated or emphasized) - Participation in government forums to gain insights and policy recommendations
	Hazards	- Water Resource Scarcity - Increased Frequency of Heavy Rainfall and Flooding	- Promotion of daily water conservation and drought adaptation measures - Advance inspection of stormwater drains for blockages or debris in response to heavy rain warnings

Plant	Management Objecti	Achievement Rate	Key Outcomes	Ongoing Practices and Targets
Yunlin Plant	Water Resources Monitoring and Operational Stability Maintenance	Achieved	No operational losses due to water scarcity occurred in 2024.	Continuously monitor water conditions and establish an emergency response team when necessary.
	Enhancement of Wastewater Storage Capacity	In Progress	Since 2022, interception ditches and detention ponds have been constructed to address the impact of sudden heavy rainfall caused by extreme weather events.	Continuously assess whether storage capacity is sufficient to cope with potential water shortages.
	Reduction of Water Resource Wastage	In Progress	- Replaced water-cooled air conditioning systems with air-cooled systems to reduce cooling water consumption. - Adjusted equipment cooling water supply to minimize cooling water usage.	Continuously optimize equipment water supply systems to ensure the efficient use of water resources.
Zhangbin Plant	Water Resources Monitoring and Operational Stability Maintenance	Achieved	No operational disruptions due to water restrictions were recorded in 2024.	Continuously monitor water conditions and establish an emergency response team when necessary.
	Regular Water Quality Testing	In Progress	In 2024, self-managed monitoring of on-site wastewater quality was conducted.	Continuously optimize wastewater management systems to ensure compliance with regulatory discharge standards.
	Water Recycling and Reuse	In Progress	In 2024, water usage overview and management practices were consolidated and reviewed.	Continuously monitor and ensure effective recycling and reuse of water resources.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
 - 5.1 Energy Management
 - 5.2 Emissions Monitoring
 - 5.3 Water Resource Management
 - 5.4 Waste Management
- 6 Sustainable Supply Chain
- Appendix

5.3.2 Water Withdrawal, Discharge, and Consumption

Sunny Friend's three operational sites are all located in areas not classified as water-stressed regions. All water withdrawal is sourced from third-party suppliers (municipal water), with all water being classified as freshwater. Wastewater is discharged to third-party treatment facilities, including the Zhangbin Industrial Zone Wastewater Treatment Plant and outsourced to Ching Hsin for treatment. In 2024, the water consumption data has been updated to include the Taipei Office.

In 2024, Sunny Friend's total water withdrawal amounted to 274.094 million liters, total water discharge was 43.755 million liters, and total water consumption was 230.339 million liters. The specific water withdrawal intensity was 0.0031 million liters per metric ton of waste incinerated. Using the average water withdrawal of 2019 and 2020 as the baseline, the Company aims to achieve a 3% reduction in water withdrawal per metric ton of waste incinerated by 2025.

In addition to efforts to reduce water usage, Sunny Friend strives to maximize the value of existing water resources. In compliance with local regulations and available technologies, the Company proactively implements water recycling technologies to optimize water efficiency. To align with GRI and SASB reporting standards, Sunny Friend has reassessed its on-site water recycling facilities. Beyond the existing landfill rainwater harvesting system, the Company has expanded its disclosure to include regenerated water from the inorganic saline wastewater regeneration system (MVR) from the incineration process for the years 2022 to 2024. This regenerated water is primarily reused within production processes. In 2024, the total volume of recycled water was 44.002 million liters, accounting for 16.1% of total water use.

▼ Water Withdrawal (Unit: thousand cubic meters / million liters)

Category of Water Source	Water Quality Indicators	Water Withdrawal		
		2022	2023	2024
		All Regions	All Regions	All Regions
Third-party Water Sources	Freshwater	298.088	285.989	274.094
Total Water Withdrawal		298.088	285.989	274.094
Recycled Water Volume		44.329	37.991	44.002
Recycling Rate (%)		14.9	13.3	16.1
Water Intensity (million liters per metric ton)		0.0035	0.0037	0.0031

Description 1 : Recycled water percentage = Volume of recycled water ÷ Total water withdrawal across all regions
 Description 2 : Water withdrawal intensity = Total water withdrawal across all regions ÷ Total waste treatment volume (Total waste treatment volume includes incineration, solidification, and physicochemical treatment; landfill treatment is excluded)
 Description 3 : Total water withdrawal for 2022 and 2023 excludes water consumption from the Taipei office

▼ Discharge Volume (Unit: thousand cubic meters / million liters)

Type of Discharge Destination	Water Quality Indicators	Volume of Discharge		
		2022	2023	2024
		All Regions	All Regions	All Regions
Third-party Water Sources	Freshwater	24.092	18.169	16.871
	Other Water Discharges	30.419	29.900	26.884
Total Volume of Water Discharged		54.511	48.069	43.755

Description 1 : "Other water" refers to process wastewater. The volume is calculated based on the wastewater generated by waste treatment facilities, rather than the actual effluent volume discharged from the wastewater treatment plant.
 Description 2 : Discharge water quality indicators: freshwater is defined as having a Total Dissolved Solids (TDS) concentration of ≤ 1,000 mg/L, while other types of water have a TDS concentration of > 1,000 mg/L.

▼ Water Consumption (Unit: thousand cubic meters / million liters)

Item	2022	2023	2024
	All Regions	All Regions	All Regions
Total Water Withdrawal	298.088	285.989	274.094
Total Water Discharge	54.511	48.069	43.755
Total Water Consumption	243.577	237.920	230.339

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 5.1 Energy Management
- 5.2 Emissions Monitoring
- 5.3 Water Resource Management
- 5.4 Waste Management
- 6 Sustainable Supply Chain
- Appendix

5.4 Waste Management

5.4.1 Waste Management Policy

The Company has designated responsible departments to oversee the control, disposal, and reporting of industrial waste generated from operations. All activities comply with local environmental regulations, including the preparation and submission of industrial waste clearance plans. Waste disposal methods strictly adhere to applicable local standards.

The primary sources of waste include hazardous fly ash and general bottom ash. To ensure effective management, the Company has designated separate storage areas tailored to the characteristics of each type of waste. Fly ash, generated from the quenching tower, cyclone dust collector, and baghouse filter, is collected via a conveying system and temporarily stored in bulk bags. Bottom ash, produced after incineration, is water-quenched, conveyed to bottom ash storage tanks, and then loaded into bulk bags for handling.

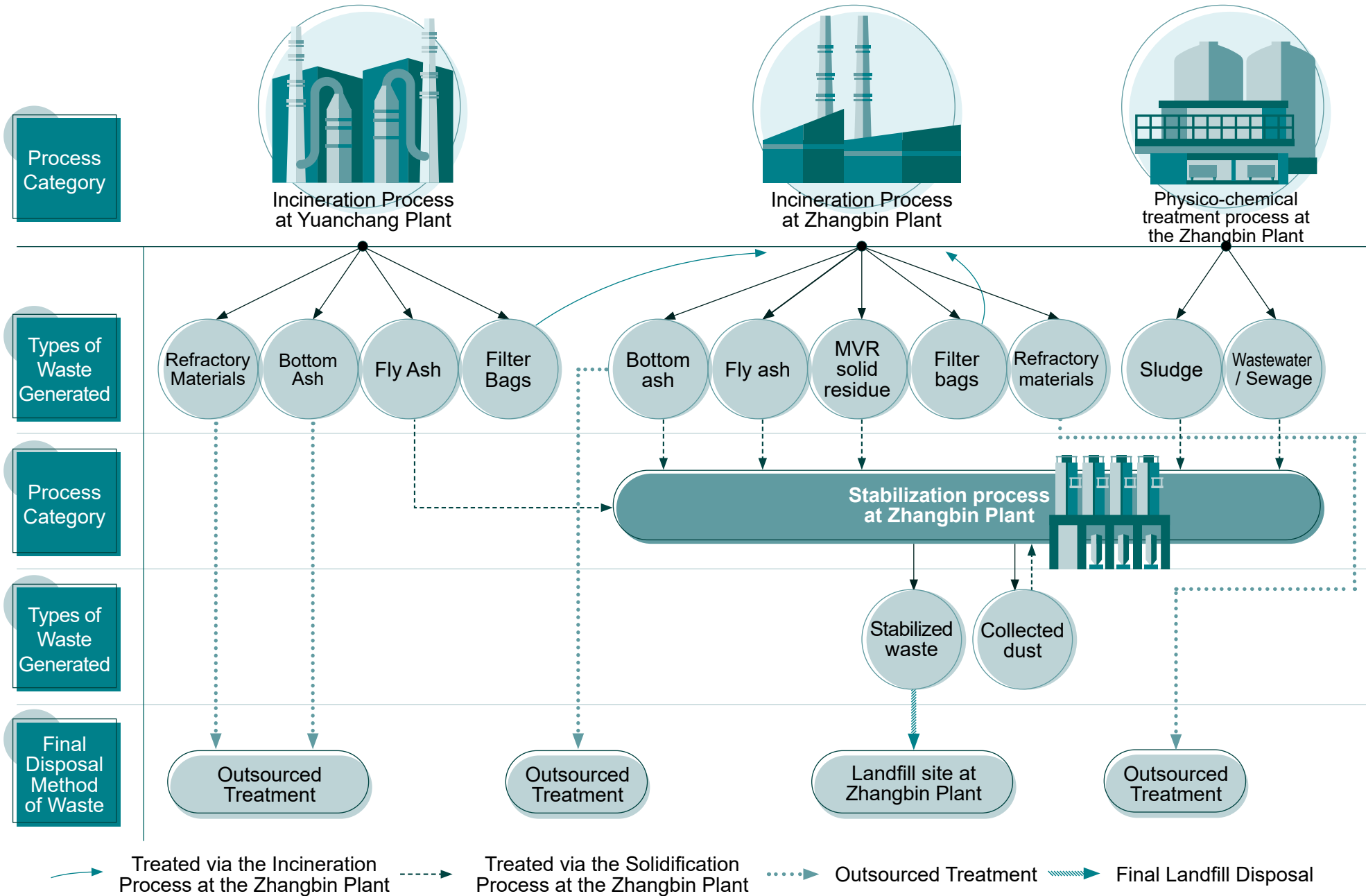
At the Yunlin Plant, fly ash is sent to the Zhangbin Plant for stabilization (solidification) before final landfill disposal. Bottom ash from Yunlin is outsourced to qualified external waste treatment facilities for solidification. Fly ash at the Zhangbin Plant is self-stabilized and undergoes compressive strength testing before being landfilled. Bottom ash is outsourced to licensed contractors for solidification and subsequent physical treatment or case-by-case reuse. The final disposal method and site for waste currently represent the most significant environmental challenge faced by the Company.

To maintain optimal equipment performance, the Company conducts regular inspections and maintenance in accordance with environmental protection and occupational health and safety regulations, minimizing the risk of equipment-related incidents. In the event of malfunctions in air pollution control equipment, the Company performs required reporting in accordance with environmental laws. In 2024, there were no major spills or leakage incidents reported.

