

RUENTEX

2025
ESG
REPORT

# SUSTAINABILITY REPORT 2025

Sunny Friend Environmental Technology Co., Ltd.

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# 1 General Information

## 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 2025 fiscal year (January 1, 2025 to December 31, 2025). The Company issues a Sustainability Report annually and makes it publicly available on our official website.

- Previous report publication date: August 2025
- Current report publication date: August 2026
- Next scheduled publication date: August 2027

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, 2025 or after December 31, 2025, 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

The reporting scope of this Report covers waste treatment operations in Taiwan. Accordingly, the reporting boundary primarily encompasses the operations of Sunny Friend Environmental Technology Co., Ltd., including the Yunlin Plant, Zhangbin Plant, and Taipei Office.

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.

### 1.1.4 Restatement of Information

No information presented in prior reporting periods has been restated in this Report.

### 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

Contact Department: Environmental Safety and Health Office, Sunny Friend Environmental Technology Co., Ltd.
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Address: No. 2, Zhangbin W. 5th Rd., Xianxi Township, Changhua County, Taiwan (R.O.C.)

### 1.1.7 External Assurance

External assurance has not been conducted for this reporting year.



# 1.2 Sustainability Strategy and Performance

## 1.2.1 Words from Chairman

As a leading provider of medical waste and hazardous industrial waste treatment services across Taiwan and Mainland China, Sunny Friend has remained steadfast in its core values of "self-management, technological innovation, environmental awareness, environmental stewardship, and continuous improvement" amid rapid changes in the global industrial landscape and the growing momentum toward sustainable development. By successfully introducing and applying advanced international technologies to the treatment of various types of hazardous waste in domestic and overseas markets, Sunny Friend continues to advance its development principles of "long-term vision, stability, growth, technology, and internationalization." The Company is steadily expanding its global footprint while creating broader and more enduring positive value for society.

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. Sunny Friend fully recognizes the critical role that businesses play in climate governance and continues to strengthen its sustainability management by integrating environmental, social, and governance (ESG) considerations into its operational decision-making processes. In response to the requirements set forth in the Sustainable Development Roadmap issued by the Financial Supervisory Commission (FSC), Sunny Friend completed the inventory and calculation of its standalone greenhouse gas (GHG) emissions for 2024 in 2025. To further expand the scope of its GHG inventory, the Company has also completed GHG inventory training for its subsidiaries in Mainland China and formally incorporated them into the organizational boundary of the GHG inventory. Relevant data collection is ongoing, laying a solid foundation for the formulation and implementation of future carbon reduction strategies.

On the social responsibility front, Sunny Friend's headquarters is located in Yuanchang Township, Yunlin County. Having maintained a strong local presence for many years, Sunny Friend remains committed to fostering harmonious community relations by actively giving back to local communities and supporting community well-being. The Company prioritizes the recruitment of local talent in the areas where it operates, thereby creating employment opportunities, strengthening local engagement and a sense of community belonging, and fulfilling its corporate responsibility to local communities. Sunny Friend also continues to invest in educational resources for rural and underserved areas. Its initiatives include funding book donations, organizing essay competitions, environmental science camps, and literary writing workshops, as well as publishing the Northern Lapwing Literary Magazine. In collaboration with the Global Views Education Foundation, the Company regularly donates publications, including Global Views Monthly, Future Children, and Future Youth. Through these sustained investments in educational resources, Sunny Friend aims to provide students in rural communities with greater access to learning opportunities, broaden their horizons, and empower them to explore new possibilities for the future.

In terms of corporate governance, Sunny Friend has continued to enhance its corporate governance framework since becoming a listed company, with a strong focus on improving its performance in the Corporate Governance Evaluation and responding to the expectations of regulatory authorities and society. Guided by the principle of ethical corporate management, Sunny Friend regularly reviews and updates its Corporate Governance Best Practice Principles and prepares sustainability reports in accordance with applicable regulatory requirements. Through continuous improvements to its organizational structure and greater operational transparency, the Company strengthens its ability to effectively identify and respond to evolving risks. In compliance with Paragraph 6, Article 14 of the Securities and Exchange Act, Sunny Friend has stipulated in its Articles of Incorporation that no less than 30% of the employee compensation allocated shall be distributed to non-managerial employees. This reflects the Company's recognition of the contributions and dedication of its frontline workforce. Through a fair and transparent remuneration allocation mechanism, Sunny Friend further strengthens its corporate governance practices, safeguards the rights and interests of non-managerial employees, and promotes fairness in corporate operations and sustainable, long-term development.

Looking ahead, Sunny Friend will continue to focus on professional waste treatment as its core business and 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*

## 1.2.2 Sustainability performance

### Environmental

- 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. At the Zhangbin Plant, a total of 265 T8 lighting fixtures were replaced with 36W LED fixtures, which are expected to reduce annual electricity consumption by 55,968 kWh.
- In-Depth Energy Efficiency Improvements for Energy-Intensive Equipment:
  1. At the Zhangbin Plant, the fixed-speed air compressor used in the solidification process was replaced with a variable-speed air compressor. This improvement is expected to reduce the equipment's annual electricity consumption by 10%, equivalent to approximately 65,700 kWh.
  2. At the Zhangbin Phase II Incineration Plant, the Company implemented an optimization project for the compressed air piping system to reduce pressure losses and enhance equipment efficiency. The project delivered significant energy-saving benefits and is expected to reduce annual electricity consumption by 33%, equivalent to approximately 963,600 kWh.
  3. At the Yunlin Plant, the Company assessed the operating conditions of its air compressors and reduced the number of units in operation to minimize unnecessary energy consumption. Following the improvement, annual electricity consumption is expected to decrease by approximately 130,000 kWh.
  4. 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 2025, a total of 289.230 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 was 39.119 million liters, with a recovery rate of 13.7%.

### Social

Community Engagement and Local Contribution Strategy:

- Community Care and Local Support: Funeral subsidies to 6 individuals, and winter relief support to 175 individuals.
- Educational Advancement: Sponsored participation of 61 individuals in a literature camp and 74 individuals in a science camp; awarded scholarships to 90 students; engaged 339 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:
  1. Received the "Excellence Award" in the 2025 Air Quality Purification Zone Evaluation organized by the Changhua County Government.
  2. Supported the government in addressing five social and environmental cases
  3. Maintained approximately 2,000 meters of coastal area through beach cleanup initiatives, with a total of 12 coastal cleanup activities completed.
  4. Adopted approximately 3.38 hectares of windbreak forest along the western and northern sides of the Fifth District Landfill and planted a total of 300 trees.

### Governance

- To support energy conservation while advancing sustainable development, enhancing process efficiency and pollution prevention and control performance, and mitigating the impacts of climate change, Sunny Friend evaluated process improvements to the incineration system at the Zhangbin Plant, together with measures to upgrade the level and efficiency of environmental protection and pollution control. Accordingly, an application was submitted on November 10, 2025 in accordance with applicable laws and regulations, with the aim of meeting air pollution control standards and reducing greenhouse gas emissions.

# 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 2025 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.

▼ Sunny Friend's Key Stakeholders and Communication Outcomes:

| Stakeholder | Relationship with the Company | Communication Channels | Frequency of Communication | Key Topics of Concern[Note 1] | 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<br>Waste Management<br>Occupational Health and Safety<br>Labor-Management Communication<br>Air Quality<br>Greenhouse Gas (GHG) Emissions<br>Energy | Finance Department<br>Environmental Protection Office<br>Occupational Safety and Health Office | ◆ Actively participated in government-led policy briefing sessions<br>◆ Conducted regulatory compliance reviews<br>◆ Issued official documents to clarify regulatory interpretations |
| | | Public Hearings | Irregularly | | | |
| | | Government Websites | Irregularly | | | |
| | | Official Correspondence | Irregularly | | | |
| Customers | Medical and non-medical institutional enterprises | Telephone Communication | Daily | Ethical Management<br>Waste | Sales Department | ◆ Ensured proper handling of official correspondence and document delivery<br>◆ Frontline personnel conducted client interviews and customer satisfaction surveys<br>◆ 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<br>◆ Held regular shareholders' meetings<br>◆ 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 | | | |

Note 1: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.

| Stakeholder | Relationship with the Company | Communication Channels | Frequency of Communication | Key Topics of Concern[Note 1] | 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<br>◆ Supplier Evaluation System<br>◆ 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<br>Labor-Management Communication | Personnel Office | ◆ Regular Labor-Management Meetings and Bilateral Communication via Employee Welfare Committees<br>◆ Announcement of Employee Concerns<br>◆ 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<br>Air Quality | Public Relations and Legal Department<br>General Affairs Office | ◆ Proactive Community and School Engagement<br>◆ Participation in Public Events<br>◆ Donation of Books<br>◆ Publication of Newsletters or Periodicals<br>◆ 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<br>Waste<br>Air Quality | Planning Department<br>Environmental Protection Office<br>Public Relations and Legal Department | ◆ Occasional Industry Collaboration Projects<br>◆ Expression of Opinions on Regulatory Interpretations, Draft Amendments, and Public Hearings<br>◆ 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

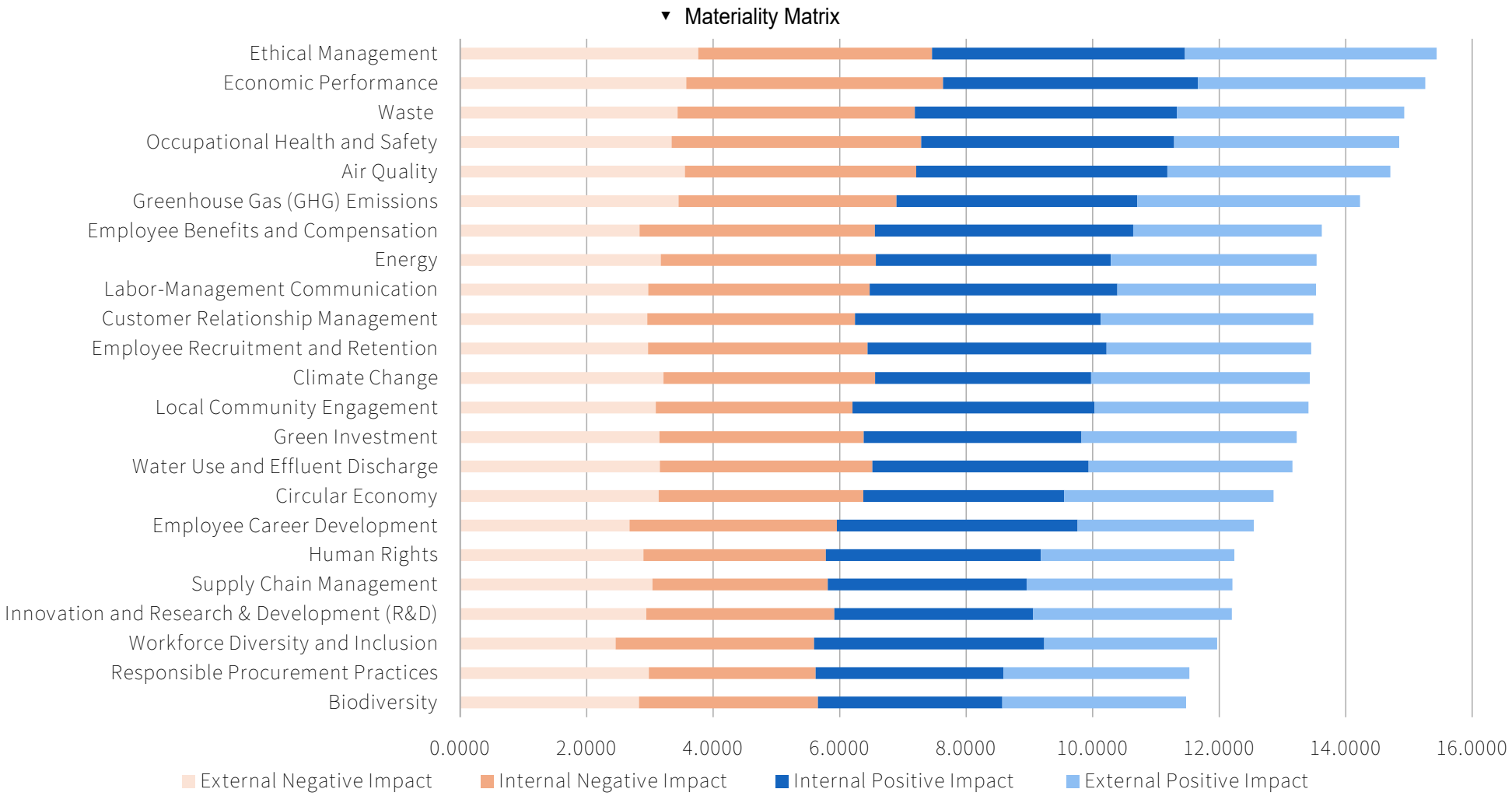
We conducted a survey to assess the significance of each sustainability topic. Internal management assessed the impact on the Company's operations, while external stakeholders evaluated the impact on the environment, society, and human rights. The level of impact was determined based on a composite assessment 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.




1. Compared to the previous 2024 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 in 2024.
3. Local Community, Circular Economy, and Technological Innovation: These topics were excluded from 2024 material topics due to changes in stakeholder interest and levels of concern.

### 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. At its quarterly meetings, the Board of Directors regularly receives reports from the Sustainability Information Task Force on the implementation status and progress of material topics. Where the Sustainability Information Task Force formulates annual sustainability development directions and strategic objectives, the relevant proposals are also submitted to the Board for review and deliberation. Following thorough discussion, the Board adopts resolutions on the relevant proposals to strengthen the Company's governance mechanisms and ensure the effective implementation and execution of its sustainability strategies.

▼ List of Material Topics–2025 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 |

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 NTD60,000 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 2025, 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 49 total participants. Additionally, held 124 integrated training sessions covering ethical business practices, legal compliance, and internal control systems, with a total of 1,217 participants and 4,197 training hours accumulated.

Material Issues: Economic

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 the fourth quarter, each department prepares its budget for the following fiscal year. The Finance Department consolidates the budgets or targets for sales, production, procurement, payroll, and other expenses, and prepares a projected income statement. The budget is then submitted to the General Manager for review. At the year-end meeting of the Board of Directors, the Chairman reports the results of the budget preparation, and the budget is submitted to the Board of Directors for approval by resolution.
- 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 the Yunlin plant applied for a permit code revision and, 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 2025, consolidated revenue amounted to NTD 3,990,550 thousand, representing a 7.95% increase compared with 2024. Consolidated net income after tax totaled NTD688,353 thousand, with earnings per share (EPS) of NTD 4.48.
- Direct economic value generated, comprising operating revenue and non-operating income, totaled NTD 4,018,919 thousand, while the total economic value distributed amounted to NTD 3,628,131 thousand. The three largest categories of economic value distributed were operating costs (48.2%), employee wages and benefits (28.2%), and payments to providers of capital (15.3%).
- In 2025, the Company received a total of NTD 10,367 thousand in government grants and subsidies, primarily comprising relocation compensation and energy conservation subsidies.
- We continue to deepen our presence in China's waste management market and are expanding the scope of hazardous waste treatment services.

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 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.
- Development of the fifth landfill cell is ongoing.
- In 2025, the total amount of waste generated was 11,158.879 metric tons, of which hazardous industrial waste accounted for 5,181.540 metric tons (46.4%), and non-hazardous industrial waste accounted for 5,977.339 metric tons (53.6%).
- In 2025, 4.8% of non-hazardous industrial waste was processed through recycling, representing 2.6% of the total waste generated during the year.
- In 2025, a total of 289.230 metric tons of waste were transferred for off-site treatment by third-party providers.
- In 2025, a total of 10,907.270 metric tons of waste were directly treated, including 4,892.626 metric tons treated in-house and 6,014.644 metric tons treated by third-party vendors.

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.

## Progress Toward Target Achievement

- In 2025, professional training on hazard identification and risk assessment was conducted for the Occupational Safety and Health (OSH) Management Team, and team members were encouraged to obtain relevant external professional certifications.
- Health promotion activities conducted in 2025 included: (1) a health promotion seminar led by a health coach on improving BMI and reducing body fat percentage, with a total of 13 participations; (2) a health promotion activity conducted in collaboration with the Xianxi Township Public Health Center, featuring physical fitness assessments, with a total of 18 participations; (3) a health promotion seminar delivered by an occupational medicine specialist on an introduction to pulmonary nodules and lung cancer, with a total of 12 participations; (4) a health promotion seminar delivered by an occupational therapist on "From Overwork to Workplace Violence: Building a Healthy, Respectful, and Safe Workplace," with a total of 8 participations; (5) health promotion seminars delivered by an occupational medicine specialist on "Balanced Eating During the Mid-Autumn Festival: Enjoy the Full Moon Without Gaining Weight," "Beware of Drug Interactions with Pomelo During the Mid-Autumn Festival: Six Types of Medication That Should Not Be Taken with Pomelo," and "Chikungunya vs. Dengue Fever," with a total of 11 participations; and (6) health promotion seminars delivered by an occupational medicine specialist on "Tobacco Hazard Prevention," "Eight Ways to Protect Your Kidneys and Reduce the Risk of Dialysis," and "January 23 Betel Nut Prevention Day," with a total of 5 participations.
- All suppliers successfully passed the OSH audits in 2025.
- In 2025, the total number of work hours was 613,864 hours. The number of recordable incidents was 7, resulting in a recordable incident rate of 2.3%.
- In 2025, recordable incidents included: (1) 7 cases related to physical hazards.
- In 2025, 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.
- In accordance with applicable regulations, an application for process improvements was submitted with the aim of meeting air pollution control standards and reducing emissions.

## Progress Toward Target Achievement

- In 2025, the Company recorded emissions of 67,316 kg of nitrogen oxides (NOx), 23,636 kg of sulfur oxides (SOx), 28,243 kg of volatile organic compounds (VOC), and 4,072 kg of particulate matter (PM).
- On November 10, 2025, an application for process improvements was submitted in accordance with applicable regulations, with the aim of meeting air pollution control standards and reducing emissions.

Material Issues: Greenhouse Gas (GHG) Emissions

Responsibility/ Responsible Unit: Factory Affair Department, Occupational Safety and Health Office

Management Approach to Material Issues (6/9)

## 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 1-6. To mitigate emissions, we have continued to implement various carbon reduction measures and make improvements to our incineration processes. 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 New Scope 3-6 added this year. The reporting boundary covers Scope 1 (stationary combustion sources, mobile combustion sources, fugitive emissions, and process emissions) and Scope 2 (purchased electricity). Scope 3 (business travel) and Scope 4 (purchased products, waste disposal and transportation, etc.) were also included to identify the major sources that may generate greenhouse gas emissions within the reporting boundary.
- The greenhouse gases inventoried include seven types: carbon dioxide ($CO_2$), methane ($CH_4$), nitrous oxide ($N_2O$), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride ($SF_6$), and nitrogen trifluoride ($NF_3$).
- In 2025, the Company conducted its first GHG inventory covering Scope 1 through Scope 6. Accordingly, 2025 was established as the base year.

## 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 ($CO_2e$), 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 to calculate emissions from refrigerants, fire extinguishers, welding rods, acetylene, urea, and $CO_2$ gas cylinders.
- The electricity emission factor is based on the 2024 emission coefficient for electricity, as published by the Energy Administration in 2025.
- Carbon reduction and energy-saving initiatives implemented include: (1) electrical equipment management, (2) optimization of waste collection routes and transport capacity, and (3) increasing the local procurement ratio. (4) Incineration Process Improvement.

## Progress Toward Target Achievement

- Total GHG emissions in 2025 amounted to 152,951.525 $tCO_2e$.
- GHG emission intensity in 2025 was 1.548 $tCO_2e$ per metric ton of waste treated.
- In 2025, the replacement of aging air compressors with new units reduced GHG emissions by approximately 31,142 $kgCO_2e$.
- In 2025, improvements to the compressed air piping system reduced GHG emissions by approximately 456,746 $kgCO_2e$.
- In 2025, the Yunlin Plant reduced the number of air compressors in operation, resulting in estimated GHG emission reductions of approximately 61,620 $kgCO_2e$ following the improvement.
- Collaborating waste removal vendors adopt GPS monitoring systems and optimize transport routes and logistics to minimize waste transportation distances.
- The local procurement ratio in 2025 was 61%.
- In 2025, an application for process improvements was submitted, with the proposed improvements expected to reduce GHG emissions by approximately 387 metric tons $CO_2e$.