The major challenge in waste management lies in the final disposal of stabilized fly ash. After passing compressive strength testing, stabilized fly ash is disposed of via landfilling. However, due to Taiwan's limited land availability and high population density, acquiring land for new landfill sites is extremely difficult. In response to this issue, the Company is expediting the development of the third, fourth, and fifth landfill zones at the Zhangbin Plant. The third landfill zone obtained its operation license in August 2023 and is currently in use. The fourth zone commenced operation in 2022 and reached capacity in 2024. The fifth zone is under ongoing development. Bottom ash generated from both the Zhangbin and Yunlin Plants is outsourced to certified waste treatment contractors. Both plants conduct at least one on-site visit and follow-up per year to ensure proper waste handling by the contracted facilities. To manage leachate and potential leakage risks from landfills, the Company regularly conducts landfill subsidence and displacement monitoring, leachate well monitoring, and groundwater well monitoring in surrounding areas to ensure timely response in the event of any leakage.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
 - 5.1 Energy Management
 - 5.2 Emissions Monitoring
 - 5.3 Water Resource Management
 - 5.4 Waste Management
- 6 Sustainable Supply Chain
- Appendix



CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 **Environmental Stewardship**
 - 5.1 Energy Management
 - 5.2 Emissions Monitoring
 - 5.3 Water Resource Management
 - 5.4 **Waste Management**
- 6 Sustainable Supply Chain
- Appendix

The Company records and tracks waste categories, quantities, and disposal routes through waste manifest systems and management systems. The waste generation volume is measured using the load count analysis method. Waste sources include bottom ash, fly ash, and refractory materials from the Yunlin Plant, and bottom ash, fly ash, MVR solids, stabilized collected dust, filter bags, refractory materials, and physicochemical sludge from the Zhangbin Plant. Fly ash generated at the Yunlin Plant is stabilized at the Zhangbin Plant before final landfill disposal. Bottom ash is sent to qualified external contractors for stabilization, while refractory materials are physically treated by licensed processing facilities. At the Zhangbin Plant, fly ash, MVR solids, stabilized collected dust, and physicochemical sludge are stabilized in-house before being landfilled. Filter bags undergo incineration followed by stabilization and landfill disposal. Refractory materials are physically treated by qualified contractors.

The Company is actively exploring feasible solutions to promote waste circularity and reuse in the market. Currently, there are three main treatment methods for bottom ash at the Zhangbin Plant:

1. In-house stabilization treatment
2. Physical treatment by qualified external contractors, with the final reuse as admixture for non-reinforced concrete
3. Approved case-by-case reuse by the Industrial Development Bureau: bottom ash is recycled and reused by a Ruentex Group affiliate, Ruentex Materials Co., Ltd., as an alternative raw material in the cement production process.

▼ Waste Treatment Volume (Total across all sites, unit: metric tons)

Year	2022	2023	2024
Volume of incinerator waste	60,370	54,986	59,448
Volume of solidified waste	16,379	15,435	23,115
Volume of materialized waste	7,248	6,999	7,016
Volume of buried waste	57,979	26,812	73,621

▼ Percentage of Hazardous Waste Incinerated (Total across all sites, unit: metric tons)

Year	2022	2023	2024
Volume of Hazardous Waste Incinerated	40,172	33,873	35,686
Percentage of Hazardous Waste Incinerated	67%	62%	60%

Description : $\text{Percentage of hazardous waste incinerated} = \frac{\text{Total weight of hazardous waste incinerated (metric tons)}}{\text{Total weight of all waste incinerated (metric tons)}}$

To reduce waste generation, the Company has implemented domestic waste reduction initiatives in office operations, promoting the reuse of recyclable resources. Measures include waste segregation and encouraging the reuse of the reverse side of paper during document duplication to reduce paper consumption. At the plant level, efforts are underway to reduce the amount of fly ash generated from waste incineration. Using the average amount of fly ash and bottom ash generated per metric ton of waste incinerated in 2019 and 2020 as the baseline, the Company has set a target to reduce the amount of fly ash and bottom ash per metric ton of waste incinerated by 4% by 2025. In 2024, the amount of fly ash generated per metric ton of waste incinerated decreased by 14% compared to 2023, while the amount of bottom ash decreased by 2% over the same period.

▼ Annual Output and Unit Generation of Fly Ash and Bottom Ash from Incineration Process (Total across all sites, unit: metric tons)

Item	Year	2022	2023	2024
Fly ash	Annual Output	3,022	2,967	2,743
	Unit Generation	0.0501	0.0540	0.0461
Bottom ash	Annual Output	4,891	4,831	5,101
	Unit Generation	0.0810	0.0879	0.0858

Description1 : $\text{Unit generation of fly ash} = \frac{\text{Annual fly ash output (metric tons)}}{\text{Annual incineration volume (metric tons)}}$

Description2 : $\text{Unit generation of bottom ash} = \frac{\text{Annual bottom ash output (metric tons)}}{\text{Annual incineration volume (metric tons)}}$

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
 - 5.1 Energy Management
 - 5.2 Emissions Monitoring
 - 5.3 Water Resource Management
 - 5.4 Waste Management
- 6 Sustainable Supply Chain
- Appendix

5.4.2 Waste Removal and Disposal

In alignment with GRI and SASB standards, all generated waste—including process-derived waste—must be disclosed. Therefore, the Company has re-evaluated the types and volumes of waste generated on-site. In addition to bottom ash and fly ash from incineration processes, newly disclosed waste streams for 2022–2024 include solid residues from the MVR system, filter bags and refractory materials, sludge from physicochemical treatment processes, and dust collected from solidification processes. In 2024, Sunny Friend Environmental Technology Co., Ltd. generated a total of 11,706.888 metric tons of waste. Of this, 6,060.397 metric tons (51.8%) were classified as hazardous industrial waste, and 5,646.491 metric tons (48.2%) as non-hazardous industrial waste.

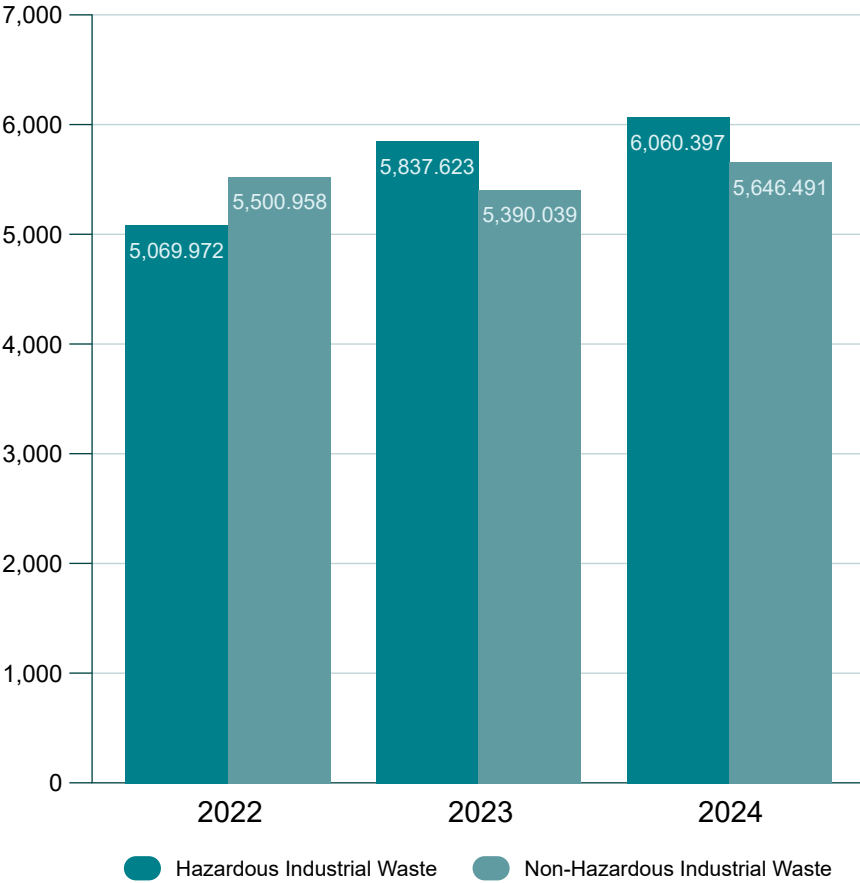
In addition to source reduction efforts, the Company is committed to maximizing the resource value of existing waste. In compliance with local regulations and based on available technologies, Sunny Friend Environmental Technology Co., Ltd. prioritizes waste treatment methods such as reuse and recycling to optimize resource recovery. In 2024, 5.5% of non-hazardous industrial waste was treated through recycling, accounting for 2.6% of the total annual waste volume.

▼ Summary of Industrial Waste Generation, Off-site Transfer for Treatment, and Direct Disposal (Total across all sites, unit: metric tons)

Year	Item ^{Note1}	Amount Generated	Amount Transferred for Treatment and Disposal	Amount Directly Disposed	Year-end Storage Volume
2024	Hazardous Industrial Waste	6,060.397	0.000	6,140.918	45.752
	Non-Hazardous Industrial Waste	5,646.491	313.060	5,376.188	145.448
	Total Volume	11,706.888	313.060	11,517.106	191.200
2023	Hazardous Industrial Waste	5,837.623	0.000	5,763.225	126.273
	Non-Hazardous Industrial Waste	5,390.039	382.550	5,017.258	188.205
	Total Volume	11,227.662	382.550	10,780.483	314.478
2022	Hazardous Industrial Waste	5,069.972	0.000	5,046.371	51.875
	Non-Hazardous Industrial Waste	5,500.958	297.040	5,067.963	197.974
	Total Volume	10,570.930	297.040	10,114.334	249.849

Note1 : The classification of hazardous and non-hazardous waste is determined in accordance with local regulations applicable to each site.

▼ Waste Generation Volume



CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
 - 5.1 Energy Management
 - 5.2 Emissions Monitoring
 - 5.3 Water Resource Management
 - 5.4 Waste Management
- 6 Sustainable Supply Chain
- Appendix

Business Waste Transferred for Disposal (Recycling)

The Company adopts recycling as the primary method for handling specific types of waste, mainly incinerator bottom ash. After appropriate pretreatment, the ash can be used as raw material in cement manufacturing processes or as an additive in unreinforced concrete. In 2024, a total of 313.060 metric tons of waste was transferred for recycling, all of which was treated by outsourced third-party service providers.

▼ Waste Transferred for Recycling from Disposal Operations (Total across all sites, unit: metric tons)

Item	Method of Waste Disposal and Transfer	2022			2023			2024		
		On-site	Off-site	Subtotal	On-site	Off-site	Subtotal	On-site	Off-site	Subtotal
Non-Hazardous Industrial Waste	Other Recycling Operations	0.000	297.040	297.040	0.000	382.550	382.550	0.000	313.060	313.060

Description : On-site refers to waste managed and treated internally by the Company within its own facilities, while off-site refers to waste that is collected and treated by outsourced third-party service providers.