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 2025, 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 12 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 1.62.
- In 2025, 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 1.35 times and 1.59 times the statutory minimum wage, respectively, with all salaries and benefits fully compliant with legal requirements.
- As of 2025, the number of full-time employees not in managerial positions was 341. Their average and median annual salaries were NTD975,000 and NTD860,000, respectively.
- In 2025, employee compensation increased compared with the previous year, primarily due to improved operating performance, which resulted in higher employee remuneration and year-end bonuses, as well as adjustments to various salary and employee benefit programs.
- The return-to-work rate after parental leave in 2025 was 100%, with a 100% retention rate one year after resuming work.
- In 2025, a total of 161 training sessions were held, training 1,550 participants and accumulating 5,093 training hours.

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.

### 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.

### 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.

### Progress Toward Target Achievement

- In 2025, the Company's total energy consumption amounted to 138,374.372 gigajoules (GJ).
- In 2025, energy intensity was 1.400 GJ per metric ton of waste processed.
- In 2025, at the Zhangbin Plant, a total of 265 T8 lighting fixtures were replaced with 36W LED fixtures, which are expected to reduce annual electricity consumption by 55,968 kWh.
- In 2025, at the Zhangbin Plant, the fixed-speed air compressor used in the solidification process was replaced with a variable-speed air compressor. This improvement is expected to reduce the equipment's annual electricity consumption by 10%, equivalent to approximately 65,700 kWh.
- In 2025, at the Zhangbin Phase II Incineration Plant, the Company implemented an optimization project for the compressed air piping system to reduce pressure losses and enhance equipment efficiency. The project delivered significant energy-saving benefits and is expected to reduce annual electricity consumption by 33%, equivalent to approximately 963,600 kWh.
- In 2025, the Yunlin Plant assessed the number of air compressors in operation and optimized equipment utilization, resulting in a reduction of approximately 100,000 kWh in electricity consumption.

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 2025, no major labor disputes were reported. We will continue to optimize internal communication mechanisms to strengthen corporate cohesion and foster a positive work environment.

### Management Policy / Targets

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

### 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 2025, the number of employee feedback cases recorded was 2.

# 2Corporate Governance

## 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, 2025, to October 17, 2028. 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.

## About Sunny Friend

- Company Name ------- Sunny Friend Environmental Technology Co., Ltd.
- Type of Organization ------ Publicly Listed Company
- 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 / Services ---------- Waste Treatment
- Paid-in Capital ---------- NT$1,300 million
- Net Sales ---------- NT$3,990.550 million
- Number of Employees ---------- 361

### 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 2025, 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 — General Member

▼ 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 | The Company was renamed to Sunny Friend Environment Technology Co., Ltd. |
| | December | 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 | The construction of Beijing Ruentex Environment Technology Corporation's medical waste incineration disposal plant was completed. |
| | November | 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.

## ▼ 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. |
| 2020 | 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.

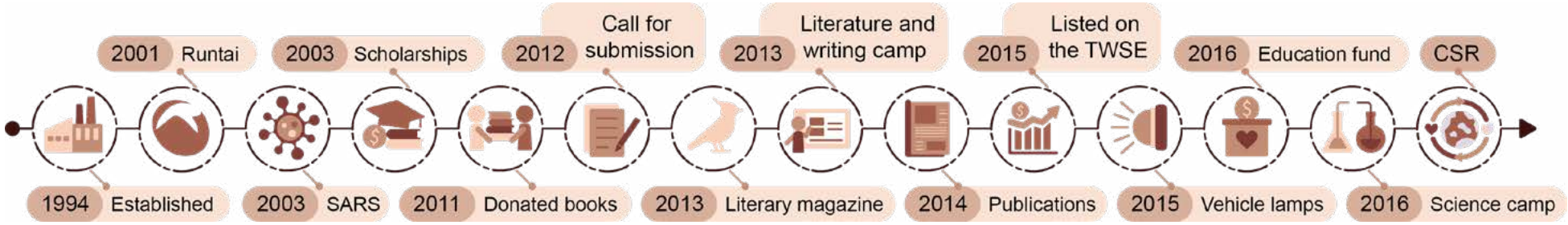


▲ Yuncheng Ruentex Environmental Technology Co., Ltd.



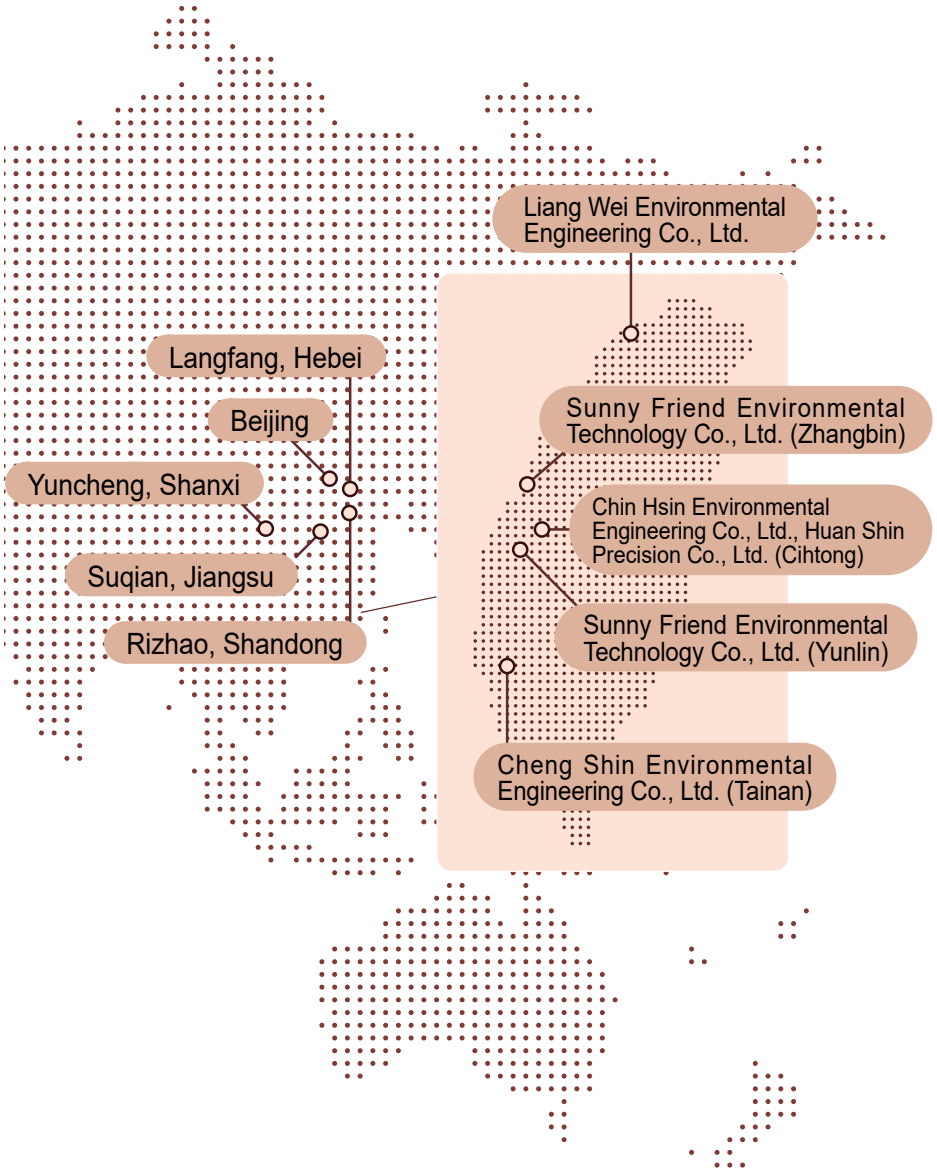
▼ Records pertaining to social responsibility activities over the last 10 years

| 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 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2025 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | |
| 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". |



## 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.(Cihtong) | 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. (Cihtong)[Note 1] | 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 | 55,887 | thousand |
| Jiangsu Suqian Ruentex Environmental Control Co., Ltd. | Landfill disposal and related treatment of industrial waste | RMB | 198,490 | thousand |
| Yuncheng Ruentex Environmental Technology Co., Ltd. (Shanxi) | Incineration, physicochemical treatment, solidification, and landfill disposal for industrial operations | RMB | 367,813 | thousand |
| Rizhao Panyue Environmental Technology Co., Ltd. (Shandong) | Incineration and physicochemical treatment of industrial waste | RMB | 160,937 | thousand |
| Langfang Ruentex Environmental Technology Co., Ltd. (Hebei)[Note 2] | 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 |

Note 1: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.
Note 2:Langfang Ruentex Environmental Technology Co., Ltd. completed its deregistration in March 2025.

# 2.2 Governance Framework

## 2.2.1 Governance Structure

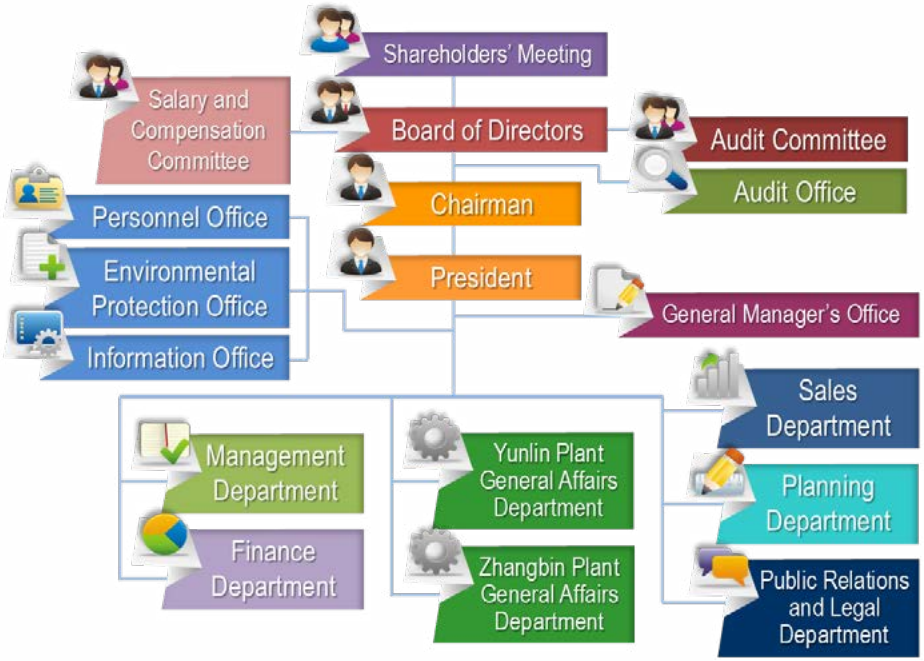
The highest authority of the Company is the Shareholders' Meeting, which elects the Board of Directors. The Board serves as the Company's highest governance body, responsible for overall business strategies and operational decision-making. To enhance governance effectiveness, the Board has established 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 2025, a total of 6 Board meetings were held, with an average attendance rate of 92.6%. For details on individual directors' attendance and agenda items, please refer to page 24 of Sunny Friend's 2025 Annual Report.

▼ Company governance structure (as shown) and job positions



## Board Composition and Operations

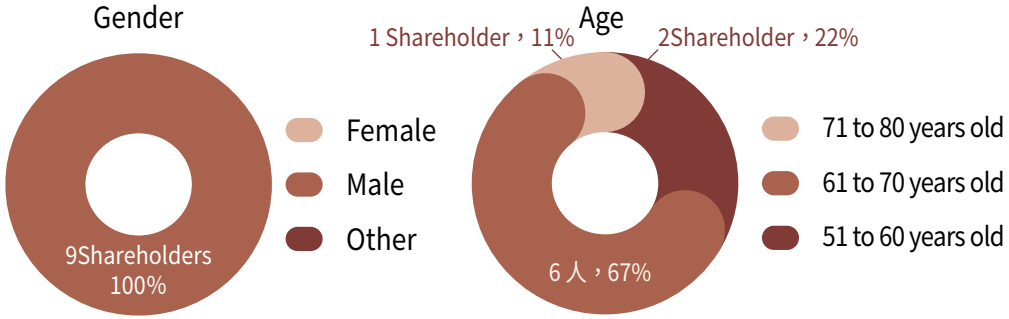
(Current Board Term: May 26, 2023 to May 25, 2026)

| 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 |
| Chairman | 3 | Chang Fan-cheng (Corporate Representative: Ren Ying Enterprise Co., Ltd.) | Male | 61 to 70 years old | Serving as the general manager of the company | ◆ Chairman of Chin Hsin Environmental Engineering Co., Ltd. Chairman of Liang Wei Environmental Engineering Co., Ltd.<br>◆ Chairman of Cheng Shin Environmental Engineering Co., Ltd.<br>◆ Chairman of Huan Shin Precision Co., Ltd.<br>◆ Chairman of Beijing Ruentex Environmental Technology Co., Ltd.<br>◆ Chairman of Jiangsu Suqian Ruentex Environmental Control Co., Ltd.<br>◆ Chairman of Yuncheng Ruentex Environmental Technology Co., Ltd.<br>◆ Chairman of Rizhao Panyue Environmental Technology Co., Ltd. | | |
| Director | 3 | Cheng Min-gyuan (Corporate Representative: Yuan Ting Investment Co., Ltd.) | Male | 61 to 70 years old | – | ◆ Chairman of Cosmactive Broadband Network Co., Ltd.<br>◆ Chairman of Yuan Ting Investment Co., Ltd.<br>◆ Chairman of Twoway Communications, Inc. | | |
| Director | 3 | Li Tien-chieh (Corporate Representative: Ruentex Development Co., Ltd.) | Male | 61 to 70 years old | – | ◆ Deputy General Manager of the Fund Management Department, Ruentex Industries Limited<br>◆ Chairman of Ruen Tai Hsin Co., Ltd.<br>◆ Director of Jin Hong Investment Co., Ltd.<br>◆ Director of Ruen chen Investment Holding Co., Ltd.<br>◆ Director of Shing Yen Construction Development Co., Ltd. | | |
| Director | 3 | Lin, Chin-tzu (Corporate Representative: Ruentex Development Co., Ltd.) | Male | 51 to 60 years old | – | ◆ Deputy General Manager of the Accounting Department, Ruentex Development Co., Ltd.<br>◆ Director of Ruentex Engineering & Construction Co., Ltd.<br>◆ Director of Ruentex Pai Yi Co., Ltd.<br>◆ Director of Ruentex Development Co., Ltd.<br>◆ Supervisor of Ruentex Management & Maintenance Co., Ltd.<br>◆ Supervisor of Shing Yen Construction Development Co., Ltd. | | |

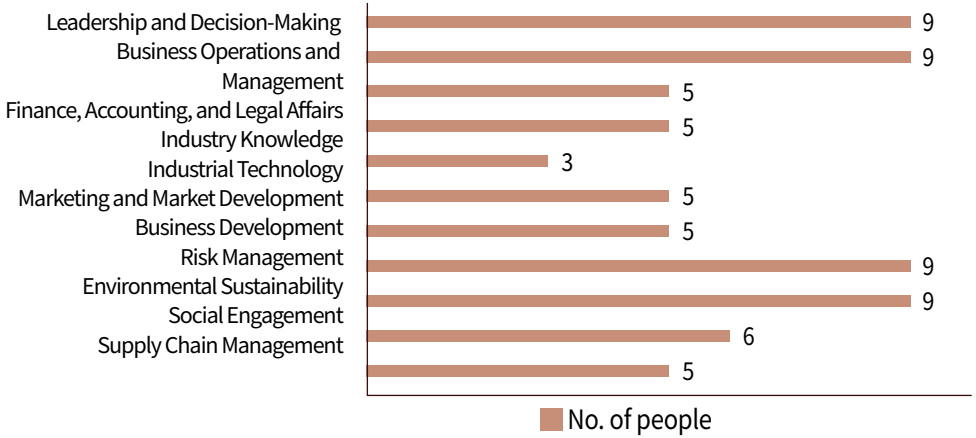
| Job title | Term of office | Name | Gender | Age | Concurrent positions in the company | Concurrent key positions in other companies | Functional Committees | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Audit Committee | Salary and Compensation Committee |
| Director | 3 | Lin, Chin-tzu (Corporate Representative: Ruentex Development Co., Ltd.) | Male | 51 to 60 years old | Serving as the general manager of the company | ◆ Director of Chin Hsin Environmental Engineering Co., Ltd.<br>◆ Director of Cheng Shin Environmental Engineering Co., Ltd.<br>◆ Director of Liang Wei Environmental Engineering Co., Ltd.<br>◆ Director of Suqian Ruentex Environmental Technology Co., Ltd.<br>◆ Director of Rizhao Panyue Environmental Technology Co., Ltd. | | |
| Independent Director | 3 | Lin Shih-ming | Male | 61 to 70 years old | – | ◆ Director of Chunghwa Telecom Co., Ltd.<br>◆ Director of Taiwan Fertilizer Co., Ltd.<br>◆ Director of AP Biosciences Inc. | ✓ | ✓ |
| Independent Director | 3 | Wang Wen-chieh | Male | 61 to 70 years old | – | ◆ Professor of the NCCU College of Law.<br>◆ Independent Director of TOPLUS GLOBAL (TG) Co., Ltd.<br>◆ Independent Director of AblePrint Technology Co., Ltd. | ✓ | ✓ |
| Independent Director | 3 | Chen Chun-chung | Male | 71 to 80 years old | – | – | ✓ | ✓ |
| Independent Director | 3 | Chiu Chin-fa | Male | 61 to 70 years old | – | ◆ Director of Shinkong Textile Co., Ltd. | ✓ | ✓ |

Description: 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



## Continuous education of board members

／ For details on directors' continuing education programs in 2025, please refer to page 26 of the Sunny Friend 2025 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 2025, Board members cumulatively completed 72 hours of training and development programs.

## Remuneration Structure of the Board of Directors and Senior Management

／ For details regarding the remuneration of directors in 2025, including remuneration bands and payment standards, please refer to page 17 of the Sunny Friend 2025 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 2025, please refer to page 19 of the Sunny Friend 2025 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 22 of the Sunny Friend 2025 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

## 2025 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 2025, 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 2025 Board Performance Evaluation Report was compiled and submitted to the Board on March 5, 2026.

### ◆ Board Performance Evaluation Implementation

| Evaluation Cycle | Evaluation Date | Evaluation Method | Scope of Evaluation | Evaluation Results |
|---|---|---|---|---|
| Annually | January 1, 2025 to December 31, 2025 | Internal self-evaluation | Overall performance of the Board of Directors | Score: 98.22 (out of a maximum of 100) |
| Annually | January 1, 2025 to December 31, 2025 | Internal self-evaluation | Individual performance of Board members | Average Score: 98.84 (out of a maximum of 100) |
| Annually | January 1, 2025 to December 31, 2025 | Internal self-evaluation | Audit Committee | Average Score: 100 (out of a maximum of 100) |
| Annually | January 1, 2025 to December 31, 2025 | 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 2025, please refer to page 93 of the Sunny Friend 2025 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 2025, 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 2025, two meetings were held with an attendance rate of 87.5%.

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 March 5, 2026, and is scheduled for submission to the Shareholders' Meeting on May 28, 2026.

### ◆ Audit Committee

／ For the implementation details of the Audit Committee, please refer to page 27 of the Sunny Friend 2025 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 2025, the Audit Committee convened five meetings, with a 95% attendance rate.

# 2.3 Economic Performance

## 2.3.1 Economic Value

Each year in the fourth quarter, each department prepares its budget for the following fiscal year. The Finance Department consolidates the budgets or targets for sales, production, procurement, payroll, and other expenses, and prepares a projected income statement. The budget is then submitted to the General Manager for review. At the year-end meeting of the Board of Directors, the Chairman reports the results of the budget preparation, and the budget is submitted to the Board of Directors for approval by resolution.