Direct Disposal Methods for Industrial Waste

In addition to the aforementioned waste types, the remaining industrial waste is directly disposed of through on-site solidification and incineration processes at the Zhangbin Plant or through third-party treatment services. In 2024, the total volume of industrial waste directly disposed of amounted to 11,517.106 metric tons, of which 5,859.780 metric tons were treated in-house and 5,657.326 metric tons were processed by external third-party service providers.

▼ Waste Directly Disposed of through Treatment Operations (Total by Site, unit: metric tons)

Item	Direct Disposal Methods	2022			2023			2024		
		On-site	Off-site	Subtotal	On-site	Off-site	Subtotal	On-site	Off-site	Subtotal
Hazardous Industrial Waste	Incineration (with energy recovery)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Incineration (without energy recovery)	4.168	0.000	4.168	0.227	0.000	0.227	0.533	0.000	0.533
	Landfilling	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Other direct disposal methods	4,641.075	401.128	5,042.203	5,451.668	311.330	5,762.998	5,777.369	363.016	6,140.385
	Total	4,645.243	401.128	5,046.371	5,451.895	311.330	5,763.225	5,777.902	363.016	6,140.918

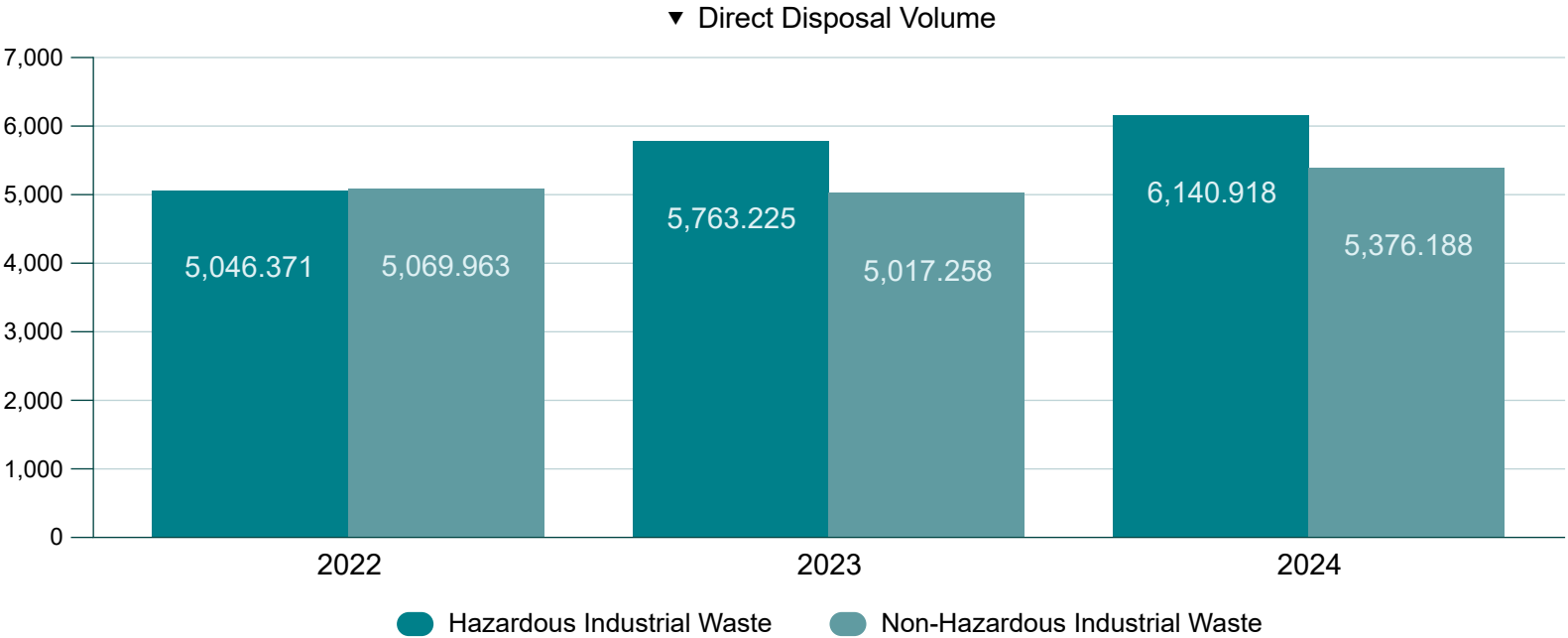
CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
 - 5.1 Energy Management
 - 5.2 Emissions Monitoring
 - 5.3 Water Resource Management
 - 5.4 Waste Management
- 6 Sustainable Supply Chain
- Appendix

Item	Direct Disposal Methods	2022			2023			2024		
		On-site	Off-site	Subtotal	On-site	Off-site	Subtotal	On-site	Off-site	Subtotal
Non-Hazardous Industrial Waste	Incineration (with energy recovery)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Incineration (without energy recovery)	0.055	0.000	0.055	0.000	0.000	0.000	0.004	0.000	0.004
	Landfilling	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Other direct disposal methods	130.068	4,937.840	5,067.908	119.908	4,897.350	5,017.258	81.874	5,294.310	5,376.184
	Total	130.123	4,937.840	5,067.963	119.908	4,897.350	5,017.258	81.878	5,294.310	5,376.188

Description1 : On-site refers to waste treated directly by the Company within its own facilities, while off-site indicates waste transported and treated by commissioned external third-party service providers.

Description2 : Incineration with energy recovery refers to the process in which thermal energy generated during incineration is recovered through boilers or other heat recovery systems. Incineration without energy recovery refers to incineration processes where thermal energy is not recovered through boilers or similar systems.



CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain**
 - 6.1 Industry Supply Chain
 - 6.2 Supply Chain Management
- Appendix

6

Sustainable Supply Chain

6.1 Industry Supply Chain

6.2 Supply Chain Management

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- 6.1 Industry Supply Chain
- 6.2 Supply Chain Management
- Appendix

6.1 Industry Supply Chain

6.1.1 Industry Overview

Industry Profile

Sunny Friend operates in the downstream segment of the environmental protection industry, functioning as a technology-based service provider. The Company primarily offers professional services in waste collection and treatment, employing a diverse range of treatment technologies including incineration, physicochemical processing, solidification, and landfilling. These services support clients in achieving safe, compliant, and environmentally responsible waste management objectives. Sunny Friend serves a wide array of clients, including healthcare institutions, traditional manufacturing companies, high-tech industries, and government agencies at all levels. The Company is deeply rooted in Taiwan, with its core market focused on addressing the local industry's and public sector's environmental governance needs. With a stable client base and extensive operational experience, Sunny Friend has established itself as a key player in the domestic environmental services sector.

The upstream supply chain consists of raw material suppliers, construction and mechanical engineering companies, equipment manufacturers, professional technical service providers, and IT service firms—forming the backbone of the Company's critical operational technologies and equipment. On the downstream side, the Company mainly serves enterprises (including medical institutions) and public entities that require the treatment of industrial waste. Treated waste is categorized and directed according to its characteristics to authorized final disposal facilities or resource recycling entities, ensuring legal compliance while aligning with circular economy principles.

Additionally, Sunny Friend maintains strong collaborative relationships with government agencies, industry associations, and academic institutions. Through strategic alliances, technical exchanges, and policy alignment, the Company actively promotes environmental governance, pollution prevention, and sustainable resource development. Compared to the 2023 reporting year, there were no significant changes in industry classification, supply chain composition, client structure, or business relationships during the current reporting period.

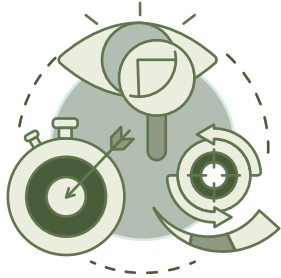
6.1.2 Supply Chain Structure

Partnerships

At Sunny Friend, all of the procurement of raw materials, construction works, engineering works, equipment, services and other items are provided by the suppliers. Every month, Sunny Friend conducts at least two interdepartmental production and sales meetings to review supplier services and the quality of supplied goods. Sunny Friend also conducts on-site visits, evaluations, and random inspections of suppliers to ensure compliance with our "Supplier Code of Conduct" and uses the results as a basis for supplier evaluation. As a professional waste disposal company in the country, Sunny Friend is missioned to assist enterprises and government agencies in handling wastes properly. We have been proactively looking for excellent suppliers not only to provide us with excellent products and services, but also to have a sustainable growth with us.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
 - 6.1 Industry Supply Chain
 - 6.2 Supply Chain Management
- Appendix



Evaluation and Control

Ensure the quality of technical services

Supplier evaluation and management.
Self-assessment by suppliers.

2024

- ◆ 110 important suppliers were evaluated.
- ◆ 18 important suppliers conducted self-assessment.



Local Procurement

Better fulfillment of Environmental Social Governance

Increase local procurement rate.
Encourage energy saving and green procurement.

2024

- ◆ The proportion of signing a local procurement contract increased by 1.98%.
- ◆ The environmental procurement amount increased to NTD 12,337,431.



Occupational Safety and Quality Assurance

Request suppliers to implement occupational safety requirements

Occupational safety facilitation meeting for suppliers.
Encourage suppliers to implement occupational safety.

2024

- ◆ Held 40 occupational safety facilitation meetings for suppliers.
- ◆ Publicly encourage suppliers that have implemented occupational safety.



Business Integrity

Pursue for sustainable growth together

Increase supplier integrity terms and conditions.
Take on-site visits to offer assistance to important suppliers.

2024

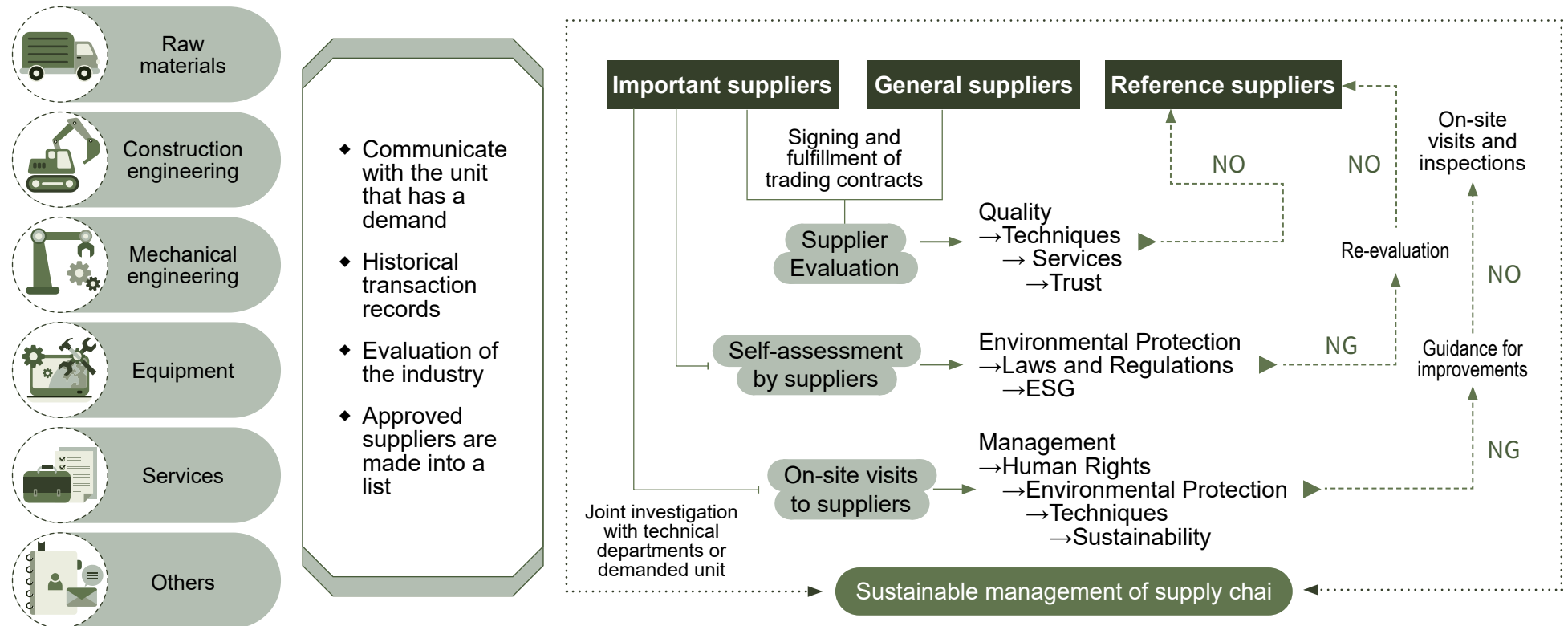
- ◆ The supplier integrity terms and conditions were included in the contract with 141 suppliers
- ◆ and 139 suppliers have signed the ESG terms and conditions.
- ◆ Took on-site visits to 18 suppliers.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
 - 6.1 Industry Supply Chain
 - 6.2 Supply Chain Management
- Appendix

The contract composition of the supply chain of the company can be divided into sales and purchase contracts, engineering contracts, lease contracts, and other types of contracts. In 2024, during the supplier's performance of the contract, the purchase and sale contracts such as raw materials, oil products, chemicals, and cement products required for the operation will total 71 pieces. The engineering contracts are construction projects, mechanical engineering, etc., totaling 21 pieces. Lease contracts such as land and houses are a total of 20 leases. The other types are contracts other than sales, engineering, and leases; such as labor services, environmental testing, waste disposal services, technical consultant appointments, industry-university cooperation, etc., a total of 44 contracts. As of 2024, Sunny Friend has 561 suppliers that are related to the operations thereof. Moreover, since 2015, SUNNY FRIEND has added integrity management clauses to its supplier contracts. Not only does SUNNY FRIEND actively fulfill its corporate sustainability responsibilities, but also it has requested suppliers to meet ESG metrics. Therefore, in recent years, for important suppliers, it has been promoted to add Environment Social Governance clauses in the contract from 2019. Because SUNNY FRIEND believes that only the joint input of suppliers can truly implement corporate responsibility with supply chain partners. Compared to 2023, there were no significant changes in the number of suppliers engaged by the Company.

Supplier Classification and Evaluation



CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
 - 6.1 Industry Supply Chain
 - 6.2 Supply Chain Management
- Appendix

6.2 Supply Chain Management

6.2.1 Supply Chain Management Policy

Evaluation and Control – Ensure the quality of technical services

Responsible for supply chain management, our Management Department manages over 1,000 suppliers listed in Sunny Friend's tabulation. All units with a purchase requisition can feed suppliers related matters back thereto during the entire process (ex. project communication, price inquiry/ comparison/negotiation, signing a contract and implementation works). The purchase requisition and procurement units shall also frequently communicate with the suppliers to avoid mistakes and enhance the quality of supplied goods. We request not only our suppliers to abide by our supplier management policy, but also labor service or engineering contractors to comply with labor related regulations, such as "Labor Standards Act, "Occupational Safety and Health Act", to protect the rights and benefits of subcontractors' labors. We plan to screen and select new suppliers through environmental and social standards starting from 2024 and all suppliers are required to re-sign the "Supplier Code of Conduct". Apart from selecting our suppliers based on their credit records, we also conduct an evaluation on important suppliers each quarter. According to the engineering progress and our demand, we conduct on-site investigations, communicate with suppliers, arrange trainings, hold supplier meetings and so on. We hope that, based on communication and cooperation, we will implement sustainability requirements through supplier management and lead them to pay close attention to ESG in various aspects, including the environment, labor, human rights, society and product liability impacts. It is our aspiration that we will be able to enhance our ESG together with our suppliers and promote sustainable development of the industry.

▼ For our important suppliers, we request them to abide by and comply with the following rules:

Value sustainable operations and internal management	Respect human rights and value safety and health
The supplier shall be legally established; value business integrity; clarify if it has been positively/negatively reported or has any public information that can result in an indirect impact; and make continuous improvements to its operating procedures for business sustainability.	Suppliers' labor conditions shall comply with the Labor Standard Act. The supplier shall establish a safe and healthy workplace; value training and growth of employees; protect employees' basic human and labor rights; and avoid child and illegal labor.
Comply with environmental regulations and fulfill corporate sustainability responsibilities	Continuously enhance technology and product quality
The supplier shall abide by environmental regulations and norms; shall legally dispose waste generated from the operations; reduce waste and increase the resource recycling and reuse rate; respond to green procurement; adopt products with eco-label or energy-saving label at priority; care about local communities; and fulfill ESG.	The quality of products, techniques and services provided by the supplier during the contract fulfillment period shall comply with Sunny Friend's demand. That is, the quality and price thereof shall be stable and reasonable; packing materials shall be simplified; and hazardous production processes shall be reduced.

It is our plan to gradually implement suppliers' ESG in stages. With respect to our external supply chain, we not only emphasize suppliers' economic performance (i.e. the product quality, price and delivery), but also expect that our suppliers will able to develop even more eco-friendly production processes and products (environmental aspect); and will pay close attention to human rights, labor's benefits and workplace safety (social aspects). To optimize our performance in ESG, we have been promoting the idea of "increasing ESG terms and conditions in important contracts" among important suppliers and communicating with them. In 2018, we have eventually included relevant terms and conditions in important contracts in 2019. The ESG terms and conditions are as follows:

The ESG terms and conditions (Party A is Sunny Friend; and Party B is the supplier):

1. Party A and Party B shall comply with both parties' ESG policy.
2. Where Party B violates any of both parties' ESG policy and results in obvious impacts to the environment and community of the source of supply, Party A may suspend its fulfillment of this Contract and requests Party B to take a corrective action within a prescribed period. Where Party B fails to do so, Party A may cancel/terminate this Contract without informing Party B. If the said violation results in any damage or loss to Party A, Party B shall be liable for compensation.

Due to the COVID-19 epidemic around the world in 2020 and 2021, overseas suppliers that have been cooperating for several years cannot provide immediate technical services. Therefore, the localization of the supply chain will be promoted in the second half of 2020. In addition to overseas high-quality suppliers that can be cooperated with, we continue to promote local supply chain policy domestically; actively conduct visits and technical discussions, in order to provide relevant technical services in a more efficient and diversified manner, so as to achieve the benefit of the supply chain localization.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
 - 6.1 Industry Supply Chain
 - 6.2 Supply Chain Management
- Appendix

6.2.2 Supply Chain Audit Effectiveness

Supplier Evaluation

To effectively manage suppliers, Sunny Friend recognizes suppliers that have a contractual amount of over NTD10 million as important suppliers since 2015. Important suppliers shall cooperate to implement evaluation and inspections. The Management Department will record purchases amounted over NTD10,000 in “Supplier Credit Record” and, together with the purchase requisition unit, evaluate suppliers on a quarterly basis. Suppliers that score lower than 70 in each quarter will be requested to make improvements accordingly; and the suppliers’ level of cooperation will be taken into consideration when signing a contract in the future. In 2023, all of our suppliers’ scores are above 70.

▼ The handling of violations during the contract fulfillment period:

Matters of violation Level of impact	Quality related matters	Occupational safety related matters	Environmental protection related matters	Business integrity related matters	ESG related matters (starting from 2019)
Minor violation, where improvements can be made	Request the supplier to take a corrective action	Request the supplier to take a corrective action	Make an improvement and propose preventive measures	Make an improvement and propose preventive measures	Make an improvement and propose preventive measures
Violation of a part of the contract, where our rights and interests are not affected	Improvement and preventive measures	Improvement and preventive measures	Make an improvement and propose preventive measures	Make an improvement and propose preventive measures	Make an improvement and propose preventive measures
Violation that seriously affect our rights and benefits; or no improvement can be made to the violation	Terminate the contract and request for compensation	Terminate the contract	Terminate the contract	Terminate the contract and refuse to cooperate in the future	Terminate the contract and refuse to cooperate in the future

Sunny Friend is an indicative environmental protection company in the country. Where any violation of environmental matters during the fulfillment of important contracts, it is a must to evaluate whether our rights and interests have been affected at priority. Where the said violation is significant, it is a must to terminate the contract. In 2024, Sunny Friend has 10 important suppliers and 137 minor occupational safety incidents, to which improvements can be made, occurred during their fulfillment of contract. Upon occurrence of the accident, we already requested the suppliers to take a corrective action and enhance patrol works to prevent the accident from happening again. As for other suppliers, there was no violation of aforesaid matter.