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. Yunlin Plant applied for a change in permit codes and received the environmental impact assessment (EIA) amendment confirmation letter. Beginning in 2025, the Company increased the flexible allocation of treatment capacity for general medical waste, expired pharmaceuticals, vaccines, and liquid industrial waste, thereby enhancing overall 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. The company treated approximately 33,700 metric tons of waste, including 30,900 metric tons of general medical waste and 2,800 metric tons of other waste. However, as the number of market participants increases and market mechanisms on the waste collection and transportation side continue to evolve, overall market competition has intensified, placing downward pressure on both treatment prices and processing volumes. The Company will strengthen its operational resilience and maintain stable growth through measures such as optimizing its business portfolio and enhancing operational efficiency. The industrial waste treatment facilities in Mainland China have experienced lower capacity utilization due to intensified competition and overcapacity in the manufacturing sector. Looking ahead, the supply and demand for industrial waste treatment are expected to gradually return to a more balanced level.

In summary, Sunny Friend reported a consolidated revenue of NT$3,990,550 thousand in 2025, representing a 7.95% increase compared to 2024. Consolidated net profit after tax amounted to NT$688,353 thousand, with earnings per share (EPS) of NT$4.48. For further details on financial performance and analysis, please refer to page 115 of Sunny Friend's Annual Report for this year.

### Sunny Friend Consolidated Financial Performance

| Item | 2023 | 2024 | 2025 |
|---|---|---|---|
| Operating Revenue (NT$ thousand) | 3,256,897 | 3,696,692 | 3,990,550 |
| Net Income (Loss) Before Tax (NT$ thousand) | 546,553 | 671,272 | 910,788 |
| Net Income (Loss) After Tax (NT$ thousand) | 425,232 | 558,153 | 688,353 |
| Earnings (Loss) Per Share (NT$/share) | 3.4 | 3.69 | 4.48 |
| Cash Dividend (NT$/share) | 3.8 | 3.8 | 4.00 |

Description: The cash dividend represents the amount approved for distribution based on the earnings allocation plan of each reporting year. The 2025 dividend distribution was approved by the Board of Directors on March 5, 2026, 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$4,018,919 thousand, with a total economic value distributed of NT$3,628,131 thousand.

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

- Operating costs (48.2%)
- Employee wages and benefits (28.2%)
- Payments to providers of capital (15.3%)

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

| Economic Value | Item | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Direct Economic Revenues | Net Revenue | 3,256,897 | 3,696,692 | 3,990,550 |
| | Income from Financial Investments | 12,723 | 12,989 | 8,251 |
| | Income from Sale of Assets | 1,270 | 8,227 | 2,358 |
| | Government Grants Received | 10,773 | 14,606 | 10,367 |
| | Other Income | 140,934 | 161,259 | 7,393 |
| Generated Direct Economic Value | | 3,422,597 | 3,893,773 | 4,018,919 |
| Economic Distribution | Operating Costs | 1,547,488 | 1,856,313 | 1,750,437 |
| | Employee Wages and Benefits | 949,475 | 965,542 | 1,023,882 |
| | Payments to Providers of Capital | 567,171 | 542,521 | 556,393 |
| | Payments to Government | 143,795 | 141,004 | 250,382 |
| | Community Investments | 13,430 | 16,377 | 17,901 |
| | Other Expenses | 148,685 | 194,745 | 29,136 |
| Distributed Economic Value | | 3,370,044 | 3,716,502 | 3,628,131 |
| Retained Economic Value | | 52,553 | 177,271 | 390,788 |

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 2025, a total of NT$10,367 thousand in government grants was received, primarily consisting of relocation compensation and investment incentives.

# 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. Anti-corruption forms an integral part of the Company's prohibition against unethical conduct. The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, applicable regulations governing TWSE/TPEx-listed companies, and other laws and regulations relevant to business conduct, which serve as the fundamental basis for implementing ethical corporate management. In conducting its business activities, the Company complies with the Fair-Trade Act and applicable competition laws and regulations, and does not engage in price fixing, bid rigging, restrictions on output or quotas, or market sharing or allocation through the division of customers, suppliers, operating territories, or lines of business. The scope of application covers all of the Company's operating locations, departments, and economic activities, and extends to business relationships with parties conducting business with the Company, including but not limited to suppliers, contractors, agents, customers, and other business partners.

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. The scope of application covers all of the Company's operating locations, departments, and economic activities, and extends to business relationships with parties conducting business with the Company, including but not limited to suppliers, contractors, agents, customers, and other business partners.

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. The scope of application covers all of the Company's operating locations, departments, and economic activities, and extends to business relationships with parties conducting business with the Company, including but not limited to suppliers, contractors, agents, customers, and other business partners.

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 2025, 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 |

In 2025, the Company did not incur any penalties arising from violations of anti-corruption laws or regulations. The Company had not yet completed a corruption risk assessment in 2025 and was therefore unable to disclose the relevant quantitative information. Going forward, the Company will progressively establish a corruption risk assessment mechanism and enhance related disclosures.

In 2025, the Company was not involved in any legal proceedings related to anti-competitive behavior, antitrust, or monopoly practices.

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-competitive behavior, antitrust, anti-monopoly, 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 26 Dec 2025.

- Those Charged with Governance: At the Company, the Board of Directors serves as the core governance body, supported by functional committees including the Audit Committee and Remuneration Committee, with the aim of strengthening oversight and enhancing the quality of decision-making. The Board is responsible for the Company's overall strategy; the Audit Committee focuses on the reliability of financial reporting and the effectiveness of internal controls; and the Remuneration Committee formulates remuneration policies for directors and managerial officers, thereby reinforcing the Company's corporate governance culture and risk management framework. Directors and members of the Audit Committee and Remuneration Committee may independently arrange to participate in external training on ethical corporate management. In 2025, 89% of the Company's directors, 100% of Audit Committee members, and 100% of Remuneration Committee members participated in external training on ethical corporate management.
- Governance: Governance is a core pillar of ESG. In this context, the governance body specifically refers to the Sustainable Development Committee, which is responsible for overseeing the Company's performance and implementation of its environmental (E) and social (S) responsibilities. The Company has not yet established a Sustainable Development Committee and therefore currently has no committee members. In addition, business partners are not currently included among the participants in the Company's external training on ethical corporate management. Accordingly, the Company does not currently have training statistics for Sustainable Development Committee members or business partners.
- 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 26 Jun 2025 and 25 Sep 2025, respectively. The program was made available for board directors, managers and employees. The two training sessions recorded 49 and 200 participant attendances, respectively, for a total of 249 participant attendances. 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 124 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 1,217 participant attendances were recorded, amounting to 4,197 training hours.
- In 2025, 68% of the Company's employees participated in training on ethical corporate management.

▼ 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 | 2023 | | | | 2024 | | | | 2025 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | 19 | 19 | 13 | 13 | 6 | 6 | 8 | 8 | 18 | 18 | 162 | 162 |
| Female | 6 | 6 | 13 | 13 | 17 | 17 | 17 | 17 | 31 | 31 | 38 | 38 |
| Total | 25 | 25 | 26 | 26 | 23 | 23 | 25 | 25 | 49 | 49 | 200 | 200 |





▲ Ethical Management Training

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 | 05-7887933 |
| | 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. |

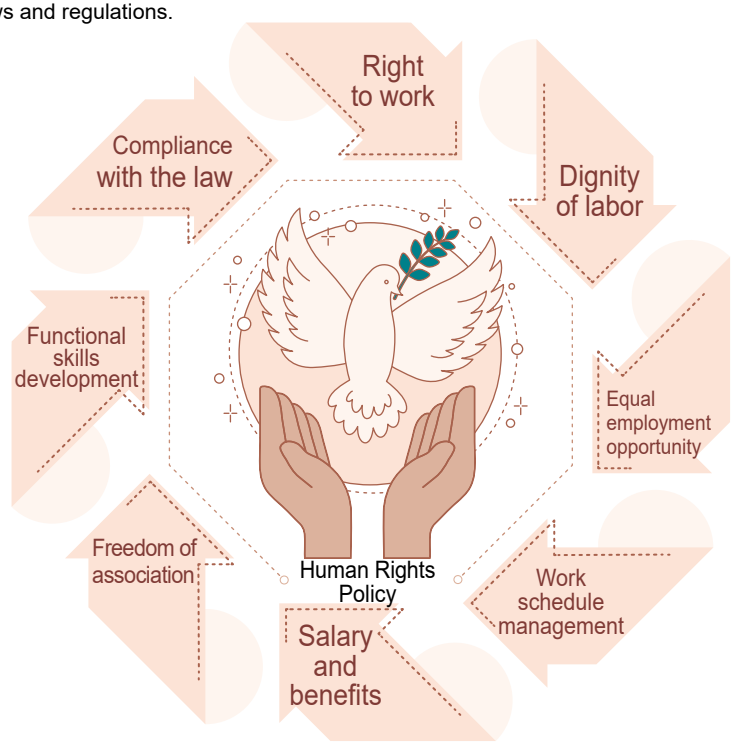
## Sunny Friend's flow chart for complaints

**A complaint is received**

| Written complaint | Complaint by phone | Complaint by email | Complaint by fax |
|---|---|---|---|
| Complaint is received and a "complaint handling form" generated (audit office, Personnel Office) | | | |
| Investigation:<br>The complained: Manager(s), employee(s) and those who have substantial control<br>(not including Level 1 manager of audit office) | Investigation:<br>The complained: President or Level 1 manager of audit office | Investigation:<br>The complained: a board director | Investigation:<br>The complained: Chairman or Chairman/President |
| Complaint investigation team<br>Convenor / member:Level 1 manager of audit office<br>Other appropriate members are nominated by the convenor and appointed by Chairman. | Complaint investigation team<br>Convenor / member:Chairman<br>Other appropriate members are appointed by the convenor. | Chairman acts as the convenor and appoints appropriate officers for investigation. | An independent director acts as the convenor and appoints appropriate officers for investigation. |
| Complaint not established as found → Case closed with President's approval<br>Complaint established as found → Objection proposed and complaint appealed → Complaint established as found<br>Complaint established as found → No objection | Complaint not established as found → Case closed with Chairman's approval<br>Complaint established as found → Objection proposed and complaint appealed → Complaint established as found<br>Complaint established as found → No objection | Complaint not established as found → Case closed with Chairman's approval<br>Complaint established as found → Objection proposed and complaint appealed → Complaint established as found<br>Complaint established as found → No objection | Complaint not established as found → Case closed with Board of directors' approval<br>Complaint established as found → Objection proposed and complaint appealed → Complaint established as found<br>Complaint established as found → No objection |
| Case closed with President's approval | Complaint presented to board of directors for handling after approved by Chairman | Complaint presented to board of directors for handling after approved by Chairman | Complaint presented to board of directors for handling after approved by the independent director |
| | | The complained is subject to respective responsibility or appropriate legal procedure depending on the violation.<br>The case information is uploaded to the Market Observation Post System in 2 days if the complained meets the requirements for internal material information disclosure in applicable securities-related regulations. | The complained is subject to respective responsibility or appropriate legal procedure depending on the violation.<br>The case information is uploaded to the Market Observation Post System in 2 days if the complained meets the requirements for internal material information disclosure in applicable securities-related regulations. |

## 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 Management Department serves as the function responsible for the Company's human rights governance framework and coordinates the establishment of a cross-functional Human Rights Working Group. The scope of human rights governance primarily covers employees and suppliers. The Working Group comprises representatives from relevant functions, including corporate sustainability, environmental protection, occupational safety and health, human resources, legal affairs, and operations, with the aim of systematically and effectively implementing human rights management measures. Although the relevant human rights policies have not been specifically reviewed and approved by the Company's highest governance body, they are implemented in accordance with applicable laws and regulations.




▼ The Company's human rights policy and management approaches, which have been disclosed on Sunny Friend's official website, are as follows:
https://www.sunnyfriend.com.tw/Stakeholder/HumanRights

| 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. |

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 on topics such as gender equality and the prevention of unlawful infringement in the workplace. In 2025, 252 employees participated in relevant training programs, representing approximately 70% of the total workforce.
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 2025.
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:

▼ Fines Paid in the Past Two Years

| Year | 2024 | 2025 |
|---|---|---|
| Number of fines paid for violations incurred in the current reporting year | 0 | 2 |
| Amount of fines paid for violations incurred in the current reporting year | 0 | 50,900 |
| Number of fines paid for violations incurred in previous reporting years | 0 | 0 |
| Amount of fines paid for violations incurred in previous reporting year | 0 | 0 |

▼ Penalties Paid in 2025

| Site | Date of Occurrence | Description of Violation | Amount of Fine | Material Violation | Corrective Actions |
|---|---|---|---|---|---|
| Yunlin Plant | 2025-3-20 | Fine for overdue periodic vehicle inspection of vehicle KER6259 | NTD 900 | No | The inspection deadline was inadvertently overlooked. Vehicle inspection management and tracking procedures will be strengthened to prevent recurrence. |
| Yunlin Plant | 2025-6-4 | Violation of Article 6, Paragraph 1 of the Occupational Safety and Health Act | NTD 50,000 | No | Necessary safety and health equipment shall be installed and appropriate preventive measures implemented to prevent workplace hazards. |

### 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 26, 2025 and September 25, 2025, 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 224 participants attended (24 and 200 participants, respectively). The number of trainees and training hours by gender is summarized in the table below (unit: hours):

▼ 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 | 2023 | | | | 2024 | | | | 2025 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | 19 | 19 | 13 | 13 | 6 | 6 | 8 | 8 | 6 | 6 | 162 | 162 |
| Female | 6 | 6 | 13 | 13 | 17 | 17 | 17 | 17 | 18 | 18 | 38 | 38 |
| Total | 25 | 25 | 26 | 26 | 23 | 23 | 25 | 25 | 24 | 24 | 200 | 200 |





▲ 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.

# 2.5 Risk Management

## 2.5.1 Risk Identification and Mitigation Measures

Sunny Friend has established a risk management framework with reference to the precautionary approach set forth in the Rio Declaration. The Corporate Management Department, which serves as the unit responsible for advancing corporate sustainability, works in collaboration with relevant departments to identify and categorize risks across the Company's operations in accordance with the principle of sustainability materiality. Early warning mechanisms have been established for key risk areas, including financial risks, climate change, occupational safety, and information security. In addition, the Company collaborates with relevant departments to formulate appropriate risk management policies and strategies to effectively identify, monitor, and manage risks.

| Risk Aspect | Risk Description | Responsible Department | Risk Mitigation Measures |
|---|---|---|---|
| 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. In 2025/11/10, regulatory filings have been made in accordance with relevant environmental laws.<br>◆ 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 2022–2025 have been established, and an internal audit of the 2025 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.<br>◆ Rising Raw Material Costs:<br>1. Adjustment of Treatment Fees: The Company negotiates with government agencies and clients to increase waste treatment fees to reflect rising costs.<br>2. Improving Equipment Efficiency: Process improvements are planned to enhance resource efficiency and reduce consumption of energy and chemicals.<br>◆ The Company has established an environmental monitoring mechanism for existing environmental factors within its operating sites, including air emissions, water quality, and waste, and has set alert thresholds and control limits in accordance with applicable regulatory requirements and internal management standards. Through regular monitoring, the Company continuously tracks trends in environmental quality. When monitoring results approach or reach the established alert thresholds, an early-warning notification and response mechanism is activated to conduct root cause analysis and implement corrective and improvement measures, thereby mitigating pollution risks and preventing environmental incidents. |

| 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.<br>◆ Risks associated with fluctuations in interest rates, exchange rates, and inflation impacting corporate profitability. | Finance Department | ◆ The Company has established relevant internal control procedures governing high-leverage investments, lending of funds to others, endorsements and guarantees, and derivatives transactions, including the "Procedures for Endorsements and Guarantees" and the "Procedures for Lending of Funds to Others," in accordance with applicable laws and regulations, thereby strengthening risk management and control.<br>◆ With respect to financial risks arising from interest rate fluctuations, foreign exchange movements, and inflation, the Finance Department is responsible for ongoing monitoring, closely tracking market developments, and conducting relevant risk assessments.<br>◆ A formal early warning mechanism has not yet been established. Going forward, the Company plans to introduce risk indicators and early warning thresholds to enhance its risk monitoring and response capabilities. |
| Occupational Health and Safety Risk | ◆ Hazards induced by electricity, heat, or other energy sources.<br>◆ 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.<br>◆ 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.<br>◆ Daily patrols of the plant site are conducted to identify and rectify unsafe conditions or behaviors, thereby preventing occupational accidents. |
| Information Security Risk | ◆ Operational disruptions caused by damage to information systems, impacting normal business continuity.<br>◆ Malicious cyberattacks using destructive software that may interfere with operations or require significant remediation costs. | Information Office | ◆ Business Continuity and Information Security Measures:<br>◆ Backup servers and scheduled daily automated off-site data backups are maintained and monitored by dedicated personnel to ensure uninterrupted operations.<br>◆ Strengthened cybersecurity infrastructure, including email server filtering mechanisms and installation of antivirus software.<br>◆ Deployment of redundant IT systems to support operational resilience. |
| Equipment Malfunction Risk | ◆ Unexpected power outages leading to emergency furnace shutdowns or equipment malfunction.<br>◆ 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.<br>◆ 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, 2026.

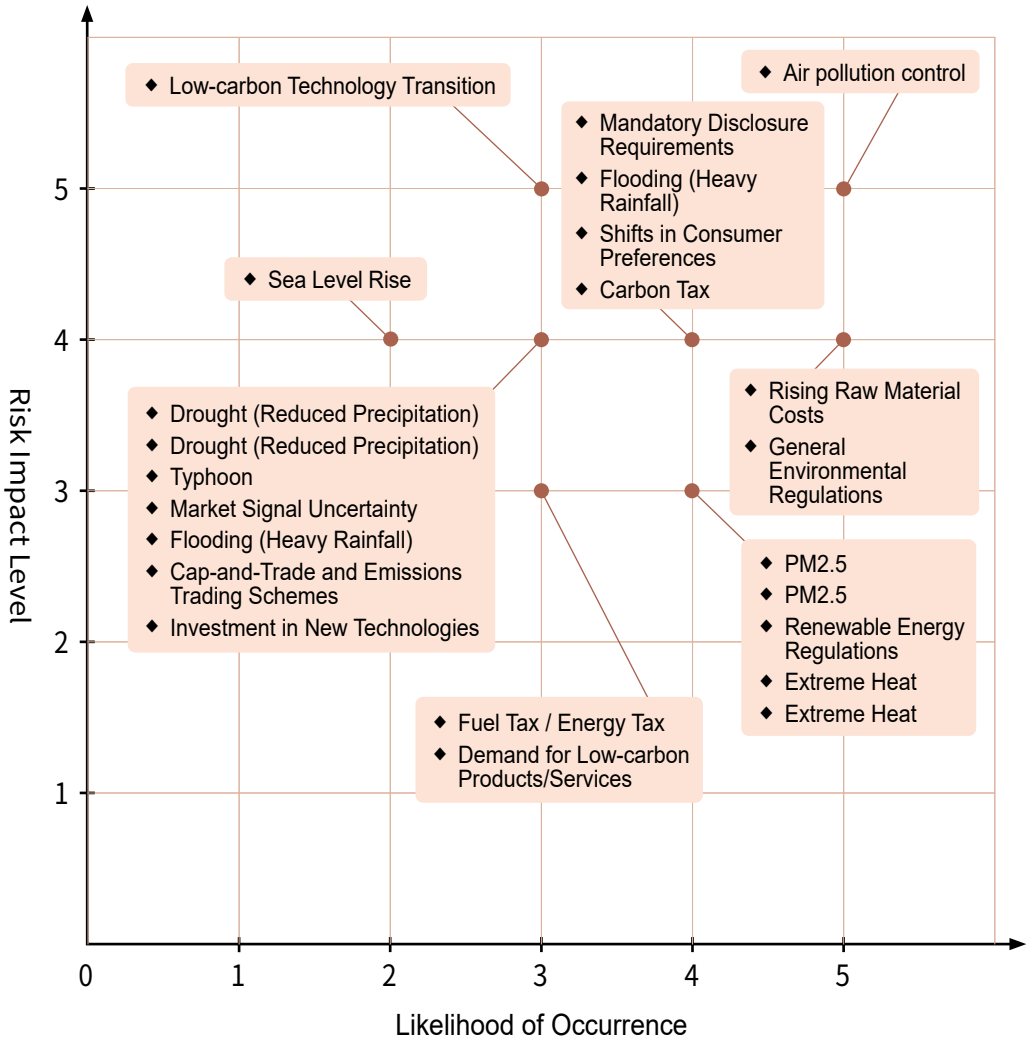
## 2.6.2 Climate Risk and Opportunity Identification and Assessment

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.