日友環保科技股份有限公司

採購及付款循環-供應商評鑑表

廠商名稱：

合約書編號：

年度：

項目	品質	技術	服務	其他	採購項目：
評鑑考 核內容	◆信用記錄 / 業界評價 ◆產品材料 品質 ◆施工品質 及機具設備	◆廠商與技 術支援方 面 ◆專業技術 能力 ◆申請單位 評價	◆提供之售 後服務 ◆整體服務 態度 ◆是否遵循 其他相關 協定 (如 保密)	◆專業經營 / 履約能 力 ◆交貨或工 程期限 ◆產品正確 度	使用單位： 合約期限： 合約條款： ☐ 誠信經營 ☐ 企業社會責任 廠商屬性： ☐ 長期 ☐ 短期(一次性的)
分數	25 分	25 分	25 分	25 分	得分 評鑑人員 說明
第一季(1-3月)	使用 單位				
	採購 單位				
第二季(4-6月)	使用 單位				
	採購 單位				
第三季(7-9月)	使用 單位				
	採購 單位				
第四季(10-12月)	使用 單位				
	採購 單位				
第一季 平均分數	第二季 平均分數	第三季 平均分數	第四季 平均分數	年度平均	

一、本表可由使用單位及採購單位指定適當人員進行評鑑。

二、合約均應載明供應商有不合誠信經營情事，本公司得列為不合格廠商，並拒絕交易往來。

三、每季總分 100 分，單季低於 70 分時，採購單位可就缺失項目要求廠商改善，並持續觀察改善情形。

四、本評鑑表可列為標約之參考文件。

五、如評鑑為重要供應商，除填寫本表外，尚須依履約履歷「供應商企業社會責任自評表」及「供應商初
廠紀錄表」。

版本 4：2024 年 1 月 1 日起適用

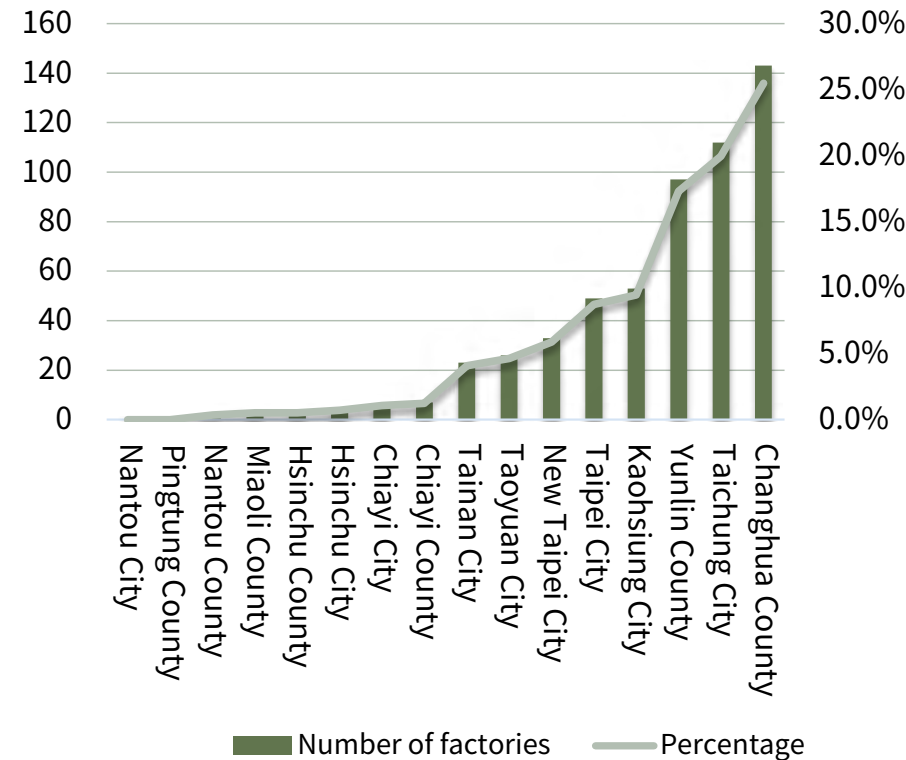
CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
 - 6.1 Industry Supply Chain
 - 6.2 Supply Chain Management
- Appendix

Local Procurement – Better fulfillment of Environmental Social Governance

The Company has been proactively promoting the procurement policy of “regional suppliers” to avoid long-distance energy-consuming transport, except for special suppliers, low-cost suppliers or purchases of special objects. As our Yunlin Plant is located in Yunlin County and Zhangbin Plant is located in Changhua, we have, by taking the distribution of 2024 suppliers as an example, 62.7% of local suppliers that are located in counties and cities (including Yunlin County, Changhua County and Taichung City) nearby Yunlin Plant and Zhang Plant. This type of partnership enables us not only to give backs to local communities and well-use local resources, but also to increase our interactions with local suppliers. The distribution of our suppliers in 2024 is as follows.

▼ Distribution Map of Sunny Friend’s Suppliers



▼ A procurement overview of 2022-2024

	2022	2023	2024	Total	Notes
Change to recyclable materials	12,250,698	0	0	12,250,698	Procurement of dumpsters
ECO and energy-saving related labels	14,653,386	12,217,731	15,229,660	42,100,777	Primarily equipment, raw materials, air-conditioners, computers and so on
Eco-friendly ink-printing	115,700	119,700	124,600	360,000	Northern Lapwing Literary Magazine
Total	27,019,784	12,337,431	15,354,260	54,711,475	-

Apart from promoting local procurement, the Company also upholds the philosophy of “being a new environment creator” to minimize environmental impacts and proactively follow the government’s eco-friendly policy. For example, during the outsourcing and procurement process, we always take recyclable and reusable materials, green building materials and products with the eco/energy-saving label into the first priority. In 2024 the amount of environmental protection-related purchases is NT\$ 15,354,260 where the procured items are as illustrated in above table.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
 - 6.1 Industry Supply Chain
 - 6.2 Supply Chain Management
- Appendix

Occupational Safety and Quality Assurance – Request suppliers to implement occupational safety requirements

All of Sunny Friend’s domestic and overseas suppliers are legal companies and are therefore bounded by environmental protection, fire-fighting and labor safety laws and regulations. Besides, our suppliers shall, during their operations at Sunny Friend, carry out safety related trainings and conduct irregular construction inspection works to ensure operational safety. In addition, in order to ensure the safety of contractors entering the factory, Yunlin factory and Changbin factory underwrite third-party public accident insurance to avoid risks caused by negligence in operations.

▼ List of fines for the violation of occupational safety and health regulations

Violation items	Penalty unit	Penalty amount
Subcontractors’ personnel violate the rules that must be complied with when entering the plant.	Each person	NTD500
Where there is a hazard or fall risk at the construction site, the subcontractor fails to make preventive measures and remains so upon receipt of notification for improvement.	Each time	NTD1,000
Any compensations, penalty or damage of image derived from the subcontractor during the construction period.	Each time	Depends on the loss amount
Subcontractors who violate Sunny Friend’s occupational safety and health rules for more than 3 times will be prohibited to undertake the Company’s construction works.	More than three times of violation	Will be banned to undertake any of the Company’s projects

Description : The violation penalty shall be paid by the subcontractor.



▲ Regular inspections are performed to ensure that suppliers maintain a strong focus on on-site operational safety.

CONTENTS

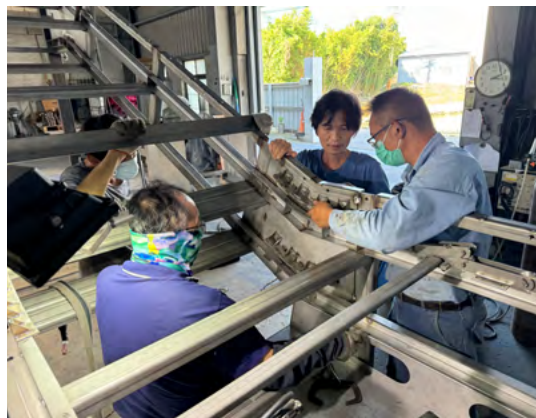
- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
- 6.1 Industry Supply Chain
- 6.2 Supply Chain Management

Appendix

Business Integrity – Pursue for sustainable growth together

Management Department requests suppliers with a contractual amount of over NTD10 million (non-trading amount) to fill in “ESG Self-Assessment for Suppliers” at the end of each year. The contents of the self-assessment includes: suppliers’ level of environmental friendliness; compliance with environmental protection policy, making sure that there is no major negative impact to the environment and no violation of environmental regulations; the priority of adopting green products, including those with an eco-friendly label, energy-saving label and water-saving labels; no discrimination against workers’ gender, race, age, marital status and family conditions, where employees’ compensation, employment conditions, trainings and promotion opportunity are determined on the same basis; compliance with occupational safety and health regulations to offer employees a safe and health workplace; protection of employees legal rights and interests; and so on.

The self-assessment shall be completed and returned to Sunny Friend at the end of each year for a statistical analysis. In 2024, 10 self-assessment forms were returned to the Company and no abnormality was found. In view of the accuracy of self-assessment, the Company also carries out on-site visits and inspections to important suppliers.



▲ To ensure the suppliers' performance, the Company accompanies relevant units to the site for a joint inspection.

供應商企業社會責任自評表

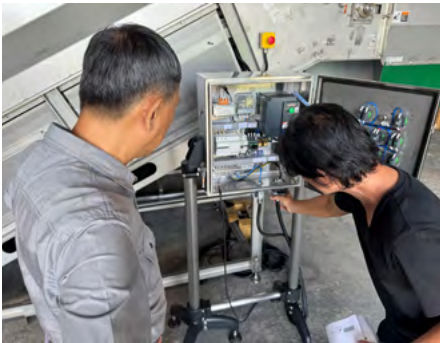
本公司_____為日友環保科技股份有限公司之供應商，對環境保護、安全、衛生、人權與勞動實務自評如下：

項次	自評項目	是 (打✓)	否 (打×)
一	本公司響應環境保護，進行環保節能管理措施，有效落實環境永續發展。		
二	本公司在公司營運作業與提供的產品及服務，均有特別注意不對環境產生重大負面影響或違反環保法規等情事，各項營運均應符合環保政策。		
三	本公司響應綠色採購，優先採用具有環保標章、能源標章、省水標章認證等環保產品。		
四	本公司雇用政策無性別、種族、年齡、婚娶與家庭狀況等差別待遇，落實報酬、雇用條件、訓練與升遷機會之平等。		
五	本公司提供員工相關安全與衛生的教育訓練，防止意外或事故的發生。		
六	本公司保障員工基本勞動人權，禁止聘僱 16 歲以下童工，屏除各種形式之強迫勞動，並無危害勞工基本權利之情事。		
七	本公司皆遵守職業安全衛生相關法規，致力於提供員工安全與健康之工作環境並保障員工合法之權益。		
八	其他之企業社會責任說明		
供應商基本資料			
填表人：		主要負責項目：	
部門/職銜：		供應日友公司之產品或服務：	
聯絡電話：		2024 年供應總金額：	
聯絡地址：			
填表日期：			

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
 - 6.1 Industry Supply Chain
 - 6.2 Supply Chain Management
- Appendix

The purchase requisition unit shall, depending on actual needs, accompany the procurement unit to conduct on-site inspections irregularly and fill in “Supplier Site Visit Report”. The said inspections aim to check suppliers’ regulatory compliance from the aspects of managements, such as Company Act, Labor Standard Act and Waste Disposal Act; to evaluate suppliers’ employee trainings, safety operating procedures and business integrity, ensuring that all business activities are conducted in a fair and transparent manner; and to evaluate the quality of suppliers products, techniques and services, such as the quality policy for documentation, quality audit process and evaluation on the reduction of hazardous production process. During on-site visits, it is also important to evaluate suppliers’ business sustainability and partnership therewith. For example, suppliers’ business sustainability; if the supplier undertakes any product, technique or service from a well-known enterprise; and if the supplier has been positively or negatively reported or has any public information. In 2024 Sunny Friend inspected 10 suppliers according to the project progress and none of.



▲ On-site visits to and communication with suppliers according to the project progress

日友環保科技股份有限公司 供應商訪廠紀錄表

廠商名稱： ☐ 初次訪視評核 ☐ 年度訪視評核

區域： ☐ 元長廠 ☐ 彰濱廠 主要採購項目：

日期		合約資料		供應商受訪人	日友訪視人員
年 月 日		合約編號：			
		合約區間：			
		合約金額：			
項目	內容			說明	評分
經營與內部管理 (20 分)	1.是否為政府合法立案？(公司登記文件：)				
	2.是否建立作業流程的標準化？				
	3.重視誠信經營，有無償信問題？				
	4.資訊公開，有無不正當收益？				
	5.持續改善作業流程，增購新式設備？				
	6.勞動條件各方面是否符合勞動基準法規範？是否有勞安罰單？				
人權與安全衛生 (20 分)	7.建置安全衛生的作業環境？				
	8.是否重視員工培訓與成長。(專業證照、教育訓練)				
	9.保障員工基本勞動人權，是否雇用童工或非法勞工？				
	10.是否有歧視、差別待遇或各種形式之強迫勞動？				
環保與社會責任 (20 分)	11.應遵守環保法規及規範，是否有環保罰單？				
	12.作業中產生之廢棄物處理程序是否符合規定？				
	13.廢棄物減量並提昇資源回收再利用的比例？				
	14.響應綠色採購，是否優先採用環保標章、節能標章…等環保產品？				
	15.是否關懷地方，營造企業社會責任？				
技術與產品品質 (20 分)	16.是否有建立相關的品質政策？(適當標示管理或認證)				
	17.是否有建立內部品質稽核流程？(先進先出、品質控管)				
	18.履行契約期間之品質、技術、服務是否符合公司需求？				
	19.產品、技術、服務之品質、價格穩定合理？				
	20.訪廠期間是否強化包裝材料，減少有書製程？				
永續經營及夥伴關係 (20 分)	21.業務穩定性，是否提供穩定的供貨量？				
	22.近五年是否承接知名企業之產品、技術或服務？例如：				
	23.與日友是否建立良好的溝通平台並維持夥伴關係？				
	24.供應商評鑑表及供應商企業社會責任自評表是否正確？				
	25.其他(正負面報導或公開資訊)：				
等級	☐ 優良 90 分(含) 以上	☐ 良好 80 分(含) 以上	☐ 不合格 未滿 70 分	總分	
建議事項：					

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain
 - 6.1 Industry Supply Chain
 - 6.2 Supply Chain Management
- Appendix

Supplier Management Effectiveness and Penalties

To establish a long-term partnership with suppliers, Sunny Friend is devoted to guide suppliers for a long-term partnership in order to establish a stable and sustainable supply chain and to reduce operating risks. Not only shall all of our suppliers comply with Sunny Friend’s “Supplier Management Policy” and “Business Integrity Rules”, but we have also stipulated “Subcontractor Evaluation and Control Procedures”, hoping that our subcontractors will facilitate the growth of supply chain.

	Supplier evaluation	ESG self-assessment	On-site visits to suppliers	Communication with and trainings of the suppliers	Suppliers Meeting
Content	Management Department accompanies the purchase requisition unit to evaluate suppliers on a quarterly basis; suppliers with a score lower than 70 in the quarter will be requested to make improvements accordingly.	Management Department requests suppliers with a contractual amount of over NTD10 million (non-trading amount) to fill in “ESG Self-Assessment for Suppliers” at the end of each year; the forms are then collected for statistics	The procurement unit will, according to the contractual amount (non-trading amount), request the use unit or Management Department (or the General Affairs Office in the case of Zhangbin Plant) to visit suppliers and fill in “Supplier Site Visit Report” at the end of each year; the forms are then collected for statistics and listed in ESG report	The Supplier Site Visit Report is used to communicate with the suppliers and conduct trainings with respects to business and internal management; human rights, safety and health; environmental protection and social responsibilities; technology and product quality; and sustainable business and partnership.	Convene a meeting of suppliers or establish a consultative organization for important suppliers based on actual needs to negotiate improvement relevant matters during the subcontracting period; and publicly praise quality suppliers.
Penalties and punishments	Suppliers that violate quality or occupational safety relevant rules during the course of performance will be imposed with penalties in accordance with “Standard Penalty Chart for Occupational Safety and Health Violation of Subcontractors”. Where the said suppliers fail to make a correction will be marked in supplier evaluation form.	Such as a poor performance in ESG self-assessment. If it is the case, Sunny Friend will discuss the matter with the supplier for making an improvement accordingly.	Environmental protection is the first priority for inspections at supplier site. Where the supplier violates environmental protection during the course of performance, it is a must to firstly evaluate whether our rights and benefits will be affected. If the situation is deemed serious, the contract may be terminated.	Occupational safety trainings for suppliers who enter the site for constructions works for the first time, and announcement of relevant operations.	Work coordination and improvement meetings for construction suppliers during the construction period.

In 2024 the new “supplier integrity terms and conditions” were added to all contracts (Total 92); and the 10 important suppliers have filled in and returned the “ESG Self-Assessment Form for Suppliers”. We have included the questionnaire statistical results in the criteria of evaluating procurement suppliers. Apart from suppliers’ self-assessment, “on-site visits to suppliers” were also carried in 2017. The statistical results of the said surveys will be analyzed and used to select outstanding suppliers, namely those who share the same or similar ESG philosophy with us.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

GRI Standards Index
SASB Standards Index
Climate-Related Information

Appendix

GRI Standards Index
SASB Standards Index
Climate-Related Disclosures

GRI Standards Index

Instructions for use: The ESG information for the period from January 1 to December 31, 2024, has been reported in accordance with the GRI Standards.
 GRI 1 used: GRI 1 basis 2021.

General disclosure

GRI Standards	Disclosure Items	Corresponding chapter	Page	Omission Statement	
				Omitted Disclosure(s)	Reason and Explanation
GRI 2: General disclosure 2021	2-1 Organization information in details	2.1.1 Basic Information	23	NA	
	2-2 Entities included in the organizational ESG report	1.1.3 Reporting Boundary and Scope	3		
	2-3 Period, frequency and contact person of report	1.1.1 Reporting Period	3		
		1.1.6 Contact Information	5		
	2-4 Information restatement	1.1.4 Restatement of Information	4		
	2-5 External warranty / assurance	1.1.7 External Assurance	5		
	2-6 Activities, value chain and other commercial relationships	6.1.2 Supply Chain Structure	99	—	—
	2-7 Employees	2.1.1 Governance Structure	23	—	—
		3.1.2 Talent Recruitment	50		
	2-8 Non-employee workers	3.1.2 Talent Recruitment	50	—	—
	2-9 Governance structure and composition	2.2.1 Governance Structure	28	—	—
		2.2.2 Functional Committees	32		
	2-10 Nomination and election of top management	2.2.1 Governance Structure	28	—	—
	2-11 Chair of top management	2.2.1 Governance Structure	28	—	—
	2-12 The role of top management in supervising impact management	1.4.1 Material Topic Assessment Process	11	—	—
		1.4.2 Management of Material Topic Impacts	13		
	2-13 Person in charge of impact management	1.4.1 Material Topic Assessment Process	11	—	—
		1.4.2 Management of Material Topic Impacts	13		

CONTENTS

1 General Information

2 Corporate Governance

3 Employee Wellbeing

4 Shared Prosperity with Society

5 Environmental Stewardship

6 Sustainable Supply Chain

Appendix

GRI Standards Index

SASB Standards Index

Climate-Related Information

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

- GRI Standards Index
- SASB Standards Index
- Climate-Related Information

GRI Standards	Disclosure Items	Corresponding chapter	Page	Omission Statement	
				Omitted Disclosure(s)	Reason and Explanation
GRI 2: General disclosure 2021	2-14 The role of top management in ESG report	1.4.1 Material Topic Assessment Process	11	—	—
	2-15 Conflict of interests	2.2.1 Governance Structure	28	—	—
	2-16 Communications of key materiality events	2.2.2 Functional Committees	32	—	—
	2-17 Collective intelligence of top management	2.2.1 Governance Structure	28	—	—
	2-18 Performance evaluation of top management	2.2.1 Governance Structure	28	—	—
	2-19 Remuneration policy	2.2.1 Governance Structure	28	—	—
	2-20 Remuneration decision process	2.2.1 Governance Structure	28	—	—
	2-21 Annual total remuneration percentage	3.2.1 Equitable and Competitive Compensation	55	—	—
	2-22 Statement of sustainable development strategy	1.2.1 Words from Chairman	6	—	—
	2-23 Policy commitment	2.4.1 Ethical Management	35	—	—
		2.4.2 Human Rights Policy	39		
	2-24 Inclusion of policy commitment	2.4.1 Ethical Management	35	—	—
		2.4.2 Human Rights Policy	39		
	2-25 Procedure for negative impact remediation	1.4.2 Management of Material Topic Impacts	13	—	—
	2-26 Mechanism to seek suggestions and propose concerns	2.4.1 Ethical Management	35	—	—
		2.4.2 Human Rights Policy	39		
	2-27 Regulatory compliance	2.4.3 Regulatory Compliance	40	—	—
	2-28 Association membership	2.1.1 Basic Information	23	—	—
	2-29 Stakeholder engagement guidelines	1.3.1 Stakeholder Identification	8	—	—
		1.3.2 Stakeholder Engagement	8		
	2-30 Collective agreement	3.1.3 Labor-Management Agreements	55	—	—
GRI 3 : Materiality issues 2021	3-1 Process to determine materiality issues	1.4.1 Material Topic Assessment Process	11	NA	
	3-2 Materiality issue list	1.4.2 Management of Material Topic Impacts	13		

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

- GRI Standards Index
- SASB Standards Index
- Climate-Related Information

Materiality issue disclosure

GRI Standards	Disclosure Items	Corresponding chapter	Page	Omission Statement	
				Omitted Disclosure(s)	Reason and Explanation
Ethical Management					
3-3 Materiality issue management		2.4.1 Ethical Management	35	—	—
GRI 205 : Anti-corruption 2016	205-2 Communications and training of anti-corruption policy and procedure	2.4.1 Ethical Management	35	—	—
	205-3 Identified corruption events and actions taken	2.4.1 Ethical Management	35	—	—
Economic performance					
3-3 Materiality issue management		2.3.1 Economic Value	33	—	—
GRI 201 : Economic performance 2016	201-1 Direct economic values generated and distributed by organization	2.3.1 Economic Value	33	—	—
	201-4 Financial assistance received from government	2.3.1 Economic Value	33	—	—
GHG emission					
3-3 Materiality issue management		5.2.1 Greenhouse Gas (GHG) Inventory	84	—	—
		5.2.2 Greenhouse Gas (GHG) Emissions Reduction	86		
GRI 305 : Emissions 2016	305-1 Direct (Scope 1) GHG emissions	5.2.1 Greenhouse Gas (GHG) Inventory	84	—	—
	305-2 Energy indirect (Scope 2) GHG emissions	5.2.1 Greenhouse Gas (GHG) Inventory	84	—	—
	305-3 Other indirect (Scope 3) GHG emissions	5.2.1 Greenhouse Gas (GHG) Inventory	84	—	—
	305-4 GHG emissions intensity	5.2.1 Greenhouse Gas (GHG) Inventory	84	—	—
Waste					
3-3 Materiality issue management		5.4 Waste Management	92	—	—
		5.4.1 Waste Management Policy	92		
		5.4.2 Waste Removal and Disposal	95		
GRI 306 : Waste 2020	306-1 Waste generation and significant waste-related impacts	5.4.1 Waste Management Policy	92	—	—
	306-2 Management of significant waste-related impacts	5.4.1 Waste Management Policy	92	—	—
	306-3 Waste generated	5.4.2 Waste Removal and Disposal	95	—	—
	306-4 Waste diverted from disposal	5.4.2 Waste Removal and Disposal	95	—	—
	306-5 Waste directed to disposal	5.4.2 Waste Removal and Disposal	95	—	—
Air Quality					
3-3 Materiality issue management		5.2.3 Other Air Pollutant Emissions	87	—	—
GRI 305 : Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	5.2.3 Other Air Pollutant Emissions	87	—	—