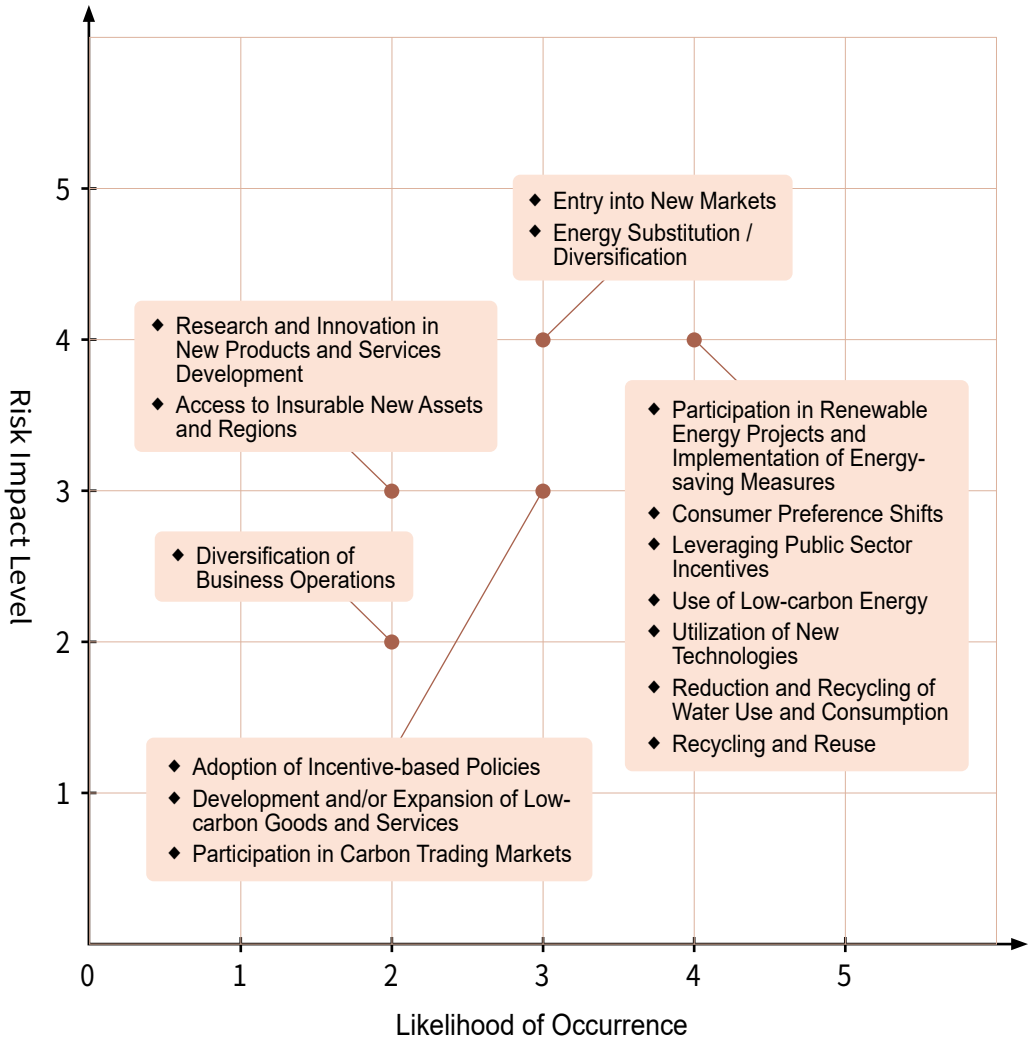
Based on this analysis, the Company has identified the top three climate-related risks as air pollution control, general environmental regulations, and rising raw material costs. The top three climate-related opportunities are reduced water consumption, recycling and reuse, and leveraging government incentive programs. The actual and potential impacts of these risks and opportunities on the organization are disclosed in the following section.



▼ Climate Change Risk Matrix




▼ Climate Change Opportunity Matrix



### 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 | 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. In November 10, 2025, 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 2025 and completed an internal audit of the 2025 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. |

| 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. | Decreased 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. |
| Opportunity | Resource Efficiency | Reduction in Water Consumption and Withdrawal | Reduction in Water Consumption and Withdrawal | Increased 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. In accordance with applicable regulatory requirements, the Company submitted an application for incinerator process improvement on November 10, 2025, with the aim of reducing water consumption for the initial-stage cooling of incineration flue gas under the original process design. |
| | | 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. |
| | Market Opportunities | 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. |

▼ Climate Change Risk Impacts and Corresponding 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 |
| Market Risks | Rising Raw Material Costs | 1 | 3 | 3 | 1 | 1 | 2 | 1 | 0 |
| Resource Use Efficiency | 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.



# 3 Employee Wellbeing

## 3.1 Human Capital

### 3.1.1 Human Resource Management

Sunny Friend regards 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 2025, Sunny Friend employed a total of 361 personnel, all of whom were regular employees. The workforce consisted of 361 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 2025, the total number of outsourced workers was three. There have been no significant changes in employment figures over the past three years.

▼ Employee Composition by the End of 2025 (Unit: Persons)

| Employment Type | Gender | Region | | | Total |
|---|---|---|---|---|---|
| | | Taipei | Yunlin | Zhanghua | |
| Total Employees | Male | 8 | 94 | 182 | 284 |
| | Female | 11 | 25 | 41 | 77 |
| | Total | 19 | 119 | 223 | 361 |
| Regular Employees | Male | 8 | 94 | 182 | 284 |
| | Female | 11 | 25 | 41 | 77 |
| | Total | 19 | 119 | 223 | 361 |
| Full-time Employees | Male | 8 | 94 | 182 | 284 |
| | Female | 11 | 25 | 41 | 77 |
| | Total | 19 | 119 | 223 | 361 |

Definition of Terms:

- Regular Employees: Individuals employed under open-ended (indefinite) labor contracts.
- Full-time Employees: Employees whose weekly working hours meet the definition of full-time as stipulated by local labor laws.

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

| Year | End of 2023 | End of 2024 | End of 2025 |
|---|---|---|---|
| Number of Male Employees | 280 | 290 | 284 |
| Number of Female Employees | 69 | 72 | 77 |
| Total Number of Employees | 349 | 362 | 361 |

▼ Total Number of Employees by Job Level and Diversity Indicators as of the End of 2025 (Unit: Persons)

| Job Level | | Senior Management | Middle Management | First-line Management | Frontline Employees | Total |
|---|---|---|---|---|---|---|
| Total Number of Employees by Job Level | | 13 | 28 | 97 | 223 | 361 |
| Percentage of Employees by Job Level (%) | | 4% | 8% | 27% | 61% | 100% |
| Diversity Indicators | | | | | | |
| Gender | Male | 13 | 24 | 85 | 162 | 284 |
| | Female | 0 | 4 | 12 | 61 | 77 |
| Age | Under and including 29 years old | 0 | 0 | 1 | 54 | 55 |
| | 30 to 50 years old | 1 | 11 | 82 | 152 | 246 |
| | 51 years old and above | 12 | 17 | 14 | 17 | 60 |
| Whether Indigenous Peoples Are Represented | | 0 | 0 | 1 | 2 | 3 |
| Whether Persons with Disabilities Are Represented | | 0 | 0 | 1 | 2 | 3 |

## Workforce Diversity Structure

As of the end of 2025, male and female employees respectively accounted for 79% and 21% of the total workforce. Employees aged between 30 and 50 represented the majority, comprising 68% 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, three employees identifying as Indigenous peoples have also been hired.

The Company's senior management team is composed entirely of local personnel. In 2025, 100% of senior executives were local residents. The aforementioned senior executives refer to the Company's managerial officers, while local residents refer to employees whose registered residence is within the country where the relevant operation is located.

▼ Percentage of Employees by Job Level and Diversity Indicators as of the End of 2025 (Unit: %)

| Job Level | | Senior Management | Middle Management | First-line Management | Frontline Employees | Total |
|---|---|---|---|---|---|---|
| Gender | Male | 100% | 86% | 88% | 73% | 79% |
| | Female | 0% | 14% | 12% | 27% | 21% |
| Age | Under and including 29 years old | 0% | 0% | 1% | 24% | 15% |
| | 30 to 50 years old | 8% | 39% | 85% | 68% | 68% |
| | 51 years old and above | 92% | 61% | 14% | 8% | 17% |
| Whether Indigenous Peoples Are Represented | | 0% | 0% | 1% | 1% | 1% |
| Whether Persons with Disabilities Are Represented | | 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 2025, the Company recruited a total of 43 new employees, including 32 males and 11 females, with the majority aged between 30 and 50. During the same period, 37 employees left the Company (including two who retired upon reaching the statutory retirement age), comprising 29 males and 8 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. Based on the Company's new hire and employee turnover trends in 2024 and 2025, both the new hire rate and turnover rate declined in 2025. This trend may be attributable to improved employee compensation and benefits, as well as normal talent mobility in the labor market.

### 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

▼ Total Number and Proportion of New Hires in 2024-2025

| Year | | 2024 | | | | | 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Gender | Age | City | | | Total | New Hire Rate (%) | City | | | Total | New Hire Rate (%) |
| | | Taipei | Yunlin | Zhanghua | | | Taipei | Yunlin | Zhanghua | | |
| Male | Under and including 29 years old | 0 | 1 | 9 | 10 | 15% | 0 | 2 | 13 | 15 | 11% |
| | 30 to 50 years old | 0 | 1 | 26 | 27 | | 0 | 3 | 14 | 17 | |
| | 51 years old and above | 1 | 0 | 3 | 4 | | 0 | 0 | 0 | 0 | |
| | Subtotal | 1 | 2 | 38 | 41 | | 0 | 5 | 27 | 32 | |
| Female | Under and including 29 years old | 0 | 4 | 2 | 6 | 14% | 0 | 1 | 2 | 3 | 14% |
| | 30 to 50 years old | 1 | 1 | 2 | 4 | | 1 | 1 | 6 | 8 | |
| | 51 years old and above | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | |
| | Subtotal | 1 | 5 | 4 | 10 | | 1 | 2 | 8 | 11 | |
| Total | | 2 | 7 | 42 | 51 | 14% | 1 | 7 | 35 | 43 | 12% |

▼ Total Number and Proportion of Employee Turnover in 2024-2025

| Year | | 2024 | | | | | 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Gender | Age | City | | | Total | Turnover Rate (%) | City | | | Total | Turnover Rate (%) |
| | | Taipei | Yunlin | Zhanghua | | | Taipei | Yunlin | Zhanghua | | |
| Male | Under and including 29 years old | 0 | 1 | 11 | 12 | 18% | 0 | 0 | 6 | 6 | 10% |
| | 30 to 50 years old | 0 | 3 | 31 | 34 | | 0 | 3 | 16 | 19 | |
| | 51 years old and above | 1 | 2 | 2 | 5 | | 0 | 2 | 2 | 4 | |
| | Subtotal | 1 | 6 | 44 | 51 | | 0 | 5 | 24 | 29 | |
| Female | Under and including 29 years old | 0 | 1 | 1 | 2 | 9% | 0 | 2 | 1 | 3 | 10% |
| | 30 to 50 years old | 1 | 2 | 2 | 5 | | 1 | 1 | 3 | 5 | |
| | 51 years old and above | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | |
| | Subtotal | 1 | 3 | 3 | 7 | | 1 | 3 | 4 | 8 | |
| Total | | 2 | 9 | 47 | 58 | 16% | 1 | 8 | 28 | 37 | 10% |

### 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. In December 2025, the Company conducted its first 2025 Employee Opinion Survey. The survey covered five key dimensions, including job characteristics, work environment, compensation, career development, corporate culture, and sustainable operations. The survey achieved an employee coverage rate of 83.8%, and the results indicated a high level of employee recognition of and identification with the Company. Based on the survey results, the Company continued to implement improvement initiatives and related projects in 2025 as follows:

Plan to enhance employee welfare programs, including increasing the amounts of relevant employee allowances and bonuses, while aligning with government initiatives to increase the allocation of employee remuneration to frontline employees.

Continue to optimize the working environment and work arrangements to enhance employee well-being and workplace effectiveness.

Regularly conduct occupational safety and health-related questionnaire assessments to prevent health risks arising from abnormal workloads, while continuing to strengthen employee care and support initiatives.

#### Types of Employee Communication Channels

▼ Employee Feedback Statistics for 2025

| Communication Channels | Number of Feedback Submissions | Key Feedback Topics | Number of Issues Addressed | Number of Issues Pending |
|---|---|---|---|---|
| Labor-Management Meetings (4 meetings were held during the year) | All proposals were approved as proposed | Matters relating to employee benefits, Company policies, and management practices | — | — |
| Employee Welfare Committee Meetings (4 meetings were held during the year) | All proposals were approved as proposed | Matters relating to employee welfare and the administration of the Employee Welfare Committee | — | — |
| Employee Suggestion/Feedback Mailbox (Physical facilities and a dedicated email mailbox) | 0 | — | — | — |
| Employee Satisfaction Survey (Periodic surveys) | 2 | Suggestions regarding compensation and benefits, the work environment, occupational safety, and other related matters | 2 | 0 |

# 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.

### Ratio of Average Basic Salary of Women to Men by Job Grade

| Year | | 2023 | | 2024 | | 2025 | |
|---|---|---|---|---|---|---|---|
| Gender | | Male | Female | Male | Female | Male | Female |
| Rank 1 personnel | Overall Ratio of Average Basic Salary of Women to Men | 1.05 | 1 | 1.09 | 1 | 1.11 | 1 |
| Rank 2 personnel | Overall Ratio of Average Basic Salary of Women to Men | 1.06 | 1 | 1.08 | 1 | 1.07 | 1 |
| Rank 3 personnel | Overall Ratio of Average Basic Salary of Women to Men | 0.99 | 1 | 1.02 | 1 | 1.06 | 1 |
| Rank 4 personnel | Overall Ratio of Average Basic Salary of Women to Men | 0.97 | 1 | 1.02 | 1 | 1.01 | 1 |
| Rank 5 personnel | Overall Ratio of Average Basic Salary of Women to Men | – | – | – | – | – | – |

In 2025, the ratio of the total annual compensation of the highest-paid individual to the median total annual compensation of all other employees was approximately 12 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 1.62. As the Company's operating performance improved, the variable remuneration of managerial officers, including employee remuneration and year-end bonuses, is linked to the Company's operating performance. Accordingly, the salary increases granted to the relevant managerial officers were higher than the Company-wide average percentage increase in total compensation.

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 2025, 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 1.35 times and 1.59 times the statutory minimum wage, respectively. In addition, the Company provides all legally mandated benefits and compensation packages.

| Year | | 2023 | | 2024 | | 2025 | |
|---|---|---|---|---|---|---|---|
| Gender | | Male | Female | Male | Female | Male | Female |
| Rank 1 personnel | No. of people | 138 | 21 | 119 | 11 | 106 | 10 |
| | Average basic salary /minimum basic salary | 1.35 | 1.28 | 1.4 | 1.28 | 1.36 | 1.22 |
| | Comprehensive basic salary in average/legal minimum salary | 1.34 | | 1.39 | | 1.35 | |
| Rank 2 personnel | No. of people | 88 | 35 | 99 | 44 | 114 | 45 |
| | Average basic salary /minimum basic salary | 1.61 | 1.52 | 1.69 | 1.56 | 1.62 | 1.51 |
| | Comprehensive basic salary in average/legal minimum salary | 1.59 | | 1.65 | | 1.59 | |

Description:The legal minimum basic salary was NTD26,400 in 2023, NTD27,400 in 2024, and NTD28,590 in 2025.

In compliance with regulatory requirements, the Company discloses salary information for full-time employees not holding managerial positions. As of 2025, there were 341 such employees. The average salary and median salary were NTD 975,000 and NTD 860,000, respectively. In 2025, driven by improved operating performance, the Company increased employee remuneration and year-end bonuses and made adjustments to various compensation and benefit programs, resulting in an overall increase compared with the previous year.

| Items | 2023 | 2024 | 2025 |
|---|---|---|---|
| No. of non-managerial full-time employees – weighted average | 339 | 324 | 341 |
| Salary average of non-managerial full-time employees | 806,000 | 896,000 | 975,000 |
| Salary median of non-managerial full-time employees | 673,000 | 773,000 | 860,000 |
| No. of employees stated in financial statements | 362 | 350 | 357 |
| Average employee benefits cost in financial statements | 1,249,000 | 1,189,000 | 1,298,000 |
| Average employee salary cost in financial statements | 1,077,000 | 1,009,000 | 1,103,000 |

### 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 NTD10 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.

### 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 2025, the return-to-work rate following parental leave was 100%, and the retention rate one year after returning from leave also reached 100%.

▼ Analysis of Employees on Parental Leave

| | 2023 | | | 2024 | | | 2025 | | |
|---|---|---|---|---|---|---|---|---|---|
| | 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 | 26 | 11 | 37 |
| 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) | 0% | 33% | 8% | 13% | 33% | 14% | 12% | 9% | 11% |
| Reinstatement % (=D/C) | 0% | 100% | 100% | 67% | 100% | 75% | 100% | - | 100% |
| Retention % (=F/E) | 0% | 0% | 0% | 0% | 100% | 100% | 100% | 100% | 100% |

# 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<br>General Knowledge Training Programs<br>Occupational Safety and Health Training<br>Regulatory Compliance Training Courses |
| External Training Programs | Professional Competency Development Programs |
| Others | Others |

A total of 161 training sessions were conducted in 2025, with 1,550 employee participants and an accumulated total of 5,093 training hours. On average, each employee received 14 hours of training. Compared to 2024, 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 2025

| Training Category | Number of Sessions Held | Total Participants | Total Training Hours |
|---|---|---|---|
| New Employee Orientation | 39 | 630 | 1,125.0 |
| Professional Competency Programs | 85 | 224 | 2,281.0 |
| General Education Courses | 35 | 669 | 1,477.0 |
| Others | 5 | 27 | 210.0 |
| Total | 161 | 1,550 | 5,093.0 |

Our employee training policy is implemented without gender-based differentiation. In 2025, the average training hours per male employee were 13.57 hours, while the average for female employees was 16.08 hours.

▼ Average Training Hours by Gender (Unit: Hours)

| Gender | 2023 | 2024 | 2025 |
|---|---|---|---|
| Male | 10.29 | 16.67 | 13.57 |
| Female | 12.83 | 12.69 | 16.08 |

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 2025 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. The primary training focus for senior management is on business management and regulatory compliance; middle management primarily receives professional and technical training; while frontline employees and first-line management mainly receive training on occupational safety and health, professional certifications for the operation of relevant machinery and equipment, as well as training for designated or specialized personnel related to their respective job functions.

▼ Average Training Hours by Job Level

| Job Level | 2023 | 2024 | 2025 |
|---|---|---|---|
| Senior Management | 1.09 | 2 | 3.23 |
| Middle Management | 5.96 | 11.75 | 8.04 |
| First-line Management | 9.64 | 14.05 | 14.57 |
| Frontline Employees | 12.31 | 17.57 | 15.30 |

### 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.



## 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 2025, 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 | 278 | 284 | 98% |
| Female | 73 | 77 | 95% |
| Total | 351 | 361 | 97% |

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 | 28 | 28 | 100% |
| First-line Management | 97 | 97 | 100% |
| Frontline Employees | 214 | 223 | 96% |
| Total | 351 | 361 | 97% |

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

| Job Level | Male | Female |
|---|---|---|
| Senior Management | 92% | 0% |
| Middle Management | 100% | 100% |
| First-line Management | 100% | 100% |
| Frontline Employees | 97% | 93% |

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.

## 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.
Description: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 [Note 1] | | | | Types of Workers Excluded |
|---|---|---|---|---|---|---|---|
| | | | Employees (persons) | Percentage [Note 2] (%) | External workers (persons) | Percentage [Note 3] (%) | |
| Zhangbin Plant | ISO 45001 | Directly operated by the Company at this location | 224 | 100% | 0 | 0% | |

Note 1: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.
Note 2:The denominator used for the calculation was the number of employees at the Zhangbin Plant as of December 2025.
Note 3:External workers are excluded from the scope of coverage. The Company safeguards the occupational safety and health of external workers through internal policies and contractor management mechanisms. Measures include pre-work safety briefings and training, hazard communication, work permit systems, on-site inspections and supervision, mandatory use of personal protective equipment (PPE), and the execution of relevant occupational safety and health agreements and documentation, thereby ensuring the safety and health of external workers.

## 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.

## 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 2025, 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. 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.

▼ 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 |
| Automated External Defibrillator (AED) Training | Overview and operational guidance on Automated External Defibrillators (AEDs), and emergency rescue and response during disaster events | All Employees | 1 hours / 2 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 |

## 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 2025

| Health Promotion Initiatives | Description and Outcomes of Activities |
|---|---|
| Health Promotion Activity | Activity Description and Outcomes |
| Health Promotion Seminar – Health Coach | BMI improvement and body fat reduction, with a total of 13 participant attendances |
| Health Promotion Activity – Xianxi Township Public Health Center | Physical fitness assessments, with a total of 18 participant attendances |
| Health Promotion Seminar – Occupational Medicine Specialist | Introduction to pulmonary nodules and lung cancer, with a total of 12 participant attendances |
| Health Promotion Seminar – Occupational Therapist | "From Overwork to Unlawful Workplace Infringement: Building a Healthy, Respectful and Safe Workplace," with a total of 8 participant attendances |
| Health Promotion Seminar – Occupational Medicine Specialist | "Maintaining a Balanced Diet During the Mid-Autumn Festival," "Pomelo and Medication Interactions: Six Types of Medication That Should Not Be Taken with Pomelo," and "Chikungunya vs. Dengue Fever," with a total of 11 participant attendances |
| Health Promotion Seminar – Occupational Medicine Specialist | "Tobacco Hazard Prevention Awareness," "Eight Ways to Protect Your Kidneys and Reduce the Risk of Dialysis," and "123 Betel Nut Prevention Day," with a total of 5 participant attendances |

### 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.

## 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) | 2023 | 2024 | 2025 |
|---|---|---|---|
| Total Working Hours (hours) | 628,256 | 595,065 | 613,864 |
| Number of Work-related Fatalities (cases) | 0 | 0 | 0 |
| Work-related Fatality Rate[Note 1] | 0 | 0 | 0.0 |
| Number of Cases of Severe Occupational Injuries (cases)[Note 2] | 0 | 0 | 0 |
| Severe Occupational Injury Rate[Note 3] | 0 | 0 | 0.0 |
| Number of Recordable Incidents (cases)[Note 4] | 8 | 6 | 7 |
| Recordable Incident Rate[Note 5] | 2.6 | 2.0 | 2.3 |
| Number of Occupational Disease Cases (cases) | 0 | 0 | 0 |
| Occupational Disease Incidence Rate[Note 6] | 0 | 0 | 0.0 |

Note 1:Occupational Injury Fatality Rate = (Number of Occupational Injury Fatalities ÷ Total Work Hours) × 200,000.
Note 2: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.
Note 3:Severe Occupational Injury Rate = (Number of Severe Occupational Injuries ÷ Total Work Hours) × 200,000.
Note 4:The number of recordable cases refers to all occupational injury incidents occurring during the reporting year, including both severe injuries and fatalities.
Note 5:Recordable occupational incidents involving non-employee workers: Data for external workers is not included in the statistics.
Note 6:Occupational Disease Incidence Rate = Number of Occupational Disease Cases ÷ Total Hours Worked × 200,000.

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

| Type of Incident | 2023 | | 2024 | | 2025 | |
|---|---|---|---|---|---|---|
| | Recordable Incidents | Work-related ill health | Recordable Incidents | Work-related ill health | Recordable Incidents | Work-related ill health |
| Physical Hazards | 8 | 0 | 5 | 0 | 7 | 0 |
| Chemical Hazards | 0 | 0 | 1 | 0 | 0 | 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 | 8 | 0 | 6 | 0 | 7 | 0 |

### Near Miss Incidents

The Company records all near-miss incidents when they occur. No near-miss incidents have been reported in the past three years.

# 4 Shared Prosperity with Society

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




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




▲ Received special thanks from local competent authority

▼ 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) |
|---|---|---|---|---|
| 2023 | 2 | 10 | 185 | 90 |
| 2024 | 3 | 6 | 173 | 90 |
| 2025 | 0 | 6 | 175 | 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.

## Zhangbin Plant Environmental Protection Supervisory Committee

Our Zhangbin Plant has collaborated with Shengang 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 Shengang 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 maintenance 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

### 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 provided complimentary subscriptions to "Global Kids Junior Monthly" and "Global Kids Monthly" to support education in rural and remote areas, but has also invested in a wide range of educational resources to enrich learning opportunities for disadvantaged students, with the aim of helping them overcome limitations, transform their futures, and pursue greater aspirations. 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.



## 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 2,500 books 38 Pages




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.2 issues 3,500 books 72 Pages




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 4,000 books 108 Pages




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 3,000 books 128 Pages




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 3,800 books 128 Pages




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 Yunlin County Environmental Protection Bureau, showing our support to environmental protection with action.

**2018** No.6 issues 3,800 books 128 Pages




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.

## 2019 No.7 issues 3,500 books 144 Pages




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 3,500 books 144 Pages




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 3,500 books 160 Pages



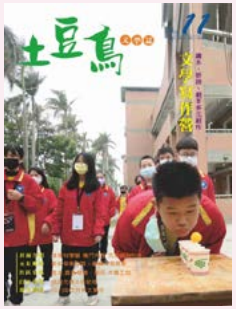

Sinsheng Elementary School has established a community reading station designed with a bright and warm atmosphere, hoping to facilitate parent-child communion through the sharing of reading resources. Introduction to the outcomes of Yuanchang's local communities: Yuanchang Digital Learning Center – succeeded in bridging digital divide, enhancing the information competency of people living in remote areas; 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 3,500 books 160 Pages




"We are one big family – Yuanchang Community Theater," a theatric play increases the opportunity of interactions. It facilitates the fusion between new immigrants and community people. Lunzai, 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 3,500 books 176 Pages




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 3,500 books 200 Pages




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.

## 2025 No.13 issues 2,500 books 224 Pages




Township Mayor Lee Ming-Ming invited five former Yuanchang Township mayors, representatives from local junior high and elementary schools, kindergartens, villages, communities, and civic organizations to join a farewell ceremony for the former township office building, expressing their appreciation before turning off its lights for the final time. Led by the Yuanchang Junior High School Lion Dance and Martial Arts Troupe and the Changbei Village Lion Dance Troupe, Mayor Lee led participants in a community parade to the new building, where the inauguration and opening ceremony of the newly constructed Yuanchang Township Office was held. Together, the community marked a new milestone and looked forward to a brighter future.

## Introduction to the Highlights of Issue No. 13 of Northern Lapwing Literary Magazine

Township Mayor Lee Ming-Ming invited five former Yuanchang Township mayors, representatives from local junior high and elementary schools, kindergartens, villages, communities, and civic organizations to gather at the former township office building to express their appreciation and mark its official lights-out. Led by the Yuanchang Junior High School Lion Dance and Martial Arts Troupe and the Changbei Village Lion Dance Troupe, Mayor Lee headed a community parade to the new building, where the inauguration and opening ceremony of the newly constructed Yuanchang Township Office was held. Together, participants celebrated this important milestone and looked forward to a new and promising future for the local community.







The Abandoned Castle "Whitewater Cafe" is a revitalized heritage house nestled among the fields of Yuanchang Township. The cafe has been thoughtfully transformed from an old residence, with its interior showcasing an extensive collection of vintage objects curated by the owner, creating a distinctive nostalgic atmosphere. Visitors are invited to sit back and unwind in this tranquil setting, while appreciating the traces of time and the cultural character preserved within the historic space.









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 Yuanchang 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".

### 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 | 2025 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| No. of participants | 145 | 118 | 145 | 158 | 193 | 215 | 206 | 216 | 234 | 248 | 215 | 279 | 365 | 339 | 3,076 |
| No. of winners | 42 | 59 | 60 | 70 | 70 | 76 | 77 | 78 | 84 | 99 | 97 | 119 | 137 | 149 | 1,217 |

### 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 | 2025 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| No. of participants | 38 | 109 | 95 | 95 | 90 | 75 | 80 | 83 | 0[Note 1] | 50 | 44 | 58 | 61 | 878 |

Note 1:Due to the impact of COVID-19, the "Sunny Friend Literary Writing Camp" was cancelled in 2021.

## Holding "Sunny Friend Environmental Protection Science 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. Each participating student came away with unforgettable memories and a strong sense of fulfillment, while eagerly looking forward to the next science camp.







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

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Junior-high-school students | 60 | 74 | 63 | 61 | 59 | 49 | 0[Note 1] | 50 | 45 | 55 | 516 |
| University students | 33 | 37 | 44 | 41 | 39 | 31 | 0 | 17 | 22 | 19 | 283 |
| Total | 93 | 111 | 107 | 102 | 98 | 80 | 0 | 67 | 67 | 74 | 799 |

Note 1: Due to the impact of COVID-19, the "Sunny Friend Environmental Protection Science Camp" was cancelled in 2022.

## 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 areas 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 | 2025 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Global Kids Junior Monthly (No. of issues) | 26 | 26 | 25 | 25 | 25 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 295 |
| Global Kids Monthly (No. of issues) | 37 | 37 | 37 | 37 | 37 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 409 |

### 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 Zhangbin 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 2025

## 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. For this reason, Sunny Friend remains committed to environmental sustainability and proactively supports government efforts in addressing social and environmental protection issues. The Company also assists in the proper treatment and disposal of illegally dumped waste to prevent further environmental pollution, thereby fulfilling its corporate social responsibility.

I .

In response to public demand for the removal and proper disposal of asbestos-containing waste generated from residential renovations, the Ministry of Environment secured NT$1.6 billion in subsidies from the Executive Yuan to continue supporting the notification, investigation, removal, clearance, and disposal of asbestos-containing building materials. On June 18, 2024, the Ministry amended the "Operating Principles for Subsidizing the Clearance and Disposal of Asbestos-Containing Building Material Waste," expanding the scope of subsidies to include business premises where operations had been suspended or terminated, or where plants or facilities had been closed. Based on experience gained from on-site investigations, the Ministry further obtained approval from the Executive Yuan on November 12, 2024 to include business premises within the scope of subsidies, with livestock farms designated as a priority category eligible for subsidies for the clearance and disposal of asbestos-containing building material waste beginning in 2025. In 2025, the Company was awarded an inter-entity supply contract under the "Waste Reduction, Recycling and Resource Circulation Promotion Program – Asbestos-Containing Building Material Waste Clearance and Disposal Project" implemented by the Resource Circulation Administration (RECA), Ministry of Environment, actively supporting the implementation of national environmental policies.



## II .

Following the landfall of Typhoon Danas on July 6, 2025, which caused extensive damage to buildings across Chiayi City, Chiayi County, and Tainan City, the Ministry of Environment approved subsidies for the three affected municipalities and counties and requested local governments to prioritize assistance to residents in transporting asbestos-containing building material waste to designated storage areas. On July 29, 2025, the Executive Yuan approved further assistance for the removal of asbestos waste generated by the disaster from residential properties, livestock farms, agricultural facilities, and other affected premises in order to accelerate post-disaster recovery. In alignment with central government policies, the Company also provided support for the proper treatment and disposal of asbestos-containing building material waste resulting from typhoon-related damage.














## III .

On September 23, 2025, Guangfu Township, Hualien County was severely affected by Typhoon Ragasa, which triggered flooding associated with the Matai'an River barrier lake and caused extensive damage throughout the township. The disaster resulted in casualties among local residents and significant property and agricultural losses, including more than 500 hectares of farmland buried under sediment and agricultural and livestock losses exceeding NT$430 million. More than 1,000 residential properties, schools, and government offices were also damaged by the intrusion of mud and sediment.

The Yunlin County Government promptly coordinated resources across government agencies and private-sector organizations to facilitate rapid disaster relief, providing supplies, manpower, and heavy machinery to support post-disaster recovery and cleanup efforts. The Company also dispatched vehicles on September 25, 2025 to assist with the transportation of post-disaster relief supplies, demonstrating its commitment to supporting communities in times of emergency.






## IV .

At a livestock farm in Wuqi District, Taichung City, a rendering monitoring system detected continued mortality among pigs on the premises. On October 20, 2025, personnel from the Taichung City Animal Protection and Health Inspection Office visited the farm to collect samples, which were submitted to the Veterinary Research Institute (VRI), Ministry of Agriculture, for testing. On October 21, the VRI notified the Animal and Plant Health Inspection Agency (APHIA) that the samples had tested positive for African swine fever (ASF) viral nucleic acid. Emergency disease-control measures were immediately implemented at the affected farm, together with a retrospective epidemiological investigation of the suspected case.

Subsequent investigations identified that meat and fat products suspected of originating from the ASF-affected farm in Taichung City had been distributed to three businesses in Yunlin County. The relevant products and materials were therefore required to be destroyed in accordance with the highest disease-prevention and biosecurity standards. On October 28, 2025, the Company assisted the Yunlin County animal and plant disease control authority with the commissioned destruction and disposal of items associated with the ASF case, totaling 6,940 kilograms.









## V .

Under Taiwan's prevailing laws and regulations, heated tobacco products and their associated devices or components may be legally sold only after passing a health risk assessment review. Commissioned by the Yunlin County Public Health Bureau to dispose of illegal heated tobacco products, the Company received and properly treated a total of 395 kilograms of such products at its facility on December 5, 2025, contributing to the implementation of public health policies and the proper disposal of regulated waste.








# 5 Environmental Stewardship

## 5.1 Energy Management

### 5.1.1 Energy Consumption

In 2025, Sunny Friend's total energy consumption amounted to 138,374.372 gigajoules (GJ), with an energy intensity of 1.400 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.

In 2025, the Company's energy consumption decreased by 5.4% compared with 2024, while its energy intensity decreased by 14.3%. These reductions were primarily attributable to the internal energy conservation plan established in 2024, under which professional contractors were engaged in 2025 to implement energy efficiency improvement measures.

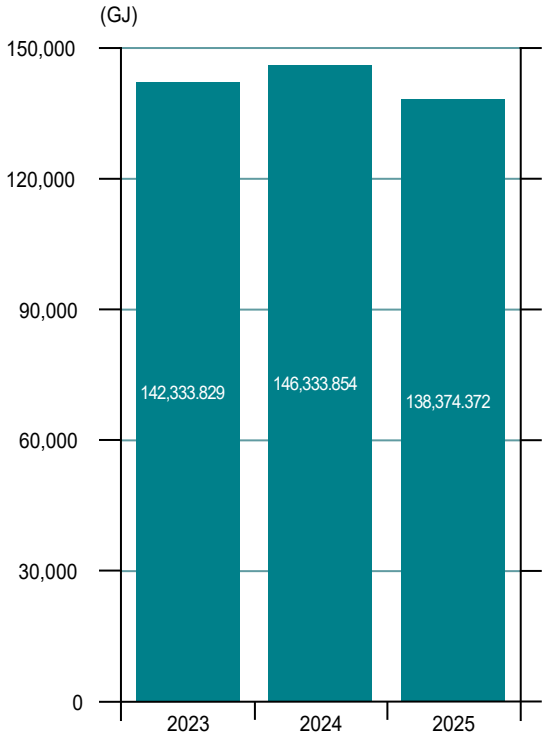
To accelerate its decarbonization efforts, the Company has aligned with the energy conservation targets established for energy users by the Energy Administration, Ministry of Economic Affairs, and expects to reduce annual energy consumption by 1% each year from 2025 to 2027. In the short term, the Company will leverage government subsidy programs and assess strategies for improving energy efficiency at its facilities based on the measures promoted under energy-saving performance guarantee demonstration and subsidy programs, as well as recommendations provided by energy service companies (ESCOs). Over the long term, the Company plans to implement process improvement initiatives across its facilities to enhance resource efficiency and reduce energy and chemical consumption.

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

| Energy Consumption Items | | Energy Consumption Volume | | | Percentage of Energy Consumption | | |
|---|---|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2023 | 2024 | 2025 |
| Purchased Non-Renewable Energy | Fossil Fuels | 60,551.984 | 62,927.746 | 59,267.627 | 43 | 43 | 43 |
| | Purchased Electricity | 81,781.845 | 83,406.107 | 79,106.745 | 57 | 57 | 57 |
| Total Non-Renewable Energy Consumption | | 142,333.829 | 146,333.854 | 138,374.372 | 100 | 100 | 100 |
| Total Energy Consumption | | 142,333.829 | 146,333.854 | 138,374.372 | — | | |
| Energy intensity (GJ per metric ton of waste treated) | | 1.838 | 1.634 | 1.400 | | | |

Description 1: 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 2: 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 3: 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 4: 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 5: No renewable energy sources are currently in use.

▼ Total Internal Energy Consumption Intensity Over the Past Three Years




## 5.1.2 Energy Conservation Measures

Using 2024 as the baseline year, Sunny Friend established an internal energy conservation plan. In 2024, the Company began conducting an inventory of electrical equipment across all departments and commissioned an energy service company (ESCO) to perform energy efficiency assessments. Based on the assessment results, energy-intensive equipment was identified and prioritized for future replacement or upgrades, with energy efficiency improvement measures implemented in 2025. Through the following measures implemented in 2025, the Company expects to achieve annual energy savings of approximately 4,375.961 GJ.

▼ Energy Conservation Plan

| Energy-saving Measures | Description | Implementation Status in 2025 |
|---|---|---|
| Optimization of office electricity-consuming equipment | To enhance the energy efficiency of lighting and air-conditioning systems, outdated models were re-placed with energy-efficient alternatives bearing ener-gy-saving labels. | At the Zhangbin Plant, a total of 265 T8 lighting fixtures were replaced with 36W LED fixtures, which are expected to reduce electricity consumption by 55,968 kWh (201.531 GJ) annually. |
| 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). | 1. At the Zhangbin Plant, the fixed-speed air compressor used in the solidification process was replaced with a variable-speed air compressor. The upgrade is expected to reduce the equipment's annual electricity consumption by 10%, equivalent to approximately 65,700 kWh (236.574 GJ) per year.<br>2. The Zhangbin Phase II Incineration Plant implemented an optimization project for its compressed-air piping system to reduce pressure losses and enhance equipment efficiency. The project delivered significant energy-saving benefits and is expected to reduce annual electricity consumption by 33%, equivalent to approximately 963,600 kWh (3,469.750 GJ) per year.<br>3. The Yunlin Plant assessed the operating conditions of its air compressor systems and reduced the number of compressors in operation to prevent unnecessary energy consumption. Following the improvement, annual electricity consumption is expected to decrease by approximately 130,000 kWh (468.107 GJ). |
| 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. | The landfill facility is currently under construction and is scheduled for completion in 2027. |
| Incineration Process Improvement | The Company is planning process improvements and optimization initiatives to enhance resource efficiency while reducing energy and chemical consumption. | On November 10, 2025, the Company submitted an application for process improvements in accordance with applicable laws and regulations. |

Description:Calculation methodology: Equipment energy consumption (kWh) = equipment rated power (kW) × number of units × operating hours. Total energy savings = energy consumption before improvement − energy consumption after improvement. The calorific values published by the Energy Administration, Ministry of Economic Affairs, are adopted to convert energy consumption into gigajoules (GJ) by multiplying the amount of energy consumed by the applicable unit calorific value.

# 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 78%), electricity consumption (7%), 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. This year marked the Company's first greenhouse gas (GHG) inventory covering Scope 1 through Scope 6. Accordingly, 2025 was designated as the base year.

In the current reporting year, the organizational boundary includes the Yunlin Plant, Zhangbin Plant, and the Taipei Office. The reporting boundary covers Scope 3-6, including:

- Category 1 (direct emissions from stationary combustion, mobile sources, fugitive emissions, and process emissions)
- Category 2 (indirect emissions from purchased electricity).
- Category 3 (Business Travel)
- Category 4 (Purchased Goods, Waste Treatment, Collection and Transportation, among Others)

Major emission sources within the reporting boundary were identified, and emissions of the following seven GHGs were included: carbon dioxide ($CO_2$), methane ($CH_4$), nitrous oxide ($N_2O$), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride ($SF_6$), and nitrogen trifluoride ($NF_3$).