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

- GRI Standards Index
- SASB Standards Index
- Climate-Related Information

GRI Standards	Disclosure Items	Corresponding chapter	Page	Omission Statement	
				Omitted Disclosure(s)	Reason and Explanation
Energy					
3-3 Materiality issue management		5.1.1 Energy Consumption	83	—	—
		5.1.2 Energy Conservation Measures	84		
GRI 302 : Energy 2016	302-1 Energy consumption within the organization	5.1.1 Energy Consumption	83	—	—
	302-3 Energy intensity	5.1.1 Energy Consumption	83	—	—
Employee welfare and salary					
3-3 Materiality issue management		3.2 Compensation and Benefits	55	—	—
		3.2.1 Equitable and Competitive Compensation	55		
		3.2.2 Comprehensive Employee Benefits	57		
		3.2.3 Family-Friendly Workplace Initiatives	58		
GRI 201 : Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	3.2.2 Comprehensive Employee Benefits	57	—	—
GRI 202 : Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	3.2.1 Equitable and Competitive Compensation	55	—	—
GRI 401 : Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.2.2 Comprehensive Employee Benefits	57	—	—
	401-3 Parental leave	3.2.3 Family-Friendly Workplace Initiatives	58	—	—
Labor-Management Communication					
3-3 Materiality issue management		3.1.3 Labor-Management Agreements	55	—	—
GRI 402 : Labor/Management Relations	402-1 Minimum notice periods regarding operational changes	3.1.2 Talent Recruitment	50	—	—
Occupational safety and health					
3-3 Materiality issue management		3.4 Workplace Health and Safety	61	—	—
		3.4.1 Occupational Health and Safety Management	61		
		3.4.2 Occupational Injuries and Work-related Ill Health	65		
GRI 403 : Occupational Health and Safety 2018	403-1 Occupational safety and health management system	3.4.1 Occupational Health and Safety Management	61	—	—
	403-2 Hazard identification, risk assessment and incident investigation	3.4.1 Occupational Health and Safety Management	61	—	—
	403-3 Occupational health service	3.4.1 Occupational Health and Safety Management	61	—	—
	403-4 Worker participation, counseling and communications related to occupational safety and health	3.4.1 Occupational Health and Safety Management	61	—	—
	403-5 Worker training related to occupational safety and health	3.4.1 Occupational Health and Safety Management	61	—	—
	403-6 Worker's health improvement	3.4.1 Occupational Health and Safety Management	61	—	—
	403-7 Prevention and mitigation of occupational safety and health impacts directly linked to business relationship	3.4.1 Occupational Health and Safety Management	61	—	—
	403-8 Workers covered by an occupational health and safety management system	3.4.1 Occupational Health and Safety Management	61	—	—
	403-9 Work-related injuries	3.4.2 Occupational Injuries and Work-related Ill Health	65	—	—
	403-10 Work-related ill health	3.4.2 Occupational Injuries and Work-related Ill Health	65	—	—

CONTENTS

1

General Information

2

Corporate Governance

3

Employee Wellbeing

4

Shared Prosperity with Society

5

Environmental Stewardship

6

Sustainable Supply Chain

Appendix

GRI Standards Index

SASB Standards Index

Climate-Related Information

Topic-specific Disclosures

GRI Standards	Disclosure Items	Corresponding chapter	Page	Omission Statement	
				Omitted Disclosure(s)	Reason and Explanation
GRI 202 : Market Presence 2016	202-2 Proportion of senior management hired from the local community	3.1.2 Talent Recruitment	50	—	—
GRI 303 : Water and Effluents 2018	303-3 Water withdrawal	5.3.2 Water Withdrawal, Discharge, and Consumption	91	—	—
	303-4 Water discharge	5.3.2 Water Withdrawal, Discharge, and Consumption	91	—	—
	303-5 Water consumption	5.3.2 Water Withdrawal, Discharge, and Consumption	91	—	—
GRI 401 : Employment 2016	401-1 New employee hires and employee turnover	3.1.2 Talent Recruitment	50	—	—
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.2.1 Governance Structure	28	—	—
		3.1.2 Talent Recruitment	50		

Instructions for use : The ESG information for the period from January 1 to December 31, 2024, has been reported in accordance with the SASB Standards.

General disclosure

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

- GRI Standards Index
- SASB Standards Index
- Climate-Related Information

Metric Category	SASB Metric Code	Disclosure Topic	Disclosure Items	Type	Quantity	Units	Corresponding chapter	Page	Omission Statement	
									Omitted Disclosure(s)	Reason and Explanation
Metric	IF-WM-110a.1	Greenhouse Gas Emissions	Under emissions limits and emissions reporting regulations: Scope 1 greenhouse gas (GHG) emissions	Quantitative Percentage of Scope 1 emissions subject to emissions-limiting regulations and reporting requirements	132707.333	tCO ₂ e	5.2.1 Greenhouse Gas (GHG) Inventory	84	—	—
			Percentage of Scope 1 emissions subject to emissions-limiting regulations or reporting requirements		92.1	Percentage (%)	5.2.1 Greenhouse Gas (GHG) Inventory	84	—	—
Metric	IF-WM-110a.2	Greenhouse Gas Emissions	(1) Volume of landfill gas generated	Quantitative	—	MMBtu	—	—	Volume of landfill gas generated	The stabilized materials landfilled are inorganic in nature and do not generate landfill gas.
			(2) Percentage of landfill gas used as fuel		—	Percentage (%)	—	—	Percentage of fuel from landfill gas	The stabilized materials landfilled are inorganic in nature and do not generate landfill gas.
			(3) Percentage of landfill gas used for energy generation		—	Percentage (%)	—	—	Percentage of landfill gas used for energy generation	The stabilized materials landfilled are inorganic in nature and do not generate landfill gas.
Metric	IF-WM-110a.3	Greenhouse Gas Emissions	For Scope 1 emissions (1) Discussion of short-term and long-term strategies or management plans for GHG reduction	Discussion and Analysis For Scope 1 emissions (2) Performance analysis of progress toward related targets	—	—	5.2.2 Greenhouse Gas (GHG) Emissions Reduction	86	—	—
			For Scope 1 emissions (2) Analysis of performance against GHG emissions reduction targets		—	—	5.2.2 Greenhouse Gas (GHG) Emissions Reduction	86	—	—
Metric	IF-WM-110b.1	Fleet Fuel Management	(1) Total fuel consumed	Quantitative	—	GJ	—	—	Total fuel consumed	The Company operates as a waste treatment facility and does not own or manage a vehicle fleet; therefore, this metric is not applicable.
			(2) Percentage of fuel consumed that is natural gas		—	Percentage (%)	—	—	Percentage of fuel consumed that is natural gas	The Company operates as a waste treatment facility and does not own or manage a vehicle fleet; therefore, this metric is not applicable.
			(3) Percentage of energy consumed from renewable sources		—	Percentage (%)	—	—	Percentage of energy consumed that is from renewable sources	The Company operates as a waste treatment facility and does not own or manage a vehicle fleet; therefore, this metric is not applicable.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

- GRI Standards Index
- SASB Standards Index
- Climate-Related Information

Metric Category	SASB Metric Code	Disclosure Topic	Disclosure Items	Type	Quantity	Units	Corresponding chapter	Page	Omission Statement	
									Omitted Disclosure(s)	Reason and Explanation
Metric	IF-WM-110b.2	Fleet Fuel Management	Percentage of fleet using alternative fuel vehicles	Quantitative	—	Percentage (%)	—	—	Percentage of fleet using alternative fuel vehicles	The Company operates as a waste treatment facility and does not own or manage a vehicle fleet; therefore, this metric is not applicable.
Metric	IF-WM-120a.1	Air Quality	(1) Emissions of nitrogen oxides (NO _x), excluding nitrous oxide (N ₂ O)	Quantitative	65.557	tonne	5.2.3 Other Air Pollutant Emissions	87	—	—
			(2) Emissions of sulfur oxides (SO _x)		27.224	tonne	5.2.3 Other Air Pollutant Emissions	87	—	—
			(3) Emissions of volatile organic compounds (VOCs)		26.861	tonne	5.2.3 Other Air Pollutant Emissions	87	—	—
			(4) Emissions of hazardous air pollutants (HAPs)		0	tonne	5.2.3 Other Air Pollutant Emissions	87	—	—
Metric	IF-WM-120a.2	Air Quality	Facilities or operations located in or near densely populated areas	Quantitative	—	Quantity	—	—	Number of facilities located in or near densely populated areas	Not applicable; no incidents occurred during the reporting period.
Metric	IF-WM-120a.3	Air Quality	Number of incidents of non-compliance with air quality permits, standards, or regulations	Quantitative	0	Quantity	2.4.3 Regulatory Compliance	40	—	—
Metric	IF-WM-150a.1	Leachate and Hazardous Waste Management	(1) Total amount of substances released that are listed in the Toxics Release Inventory (TRI)	Quantitative	35686	tonne	5.4.1 Waste Management Policy	92	—	—
			(2) Percentage of TRI-listed substances released to water		—	Percentage (%)	—	—	Percentage of emissions discharged to water	Not applicable; no incidents occurred during the reporting period.
Metric	IF-WM-150a.2	Leachate and Hazardous Waste Management	Number of corrective actions taken related to releases to landfills	Quantitative	0	Quantity	5.4.1 Waste Management Policy	92	—	—
Metric	IF-WM-150a.3	Leachate and Hazardous Waste Management	Number of violations related to environmental impacts	Quantitative	0	Quantity	2.4.3 Regulatory Compliance	40	—	—
Metric	IF-WM-310a.1	Labor Practices	Percentage of active workforce covered under collective bargaining agreements	Quantitative	100	Percentage (%)	3.1.3 Labor-Management Agreements	55	—	—
Metric	IF-WM-310a.2	Labor Practices	(1) Number of work stoppages	Quantitative	0	Quantity	2.4.2 Human Rights Policy	39	—	—
			(2) Total number of idle days due to work stoppages		0	Idle Days	2.4.2 Human Rights Policy	39	—	—

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

GRI Standards Index
SASB Standards Index
Climate-Related Information

Metric Category	SASB Metric Code	Disclosure Topic	Disclosure Items	Type	Quantity	Units	Corresponding chapter	Page	Omission Statement	
									Omitted Disclosure(s)	Reason and Explanation
Metric	IF-WM-320a.1	Workforce Health and Safety	Direct Employees and Contract/Temporary Workers (1) Recordable Incident Rate	Quantitative Direct Employees and Contract/Temporary Workers (2) Fatality Rate Direct Employees and Contract/Temporary Workers (3) Near Miss Frequency Rate	—	Ratio	—	—	Outsourcer/ Temporary Workers (1) Recordable Incident Rate	Not quantified during the reporting period
			Direct Employees and Contract/Temporary Workers (2) Fatality Rate		—	Ratio	—	—	Outsourcer/ Temporary Workers (2) Fatality Rate	Not quantified during the reporting period
			Direct Employees and Contract/Temporary Workers (3) Near Miss Frequency Rate		—	Ratio	—	—	Outsourcer/ Temporary Workers (3) Near Miss Frequency Rate	Not quantified during the reporting period
Metric	IF-WM-320a.3	Workforce Health and Safety	Number of Road Transportation Incidents	Quantitative	—	Quantity	—	—	Number of Road Transportation Incidents	Not applicable; no incidents occurred during the reporting period.
Metric	IF-WM-420a.1	Materials Recycling	(1) Amount of Waste Incinerated	Quantitative (2) Percentage of Hazardous Waste (3) Percentage of Waste Used for Energy Recovery	59448	tonne	5.4.1 Waste Management Policy	92	—	—
			(2) Percentage of Hazardous Waste		60	Percentage (%)	5.4.1 Waste Management Policy	92	—	—
			(3) Percentage of Waste Used for Energy Recovery		—	Percentage (%)	—	—	Percentage of energy recovered	The company did not receive any recovered materials
Metric	IF-WM-420a.2	Materials Recycling	By Customer Type: (1) Percentage of Customers Participating in Recycling Programs	Quantitative By Customer Type: (2) Percentage of Customers Participating in Composting Programs	—	Percentage (%)	—	—	By Customer Type: (1) Percentage of Customers Participating in Recycling Programs	No recovered thermal energy during the reporting period
			By Customer Type: (2) Percentage of Customers Participating in Composting Programs		—	Percentage (%)	—	—	By Customer Type: (2) Percentage of Customers Participating in Composting Programs	No clients or customers of the Company's services currently accept compostable materials.
Metric	IF-WM-420a.3	Materials Recycling	By Waste Treatment Type: (1) Amount Recycled	Quantitative By Waste Treatment Type: (2) Amount Composted By Waste Treatment Type: (3) Amount of Waste Converted to Energy	—	tonne	—	—	By Waste Treatment Type: (1) Amount Recycled	Not applicable; no incidents occurred during the reporting period.
			By Waste Treatment Type: (2) Amount Composted		—	tonne	—	—	By Waste Treatment Type: (2) Amount Composted	Not applicable; no incidents occurred during the reporting period.
			By Waste Treatment Type: (3) Amount of Waste Converted to Energy		—	tonne	—	—	By Waste Treatment Type: (3) Amount of Waste Converted to Energy	Not applicable; no incidents occurred during the reporting period.

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

- GRI Standards Index
- SASB Standards Index
- Climate-Related Information

Metric Category	SASB Metric Code	Disclosure Topic	Disclosure Items	Type	Quantity	Units	Corresponding chapter	Page	Omission Statement	
									Omitted Disclosure(s)	Reason and Explanation
Metric	IF-WM-420a.4	Resource Recovery	Weight of electronic waste collected	Quantitative	—	tonne	—	—	Weight of electronic waste collected	Not applicable; no incidents occurred during the reporting period.
			Percentage of electronic waste recycled	Percentage of electronic waste that is recycled	—	Percentage (%)	—	—	Percentage of electronic waste that is recycled	Not applicable; no incidents occurred during the reporting period.
Activity Metric	IF-WM-000.A		Number of customers by category: (1) Municipal	Quantitative	—	Quantity	—	—	Number of customers by category: (1) Municipal	Customer data by category has not yet been disaggregated.
			Number of customers by category: (2) Commercial	Number of customers by category: (2) Commercial	—	Quantity	—	—	Number of customers by category: (2) Commercial	Customer data by category has not yet been disaggregated.
			Number of customers by category: (3) Industrial	Number of customers by category: (3) Industrial	—	Quantity	—	—	Number of customers by category: (3) Industrial	Customer data by category has not yet been disaggregated.
			Number of customers by category: (4) Residential	Number of customers by category: (4) Residential	—	Quantity	—	—	Number of customers by category: (4) Residential	Customer data by category has not yet been disaggregated.
			Number of customers by category: (5) Other	Number of customers by category: (5) Other	—	Quantity	—	—	Number of customers by category: (5) Other	Customer data by category was not disaggregated during the reporting period.
Activity Metric	IF-WM-000.B		Size of transportation fleet	Quantitative	—	Quantity	—	—	Size of transportation fleet	Not applicable; no incidents occurred during the reporting period.
Activity Metric	IF-WM-000.C		Number of facilities: (1) Landfills	Quantitative	4	Quantity	5.4.1 Waste Management Policy	92		
			Number of facilities: (2) Transfer stations		—	Quantity	—	—	Number of facilities: (2) Transfer stations	As a waste treatment facility, the Company does not operate a municipal solid waste transfer station.
			Number of facilities: (3) Recycling centers		—	Quantity	—	—	Number of facilities: (3) Recycling centers	As a waste treatment facility, the Company does not operate a recycling center.
			Number of facilities: (4) Composting facilities		—	Quantity	—	—	Number of facilities: (4) Composting facilities	As a waste treatment facility, the Company does not operate a composting facility.
			Number of facilities: (5) Incinerators		4	Quantity	5.4.1 Waste Management Policy	92	—	—
			Number of facilities: (6) Other facilities		2	Quantity	5.4.1 Waste Management Policy	92	—	—

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

- GRI Standards Index
- SASB Standards Index
- Climate-Related Information

Metric Category	SASB Metric Code	Disclosure Topic	Disclosure Items	Type	Quantity	Units	Corresponding chapter	Page	Omission Statement	
									Omitted Disclosure(s)	Reason and Explanation
Activity Metric	IF-WM-000.D		Amount managed, by customer category: (1) Municipal	Quantitative Amount managed, by customer category: (2) Commercial Amount managed, by customer category: (3) Industrial Amount managed, by customer category: (4) Residential Amount managed, by customer category: (5) Other	—	tonne	—	—	Amount managed, by customer category: (1) Municipal	Not yet reporting amount managed, by customer category
			Amount managed, by customer category: (2) Commercial		—	tonne	—	—	Amount managed, by customer category: (2) Commercial	Not yet reporting amount managed, by customer category
			Amount managed, by customer category: (3) Industrial		—	tonne	—	—	Amount managed, by customer category: (3) Industrial	Not yet reporting amount managed, by customer category
			Amount managed, by customer category: (4) Residential		—	tonne	—	—	Amount managed, by customer category: (4) Residential	Not yet reporting amount managed, by customer category
			Amount managed, by customer category: (5) Other		—	tonne	—	—	Amount managed, by customer category: (5) Other	Not yet reporting amount managed, by customer category

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix

- GRI Standards Index
- SASB Standards Index
- Climate-Related Information

Climate-Related Information

Climate-Related Information of Listed Companies

▼ Climate Change Risks and Opportunities and the Company's Corresponding Mitigation and Adaptation Measures

Items	Implementation Status	Page
1. Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.	Please refer to 2.6.1 Climate Governance	44
2. Explain how the identified climate-related risks and opportunities impact the company's business, strategy, and financial planning over the short, medium, and long term.	Please refer to 2.6.3 Climate Risk and Opportunity Impact Assessment	46
3. Disclose the financial impacts of acute physical climate events and transition-related measures.	Extreme weather events, such as typhoons, droughts (low precipitation), heatwaves, and flooding (heavy rainfall), have been identified and assessed by the Company. However, these phenomena are not currently classified among the key material topics. Accordingly, no assessment related to transition actions has been conducted at this stage.	—
4. Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management framework.	Please refer to 2.5.1 Risk Identification and Mitigation Measures and 2.6.3 Climate Risk and Opportunity Impact Assessment	43、46
5. If scenario analysis is used to assess the resilience of the organization to climate-related risks, disclose the scenarios, parameters, assumptions, analytical factors, and major financial impacts considered.	None	—
6. If transition plans have been developed to manage climate-related risks, disclose the content of such plans, as well as the metrics and targets used to identify and manage physical and transition risks.	None	—
7. If internal carbon pricing is used as a strategic planning tool, disclose the basis for setting the carbon price.	None	—
8. If climate-related targets have been set, disclose the covered activities, relevant GHG emission scopes, planning timeframes, and annual progress toward these targets. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve targets, disclose the sources and volumes of the offsets or RECs used.	None	—
9. Disclose the status of greenhouse gas (GHG) inventories and assurance, along with emission reduction targets, strategies, and detailed action plans (to be reported separately in Sections 9-1 and 9-2).	Please refer to 5.2.1 Greenhouse Gas (GHG) Inventory and 5.2.2 Greenhouse Gas (GHG) Emissions Reduction	84、86

CONTENTS

- 1 General Information
- 2 Corporate Governance
- 3 Employee Wellbeing
- 4 Shared Prosperity with Society
- 5 Environmental Stewardship
- 6 Sustainable Supply Chain

Appendix
GRI Standards Index
SASB Standards Index
Climate-Related Information

9-1 Greenhouse Gas (GHG) Inventory and Assurance in the Past Two Years

▼ 9-1-1 GHG Inventory Information

Disclosure of GHG emissions (in metric tons of CO ₂ e), emission intensity (in metric tons CO ₂ e per million NTD), and the scope of data coverage for the past two reporting years.	Page
Please refer to 5.2.1 Greenhouse Gas (GHG) Inventory	84

▼ 9-1-2 GHG Assurance Information

Description of the GHG assurance conducted in the past two years, including the scope of assurance, assurance provider, assurance standards, and assurance opinion.	Page
None	—

9-2 GHG Reduction Targets, Strategies, and Action Plans

Disclosure of the GHG reduction base year and corresponding data, reduction targets, strategies, specific action plans, and the progress made toward achieving the reduction targets.	Page
Please refer to 5.2.2 Greenhouse Gas (GHG) Emissions Reduction	86





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Sustainability Report — 2 0 2 4