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 ($CO_2e$), expressed in metric tons. The emission factors were sourced from the latest Greenhouse Gas Emission Factors published by Ministry of Environment. 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 applied to quantify emissions associated with refrigerants, fire extinguishers, welding electrodes, acetylene, and urea. Facility-specific emission factors were used for waste. The emission factor for purchased electricity was based on the 2024 national grid emission factor, as announced by the Energy Administration in 2025. Emission factors for purchased goods were sourced from the Product Carbon Footprint Information Platform's Carbon Footprint Database and the ecoinvent 3.12 database.

In 2025, Sunny Friend's total GHG emissions amounted to 152,951.525 $tCO_2e$. Using the volume of waste treated as the intensity denominator, the emission intensity was 1.548 $tCO_2e$ per metric ton of waste treated. The increase in emissions compared with 2024 was primarily attributable to the expansion of the reporting boundary to include Category 3–6 in the current year.



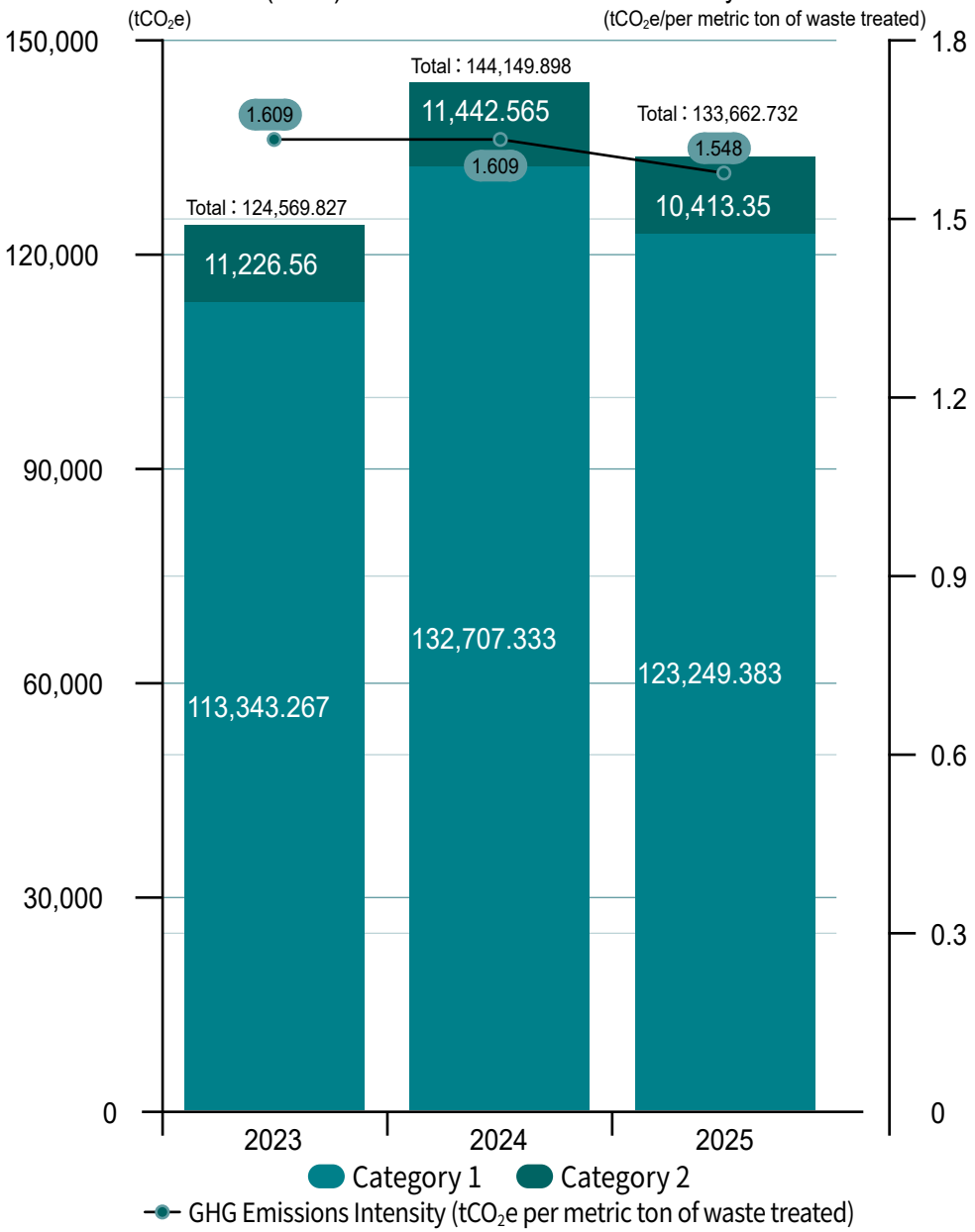
▼ Greenhouse Gas Emissions Analysis Table (Unit: $tCO_2e$)

| Greenhouse Gas (GHG) Emissions | 2023 | 2024 | 2025 |
|---|---|---|---|
| Category 1 | 113,343.267 | 132,707.333 | 123,249.383 |
| Percentage（%） | 91.0 | 92.1 | 80.6 |
| Category 2 | 11,226.560 | 11,442.565 | 10,413.350 |
| Percentage（%） | 9.0 | 7.9 | 6.8 |
| Category 3 | 0.000 | 0.000 | 2.740 |
| Percentage（%） | 0.0 | 0.0 | 0.0 |
| Category 4 | 0.000 | 0.000 | 19,286.052 |
| Percentage（%） | 0.0 | 0.0 | 12.6 |
| Category 5 | 0.000 | 0.000 | 0.000 |
| Percentage（%） | 0.0 | 0.0 | 0.0 |
| Category 6 | 0.000 | 0.000 | 0.000 |
| Percentage（%） | 0.0 | 0.0 | 0.0 |
| Total Greenhouse Gas (GHG) Emissions | 124,569.827 | 144,149.898 | 152,951.525 |
| Emission Intensity ($tCO_2e$ per metric ton of waste treated) | 1.609 | 1.609 | 1.548 |

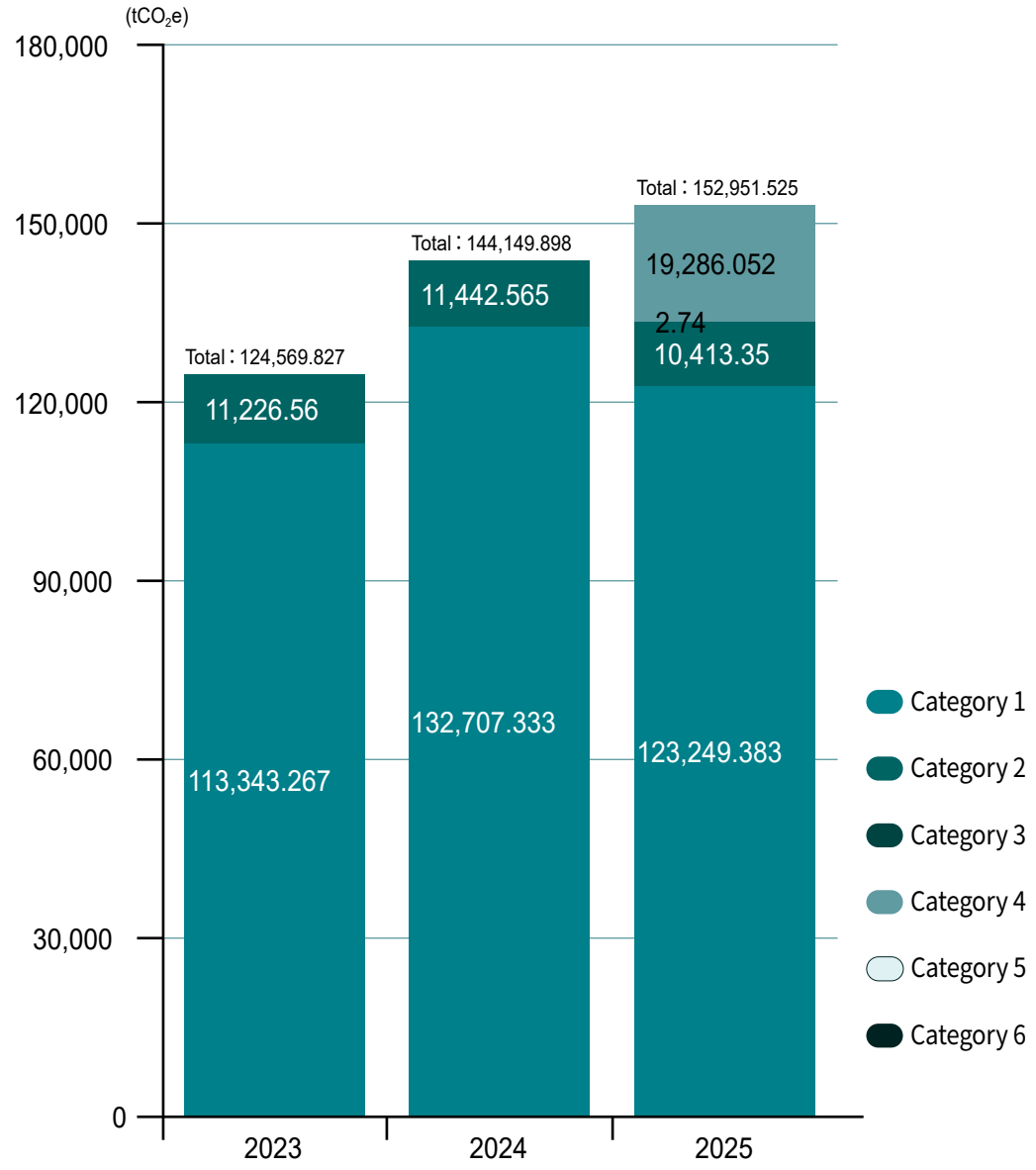
Description 1:The denominator of the greenhouse gas emissions intensity, "per metric ton of waste treated," includes the volume of waste processed through incineration, solidification, and physicochemical treatment. Landfilled waste is excluded.
Description 2:Category 3–6 emissions were not quantified in 2023 and 2024.



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




▼ Category 1–6 Greenhouse Gas (GHG) Emissions



### 5.2.2 Greenhouse Gas (GHG) Emissions Reduction

#### Energy Saving and Carbon Reduction Project

Given the nature of the waste treatment industry, Sunny Friend's greenhouse gas emissions are primarily attributable to waste incineration (78%), electricity consumption (7%), and diesel consumption (3%). Accordingly, the Company's short-term emission reduction strategy focuses on reducing electricity and diesel consumption. Over the long term, Sunny Friend plans to enhance process and pollution control performance by evaluating incinerator process improvements and upgrading the effectiveness and efficiency of its environmental protection measures, with the aim of meeting air pollution control standards and reducing greenhouse gas emissions. Using 2025 as the base year, the Company has established targets to reduce GHG emissions intensity by 3% by 2027 and by 5% by 2030.



#### Ⅰ .Management of Electricity-Consuming Equipment

In 2024, the Company began conducting an inventory of electricity-consuming equipment across all departments and engaged an energy service company (ESCO) to perform an energy efficiency assessment. Based on the assessment results, an improvement program was implemented in 2025. Following the implementation of various energy-saving measures, the Company estimates that GHG emissions can be reduced by approximately 576,037 $kgCO_2e$ annually. The specific improvement measures are outlined below:

| Improvement Initiatives | Description of Improvements Implemented in 2025 |
|---|---|
| Lighting System Upgrades | At the Zhangbin Plant, 265 T8 lighting fixtures were replaced with 36W LED fixtures, which are expected to reduce GHG emissions by approximately 26,529 $kgCO_2e$ annually. |
| Compressed Air System Optimization | At the Zhangbin Plant, the fixed-speed air compressor used in the solidification process was replaced with a variable-speed air compressor. This measure is expected to reduce the equipment's electricity consumption by 10%, corresponding to an annual GHG emissions reduction of approximately 31,142 $kgCO_2e$. |
| | The Phase II Incineration Plant at the Zhangbin Plant implemented an air compressor piping optimization project to minimize pressure losses within the compressed air piping system and improve equipment efficiency. The project delivered significant energy-saving benefits and is expected to reduce electricity consumption by 33%, equivalent to approximately 456,746 $kgCO_2e$ in annual GHG emissions reductions. |
| | The Yunlin Plant assessed the operating conditions of its air compressors and reduced the number of units in operation to prevent unnecessary energy consumption. Following the improvement, annual GHG emissions are expected to decrease by approximately 61,620 $kgCO_2e$. |

Description: Equipment electricity consumption is calculated as follows: Equipment electricity consumption (kWh) = Equipment power rating (kW) × Number of units × Operating hours. Total energy savings = Electricity consumption before improvement − Electricity consumption after improvement. Total GHG emissions reductions = Total energy savings × Electricity emission factor. The electricity emission factor is based on the latest factor announced by the Energy Administration, Ministry of Economic Affairs.

## II .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.





▲ Professional waste clearance and disposal fleet

## III . 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 priory upon receipt of a purchase order is raw material suppliers' economic delivery volume. In 2025, Sunny Friend's local procurement rate was 61%. This not only effectively decreases the energy consumed in the delivery of raw materials, but also prevents waste of resources.

## IV .Incineration Process Improvements

The flue-gas cooling system originally designed for the Phase I incineration facility at the Company's Zhangbin Plant uses chilled water to reduce the temperature of flue gas in the flue-gas cooling chamber. Given the considerable loss of thermal energy and water resources associated with this process, the Company plans to replace the existing system with a waste heat boiler integrated with a power generation system. This system will effectively recover waste heat from the flue gas for use in downstream processes, including heating, heat exchange, and power generation. Based on conservative estimates, the system is expected to generate approximately 100 kWh of electricity per hour, equivalent to approximately 816,000 kWh annually. All electricity generated will be used for the Company's own operations, thereby reducing GHG emissions by an estimated 387 metric tons of $CO_2e$. The Company submitted the required application in accordance with applicable laws and regulations on November 10, 2025, and expects to implement the improvement project upon receiving the relevant regulatory approvals.

## V .Internal Carbon Pricing (ICP) Implementation Plan

In addition to continuously optimizing its processes and enhancing equipment energy efficiency, Sunny Friend is committed to incorporating climate-related risks into its financial decision-making framework. In 2025, the Company commenced preliminary planning for the implementation of internal carbon pricing, engaging senior management and external expert consultants to discuss and develop an approach tailored to the Company's current operations and the unique characteristics of the industry. To ensure that the mechanism effectively drives carbon reduction while maintaining operational resilience, the Company plans to conduct cross-functional impact assessments and cost-benefit analyses. Going forward, Sunny Friend will adopt a phased approach to developing carbon-pricing models and carbon-price applications for each stage that are best aligned with its industry characteristics and corporate objectives. This approach aims to minimize operational impacts while maximizing carbon-reduction benefits, thereby progressively strengthening the Company's long-term sustainability competitiveness.

### 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. All monitoring results for the year were in compliance with the applicable emission standards.

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 support energy conservation while advancing sustainable development, the Company evaluated process upgrades for its incineration facilities and enhancements to the effectiveness and performance of its environmental protection measures. These initiatives aim to improve operational and pollution control efficiency, mitigate the impacts of climate change, ensure compliance with air pollution control standards, and reduce greenhouse gas emissions. The relevant application was submitted on November 10, 2025, in accordance with applicable laws and regulations.

In 2025, the Company's air pollutant emissions comprised 67,316 kg of nitrogen oxides (NOx), 23,636 kg of sulfur oxides (SOx), 28,243 kg of volatile organic compounds (VOCs), and 4,072 kg of particulate matter (PM).

▼ Historical Air Pollutant Emissions (Unit:kg)

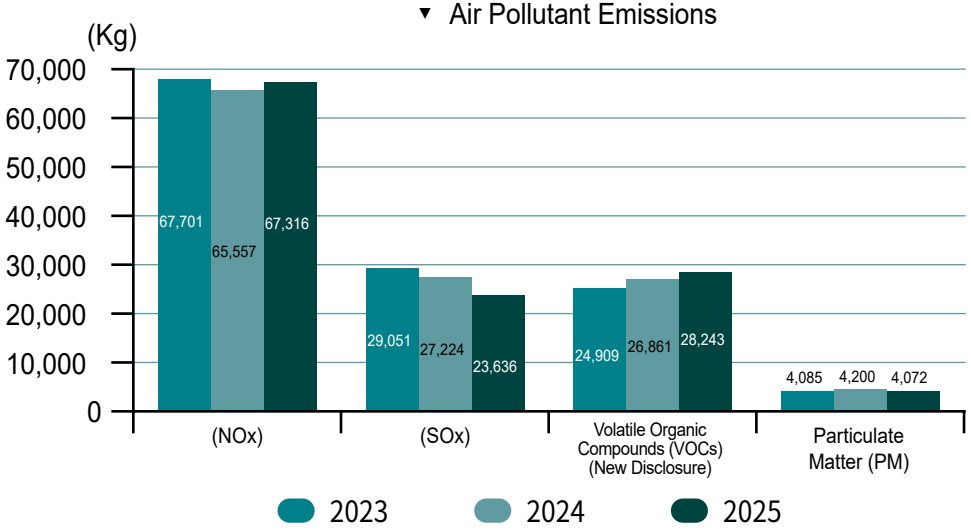
| Item | 2023 | 2024 | 2025 |
|---|---|---|---|
| NOx | 67,701 | 65,557 | 67,316 |
| SOx | 29,051 | 27,224 | 23,636 |
| Volatile Organic Compounds (VOCs) (New Disclosure) | 24,909 | 26,861 | 28,243 |
| Particulate Matter (PM) | 4,085 | 4,200 | 4,072 |

Description 1: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."

Description 2: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."

Description 3: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.

▼ Air Pollutant Emissions



# 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 Zhangbin factory is located in the Zhangbin Industrial zone, the process wastewater in the factory is collected through pipelines and then piped to the Zhangbin 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.

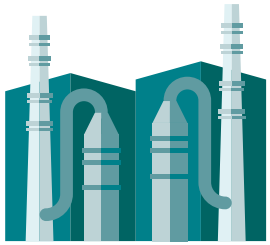
▼ Water Stress and Water-Related Risk Assessment for Each Sunny Friend Operating Site

| 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 |

## Effluent Water Quality Standards

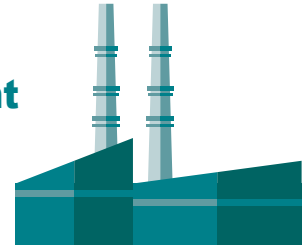
The Company establishes effluent water quality standards in accordance with applicable local regulations. All process water is properly treated in-house to meet either internal or regulatory standards before being reused or outsourced to licensed third-party service providers for further treatment.

### Yunlin Plant



| Region | Indicators | Regulatory Minimum Standard | Water Quality Test Results |
|---|---|---|---|
| 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 ($m^3$/day) | 151($m^3$/day) | Compliance with Standards |

### Zhangbin Plant



| Region | Indicators | Regulatory Minimum Standard | Water Quality Test Results |
|---|---|---|---|
| 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 |

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. At the operational level, the Company has established 2025 as the baseline year and set a target to reduce water withdrawal per metric ton of waste treated by 3% by 2027. In 2025, water consumption per metric ton of waste incinerated decreased by 9.2% compared with 2019 and 2020, representing a target achievement rate of 306%. Accordingly, the target established in 2024 was successfully achieved.

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

| Plant | Management Objectives | Achievement Rate | Key Outcomes | Ongoing Practices and Targets |
|---|---|---|---|---|
| Yunlin Plant Zhangbin Plant | By 2027, reduce water withdrawal per metric ton of waste treated by 3%. (Base Year: 2025) (Newly Established Target) | In Progress | ◆ Achieved a 6.5% reduction in 2025 compared with 2024.<br>◆ Submitted an application for process improvements on November 10, 2025, in accordance with applicable laws and regulations. | ◆ Continue to promote water conservation awareness among employees.<br>◆ Install coin-operated washing systems at waste collection vehicle wash bays to establish a user-pays mechanism.<br>◆ Continue to optimize processes through ongoing improvement initiatives. |
| | Water Resources Monitoring and Operational Stability Maintenance | Achieved | No operational losses due to water scarcity occurred in 2025. | 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. |
| | Regular Water Quality Testing | In Progress | No operational disruptions due to water restrictions were recorded in 2025. | Continuously optimize equipment water supply systems to ensure the efficient use of water resources. |
| | Water Recycling and Reuse | In Progress | In 2025, water usage overview and management practices were consolidated and reviewed. | Continuously monitor and ensure effective recycling and reuse of water resources. |

## 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 2025, the water consumption data has been updated to include the Taipei Office.

In 2025, Sunny Friend's total water withdrawal amounted to 284.526 million liters, total water discharge was 45.420 million liters, and total water consumption was 239.107 million liters. The specific water withdrawal intensity was 0.0029 million liters per metric ton of waste incinerated. Water withdrawal in 2025 increased by 3.8% compared with 2024, primarily due to higher waste treatment volumes and the resulting increase in water demand. Accordingly, water withdrawal intensity—measured as water withdrawn per metric ton of waste treated—was not affected.

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. The Company's reclaimed water is sourced from landfill rainwater harvesting facilities and the mechanical vapor recompression (MVR) system for reclaiming inorganic salt-containing wastewater generated by the incineration process. Reclaimed water is used primarily in incineration operations. In 2025, total reclaimed water amounted to 39.119 million liters, accounting for 13.7% of total water consumption.

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

| Scope of Water Source | Water Quality Indicators | Water Withdrawal | | |
|---|---|---|---|---|
| | | 2023 | 2024 | 2025 |
| | | All Regions | All Regions | All Regions |
| Third-party Water Sources | Freshwater | 285.989 | 274.094 | 284.526 |
| Total Water Withdrawal | | 285.989 | 274.094 | 284.526 |
| Recycled Water Volume | | 37.991 | 44.002 | 39.119 |
| Recycling Rate (%) | | 13.3 | 16.1 | 13.7 |
| Water Intensity (million liters per metric ton) | | 0.0037 | 0.0031 | 0.0029 |

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 | | |
|---|---|---|---|---|
| | | 2023 | 2024 | 2025 |
| | | All Regions | All Regions | All Regions |
| Third-party Water Sources | Freshwater | 18.169 | 16.871 | 18.007 |
| | Other Water Discharges | 29.900 | 26.884 | 27.413 |
| Total Volume of Water Discharged | | 48.069 | 43.755 | 45.420 |

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 | 2023 | 2024 | 2025 |
|---|---|---|---|
| | Total Water With-drawal | All Regions | All Regions |
| Total Water Withdrawal | 285.989 | 274.094 | 284.526 |
| Total Water Discharge | 48.069 | 43.755 | 45.420 |
| Total Water Consumption | 237.920 | 230.339 | 239.107 |

# 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.

### Waste Generation and Significant Waste-related Impacts

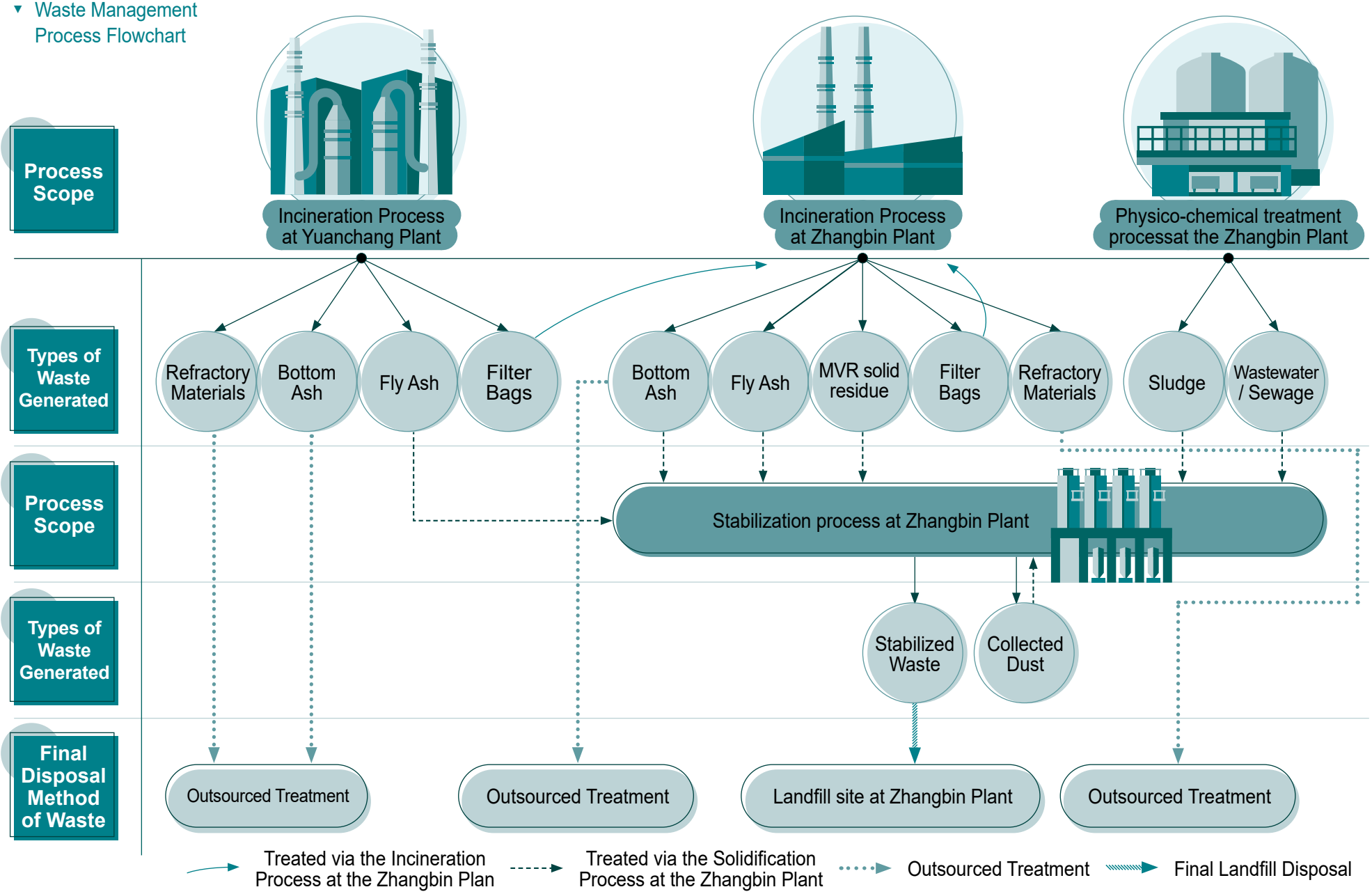
The Company's waste streams include hazardous waste, such as fly ash, MVR solids, chemical sludge, solidified dust-collection ash, and filter bags, as well as non-hazardous waste, including bottom ash, refractory materials, and filter bags. Fly ash generated at the Yunlin Plant is transported to the Zhangbin Plant for solidification prior to final disposal in a landfill. Bottom ash is entrusted to qualified external waste treatment operators for solidification, while refractory materials are treated by qualified operators using physical treatment methods. At the Zhangbin Plant, fly ash, MVR solids, solidified dust-collection ash, and physicochemical sludge are solidified on-site before being disposed of in a landfill. Used filter bags are incinerated and subsequently solidified prior to landfill disposal, while refractory materials are entrusted to qualified waste treatment operators for physical treatment. A portion of the bottom ash is solidified on-site, with the remainder entrusted to licensed waste clearance and treatment operators for solidification followed by physical treatment, or reused in accordance with applicable general reuse provisions. The Company's waste is primarily solidified and ultimately disposed of in landfills. Given constraints on landfill capacity, increasingly stringent regulatory requirements, and limited social acceptance, the selection of final waste disposal methods and disposal sites has become one of the Company's most significant environmental impacts and operational risks.

### Management of Significant Waste-related Impacts

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 2025, 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.

▼ Waste Management Process Flowchart



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

| Year | 2023 | 2024 | 2025 |
|---|---|---|---|
| Volume of incinerator waste | 54,986 | 59,448 | 62,586 |
| Volume of solidified waste | 15,435 | 23,115 | 29,161 |
| Volume of materialized waste | 6,999 | 7,016 | 7,076 |
| Volume of buried waste | 26,812 | 33,187 | 43,201 |

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

| Year | 2023 | 2024 | 2025 |
|---|---|---|---|
| Volume of Hazardous Waste Incinerated | 33,873 | 35,686 | 40,754 |
| Percentage of Hazardous Waste Incinerated | 62% | 60% | 65% |

Description:Percentage of hazardous waste incinerated = Total weight of hazardous waste incinerated (metric tons) / Total weight of all waste incinerated (metric tons)

## Waste Management Policy

### Ⅰ .Waste Reduction

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.

With 2025 as the baseline year, the Company aims to reduce secondary waste generated per metric ton of waste treated by 4% by 2027. In 2025, secondary waste generated per metric ton of waste treated decreased by 13.7% compared with 2024.

As the characteristics and types of waste received had changed from those in 2019, the baseline year established for the waste reduction target in 2024, the Company revised its waste reduction target and baseline year in 2025.

▼ Secondary Waste Generation and Generation Intensity (Combined Total for All Sites; Unit: Metric Tons)

| Item | Year | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Waste Generation | Annual Waste Generated | 11,227.662 | 11,706.888 | 11,158.879 |
| | Waste Generated per Unit of Waste Treated | 0.145 | 0.131 | 0.113 |

Description:Derived waste generation intensity = Annual derived waste generated (metric tons)/Annual volume of waste treated (metric tons)

### Ⅱ .Waste Resource Circulation

Although the incineration of industrial waste received by Sunny Friend's Zhangbin Plant reduces the volume of waste, residual waste is still generated during the process. This residual waste is currently treated through solidification and subsequently disposed of in landfills. Given the limited availability of landfill capacity and the difficulty of securing additional landfill sites, the Company seeks to move beyond the conventional cradle to grave approach by actively exploring feasible solutions for returning waste materials to the market for reuse. If the residual waste can be properly reused by qualified external service providers without undergoing solidification and landfill disposal, this would reduce the materials and costs associated with solidification operations while effectively extending the service life of landfill sites, thereby supporting sustainable operations and long term development. As the use of municipal and industrial waste as raw materials in cement manufacturing has become widespread, and as Sunny Friend is an affiliated company of the Ruentex Group, which also includes cement manufacturer Ruentex Materials Co., Ltd., the two companies have integrated Group resources and entered into an agreement under which bottom ash generated from the incineration process at Sunny Friend's Zhangbin Plant is used as an alternative raw material in cement production. In the short term, the Company aims to increase the proportion of bottom ash that is recycled and reused. In the long term, it plans to achieve the full circular reuse of all bottom ash generated from the incineration process at the Zhangbin Plant. The Company obtained case specific reuse approval from the Industrial Development Administration, Ministry of Economic Affairs, in 2022, followed by general reuse approval in September 2025. In 2025, a total of 289.23 metric tons of bottom ash was reused.

### 5.4.2 Waste Removal and Disposal

In 2025, the Company generated a total of 11,158.879 metric tons of waste, comprising 5,181.540 metric tons of hazardous industrial waste, accounting for 46.4%, and 5,977.339 metric tons of non-hazardous industrial waste, accounting for 53.6%.

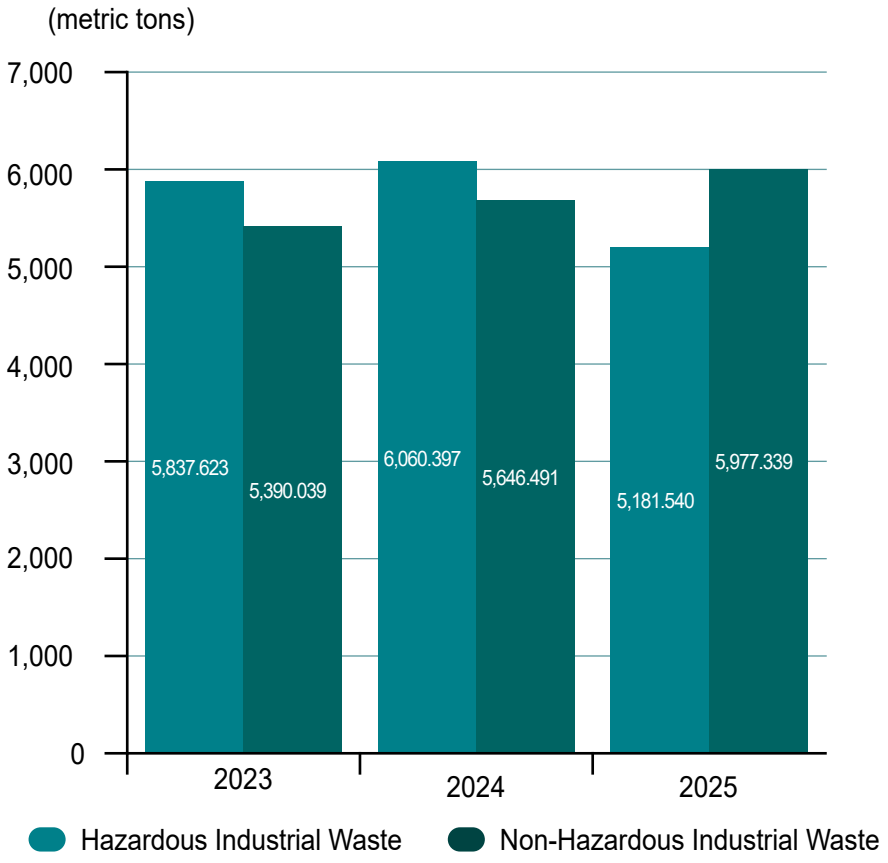
In addition to source reduction efforts, the Company is committed to maximizing the resource value of existing waste. In compliance with local regulations and based on available technologies, Sunny Friend Environmental Technology Co., Ltd. prioritizes waste treatment methods such as reuse and recycling to optimize resource recovery. In 2025, 4.8% 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[Note 1] | Amount Generated | Amount Transferred for Treatment and Disposal | Amount Directly Disposed | Year-end Storage Volume |
|---|---|---|---|---|---|
| 2025 | Hazardous Industrial Waste | 5,181.540 | 0.000 | 5,156.184 | 71.108 |
| | Non-Hazardous Industrial Waste | 5,977.339 | 289.230 | 5,751.086 | 82.471 |
| | Total | 11,158.879 | 289.230 | 10,907.270 | 153.579 |
| 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 | 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 | 11,227.662 | 382.550 | 10,780.483 | 314.478 |

Note 1:The classification of hazardous and non-hazardous waste is determined in accordance with local regulations applicable to each site.

▼ Waste Generation Volume



## 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 2025, the total volume of industrial waste directly disposed of amounted to 10,907.270 metric tons, of which 4,892.626 metric tons were treated in-house and 6,014.644 metric tons were processed by external third-party service providers.

▼ Waste Transferred for Recycling from Disposal Operations (Total by Site, unit: metric tons)

| Item | Method of Waste Disposal and Transfer | 2023 | | | 2024 | | | 2025 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | On-site | Off-site | Subtotal | On-site | Off-site | Subtotal | On-site | Off-site | Subtotal |
| Non-Hazardous Industrial Waste | Other Recycling Operations | 0.000 | 382.550 | 382.550 | 0.000 | 313.060 | 313.060 | 0.000 | 289.230 | 289.230 |

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

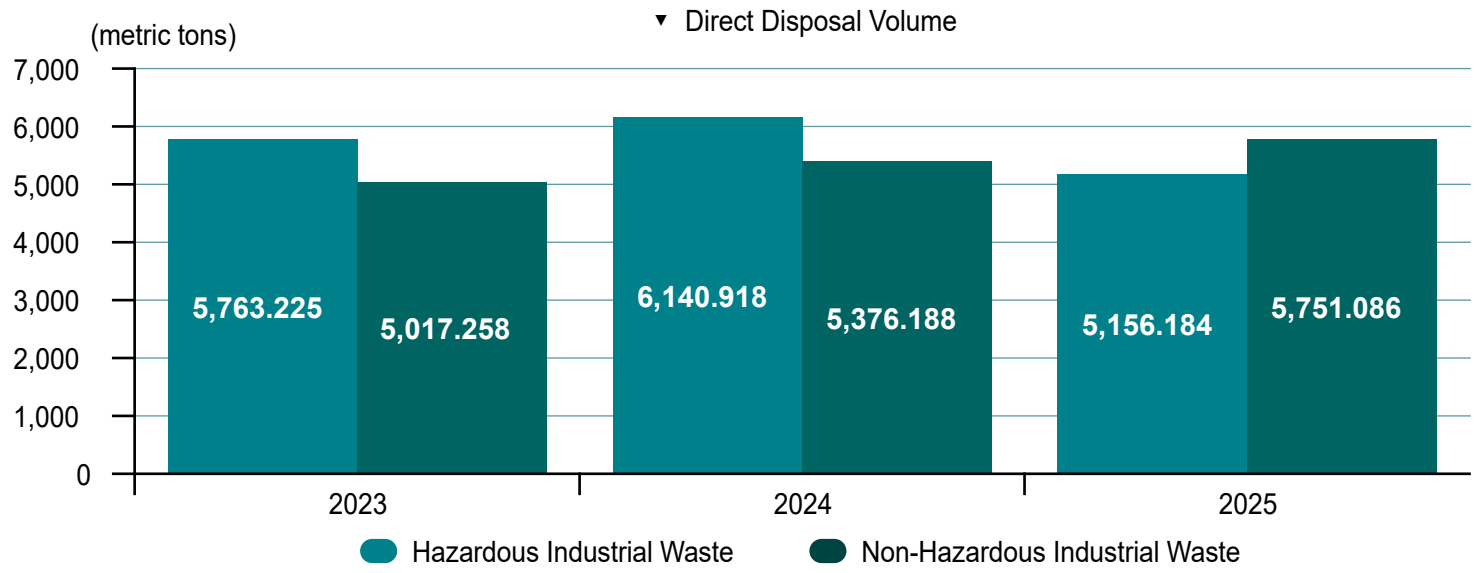
In addition to the aforementioned waste types, the remaining industrial waste is directly disposed of through on-site solidification and incineration processes at the Zhangbin Plant or through third-party treatment services. In 2025, the total volume of industrial waste directly disposed of amounted to 10,907.270 metric tons, of which 4,892.626 metric tons were treated in-house and 6,014.644 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 | 2023 | | | 2024 | | | 2025 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 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) | 0.227 | 0.000 | 0.227 | 0.533 | 0.000 | 0.533 | 2.992 | 0.440 | 3.432 |
| | Landfilling | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| | Other direct disposal methods | 5,451.668 | 311.330 | 5,762.998 | 5,777.369 | 363.016 | 6,140.385 | 4,795.298 | 357.454 | 5,152.752 |
| | Total | 5,451.895 | 311.330 | 5,763.225 | 5,777.902 | 363.016 | 6,140.918 | 4,798.290 | 357.894 | 5,156.184 |

| Item | Direct Disposal Methods | 2023 | | | 2024 | | | 2025 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 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) | 0.000 | 0.000 | 0.000 | 0.004 | 0.000 | 0.004 | 0.000 | 0.000 | 0.000 |
| | Landfilling | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| | Other direct disposal methods | 119.908 | 4,897.350 | 5,017.258 | 81.874 | 5,294.310 | 5,376.184 | 94.336 | 5,656.750 | 5,751.086 |
| | Total | 119.908 | 4,897.350 | 5,017.258 | 81.878 | 5,294.310 | 5,376.188 | 94.336 | 5,656.750 | 5,751.086 |

Description 1: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.
Description 2: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.



# 5.5 Ecological Conservation

## 5.5.1 Protected Areas and Areas of High Biodiversity Value

None of Sunny Friend's operating sites are located within protected areas or biodiversity hotspots. However, the Zhangbin Plant is located approximately 10 kilometers southeast of the Dadu River Estuary Wildlife Refuge and the Dadu Estuary Important Wetland. The Company therefore continues to monitor their ecological conditions and any potential impacts arising from its operations.

In accordance with applicable environmental laws and regulations, the Company conducts environmental impact assessments and carries out regular ecological surveys and monitoring to continuously assess the impacts of its operations on the surrounding ecological environment. The results of the 2025 ecological survey and assessment indicated that the Company's operations had no significant adverse impacts on local biodiversity.

Recognizing that biodiversity conservation contributes to climate change mitigation and adaptation, the Company has formulated its Biodiversity Commitment with reference to the principles of the Convention on Biological Diversity. Through this commitment, the Company seeks to conserve biodiversity, promote the sustainable use of its components, and ensure the fair and equitable sharing of benefits arising from the utilization of genetic resources, thereby supporting the achievement of United Nations Sustainable Development Goals 6, 12, 13, 14, 15, and 17.

The Company is committed to: 1. Ensuring that its operations comply with applicable international, national, and local laws and regulations related to biodiversity. 2.Avoiding adverse impacts from its operations on endangered and protected species.

▼ Ecological Conservation Measures

| Initiative | Site | Description | 2025 Implementation Status |
|---|---|---|---|
| Ecological Surveys | Zhangbin Plant | Ecological surveys are conducted quarterly within a 1,000-meter radius surrounding Landfill Area 5 to continuously monitor local ecosystems and habitat conditions. | A total of four ecological surveys were completed in 2025. The assessment results indicated that the Company's operations had no significant impact on biodiversity and caused no adverse impacts on the surrounding environment or local species. |
| Adoption of an Air Quality Purification Zone | Zhangbin Plant | Since 2017, the Company has participated in the adoption of an Air Quality Purification Zone administered by the Environmental Protection Bureau of Changhua County, with Datong Elementary School in Shengang Township serving as the maintenance unit. The adopted area covers 2.6227 hectares. | Routine maintenance activities, including irrigation and pest and disease control for vegetation, were carried out regularly. The adopted site received an Excellent Rating in the Air Quality Purification Zone Evaluation. |
| Adoption of Road Sweeping and Cleaning | Yunlin Plant | Since 2015, the Yunlin Plant has participated in a road sweeping adoption program initiated by the Environmental Protection Bureau of Yunlin County, covering County Road 160 East, County Road 145, and Yunlin Township Road 172, with a total adopted road length of 91.2 kilometers. Regular road cleaning is conducted to maintain environmental cleanliness. | A total of 48 road sweeping operations were completed in 2025. |
| | | Since 2023, during the construction of Landfill Area 5, the Zhangbin Plant has adopted nearby roads for routine cleaning. Except on rainy days or days when no construction activities are conducted, 1.5 kilometers of roadway are swept once per day. | A total of 328 road sweeping operations were completed in 2025, covering an aggregate distance of 491.25 kilometers. |
| Coastal Cleanup | Zhangbin Plant | Since 2010, the Company has participated in a beach adoption program administered by the Environmental Protection Bureau of Changhua County. The adopted coastline extends approximately 2,000 meters northward from the area west of the intersection of Zhangbin West 2nd Road and Xiangong South 4th Road in Xianxi Township, Changhua County. Coastal cleanup activities are conducted regularly. | A total of 12 coastal cleanup activities were completed in 2025. |
| Tree Planting | Zhangbin Plant | The Company has adopted approximately 3.38 hectares of windbreak forest located along the western and northern sides of Landfill Area 5. | A total of 300 trees had been planted in the windbreak forest as of 2025. |
| | | The Company has committed to planting approximately 250 trees upon completion of Landfill Area 5. | The landfill is currently under construction. |

# 6 Sustainable Supply Chain

## 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.

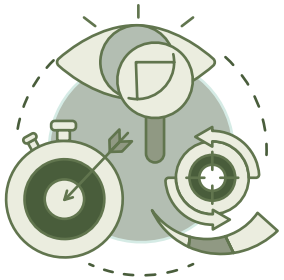
Additionally, Sunny Friend maintains strong collaborative relationships with government agencies, industry associations, and academic institutions. Through strategic alliances, technical exchanges, and policy alignment, the Company actively promotes environmental governance, pollution prevention, and sustainable resource development. Compared to the 2024 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

All raw materials, construction works, mechanical engineering works, equipment, services, and other procurements required for Sunny Friend's operations are supplied by its suppliers. As a professional waste treatment company in Taiwan, Sunny Friend has an important mission to assist businesses and government agencies in the proper treatment of waste. We actively seek high-quality suppliers that can continuously provide the Company with stable and reliable products and services, while working together with Sunny Friend toward the goal of sustainable growth.





**Evaluation and Control**

Ensure the quality of technical services

Supplier evaluation and management.

Self-assessment by suppliers.

**2025**

- 110 important suppliers were evaluated.
- 17 important suppliers conducted self-assessment.



**Local Procurement**

Better fulfillment of Environmental Social Governance

Increase local procurement rate.

Encourage energy saving and green procurement.

**2025**

- Local Procurement Ratio 61%
- Energy-Efficient Procurement Amount 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.

**2025**

- 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.

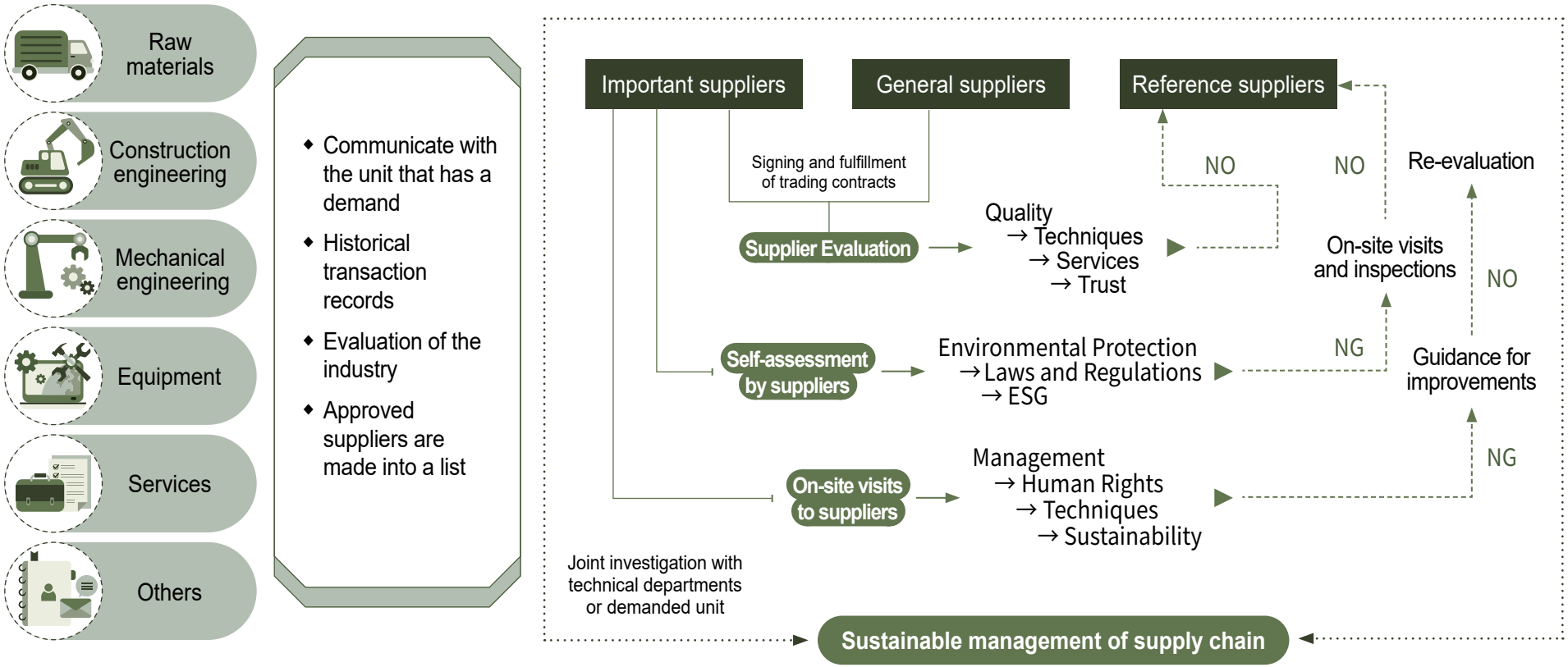
Take on-site visits to offer assistance to important suppliers.

**2025**

- 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 17 suppliers.

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 2025, 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 94 pieces. The engineering contracts are construction projects, mechanical engineering, etc., totaling 39 pieces. Lease contracts such as land and houses are a total of 39 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 61 contracts. As of 2025, Sunny Friend has 618 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 2024, there were no significant changes in the number of suppliers engaged by the Company.

## Supplier Classification and Evaluation



# 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 select suppliers based on their credit records and conduct quarterly evaluations of key suppliers. Depending on project progress and operational needs, we also conduct on-site supplier audits, supplier communication and training, and supplier meetings. Building on communication and collaboration, we integrate sustainability requirements into supplier management and seek to encourage our suppliers to place greater emphasis on corporate sustainability by reviewing requirements relating to environmental, labor, human rights, social, and product responsibility impacts. Together with our suppliers, we strive to enhance corporate sustainability performance and promote the 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 shall ensure that their labor conditions comply with the requirements of the Labor Standards Act, provide a safe and healthy working environment, and place importance on employee training and development. Suppliers shall also protect employees' fundamental labor and human rights and shall not employ child labor, illegal workers, or engage in any other unlawful employment practices. |

| 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):

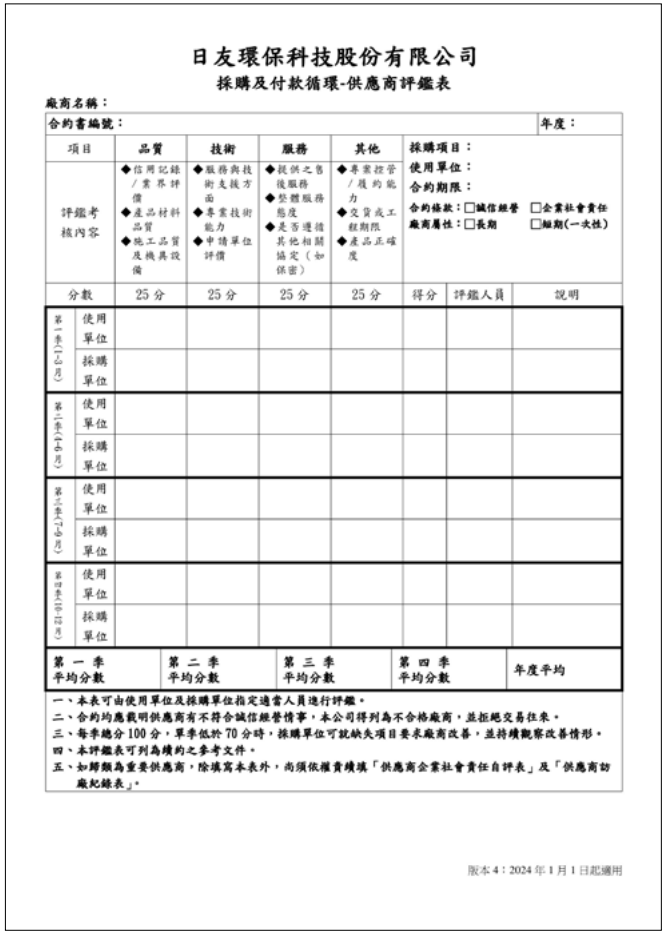
1. Party A and Party B shall comply with both parties' ESG policy.
2. Where Party B violates any of both parties' ESG policy and results in obvious impacts to the environment and community of the source of supply, Party A may suspend its fulfillment of this Contract and requests Party B to take a corrective 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.

### 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 2025, all of our suppliers' scores are above 70.



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：<br>使用單位：<br>合約期限： | | |
| 評鑑考核內容 | ◆信用記錄/業界評價<br>◆產品材料品質<br>◆施工品質及機具設備 | ◆服務與技術支援方面<br>◆專業技術能力<br>◆申請單位評價 | ◆提供之售後服務<br>◆整體服務態度<br>◆是否遵循其他相關協定（如保密） | ◆專案控管/履約能力<br>◆交貨或工程期限<br>◆產品正確度 | 合約條款：□誠信經營 □企業社會責任<br>廠商屬性：□長期 □短期(一次性) | | |
| 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符合誠信經營情事，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、本評鑑表可列為續約之參考文件。
五、如歸類為重要供應商，除填寫本表外，尚須依報貴績填「供應商企業社會責任自評表」及「供應商訪廠紀錄表」。

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▼ The handling of violations during the contract fulfillment period:

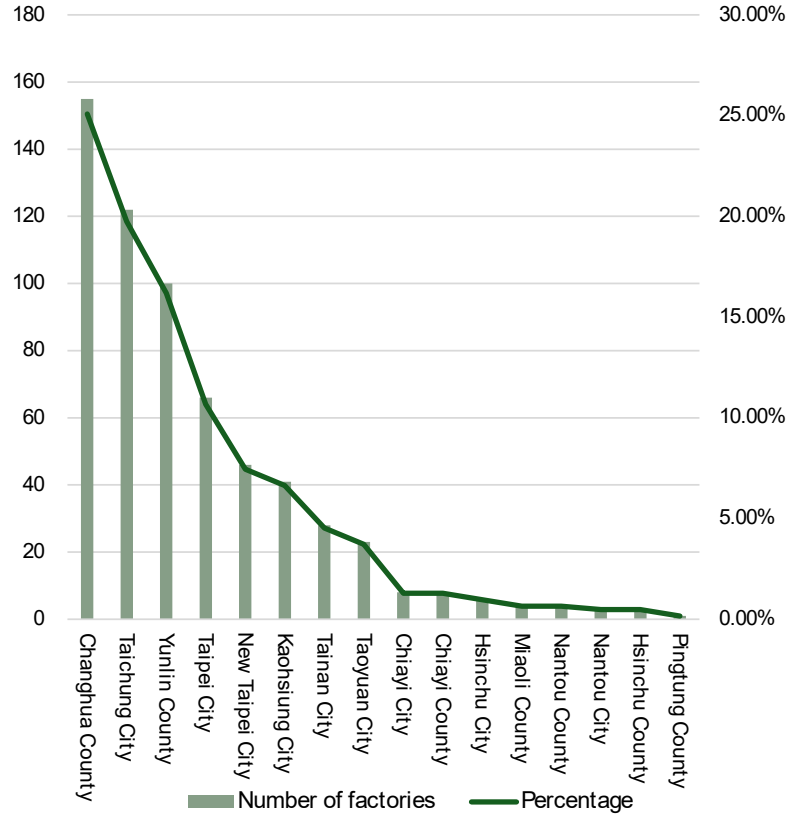
| Matters of violation / Level of impact | Quality related matters | Occupational safety related matters | Environmental protection related matters | Business integrity related matters | ESG related matters (starting from 2019) |
|---|---|---|---|---|---|
| Minor violation, where improvements can be 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 2025, Sunny Friend has 17 important suppliers and 38 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.

## 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 2025 suppliers as an example, 61% of local suppliers that are located in counties and cities (including Yunlin County, Changhua County and Taichung City) nearby Yunlin Plant and Zhangbin 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 2025 is as follows.

▼ Distribution Map of Sunny Friend's Suppliers




▼ A procurement overview of 2023-2025

| | 2023 | 2024 | 2025 | Total | Notes |
|---|---|---|---|---|---|
| Change to recyclable materials | 0 | 0 | 0 | 0 | Procurement of dumpsters |
| ECO and energy-saving related labels | 12,217,731 | 15,229,660 | 43,527,283 | 70,974,674 | Primarily equipment, raw materials, air-conditioners, computers and so on |
| Eco-friendly ink-printing | 119,700 | 124,600 | 117,800 | 362,100 | Northern Lapwing Literary Magazine |
| Total | 12,337,431 | 15,354,260 | 43,645,083 | 71,336,774 | - |

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 2025 the amount of environmental protection-related purchases is NT$ 43,527,283 where the procured items are as illustrated in above table.

## 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.



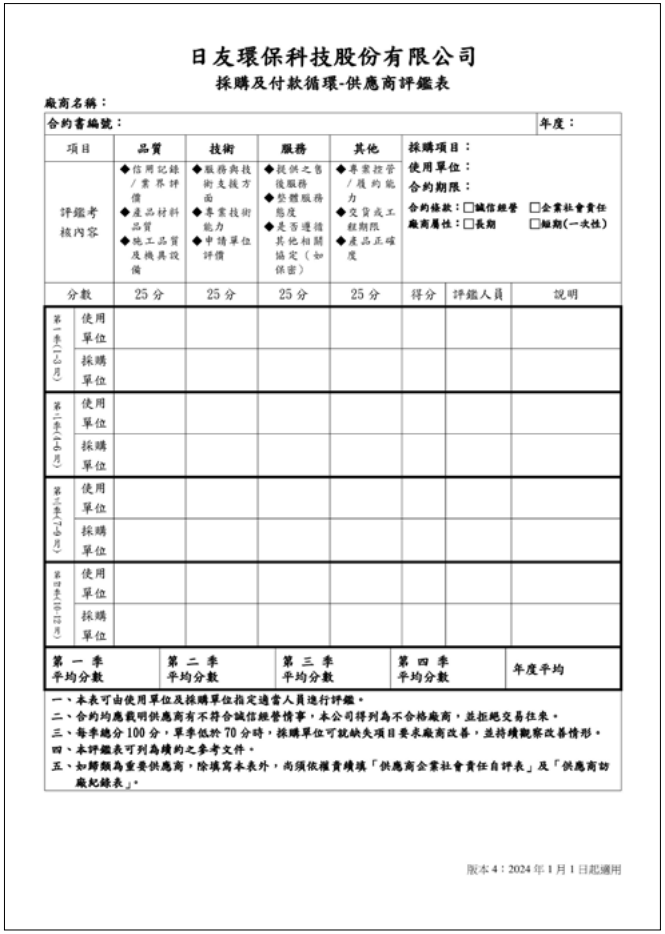


▲ Regular inspections are performed to ensure that suppliers maintain a strong focus on on-site operational safety.

## 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 2025, 17 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.



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：<br>使用單位：<br>合約期限：<br>合約條款：□誠信經營 □企業社會責任<br>廠商屬性：□長期 □短期(一次性) | | |
| 評鑑考核內容 | ◆信用記錄/業界評價<br>◆產品材料品質<br>◆施工品質及機具設備 | ◆服務與技術支援方面<br>◆專業技術能力<br>◆申請單位評價 | ◆提供之售後服務<br>◆整體服務態度<br>◆是否遵循其他相關協定（如保密） | ◆專案控管/履約能力<br>◆交貨或工程期限<br>◆產品正確度 | | | |
| 分數 | 25 分 | 25 分 | 25 分 | 25 分 | 得分 | 評鑑人員 | 說明 |
| 第一季(一~三月) 使用單位 | | | | | | | |
| 第一季(一~三月) 採購單位 | | | | | | | |
| 第二季(四~六月) 使用單位 | | | | | | | |
| 第二季(四~六月) 採購單位 | | | | | | | |
| 第三季(七~九月) 使用單位 | | | | | | | |
| 第三季(七~九月) 採購單位 | | | | | | | |
| 第四季(十~十二月) 使用單位 | | | | | | | |
| 第四季(十~十二月) 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 | | | |

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三、每季總分100分，單季低於70分時，採購單位可說缺失項目要求廠商改善，並持續觀察改善情形。
四、本評鑑表可列為續約之參考文件。
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▲ To ensure the suppliers' performance, the Company accompanies relevant units to the site for a joint inspection.

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 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 Nega 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 lively reported or has any public information. In 2025 Sunny Friend inspected 17 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：<br>合約區間：<br>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，有無債信問題？ | | |
| | 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？ | | |
| 人權與安全衛生 (20 分) | 6.勞動條件各方面是否符合勞動基準法規範？是否有勞安訓練？ | | |
| | 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，是否僱用童工或非法勞工？ | | |
| | 10.是否有歧視、逆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，善盡企業社會責任？ | | |
| 技術與產品品質 (20 分) | 16.是否有建立相關的品質政策？(圖書標示管理或認證) | | |
| | 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.訪廠期間是否變化包裝材料，減少有害製程？ | | |
| 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常？ | | |
| | 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：

### 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 2025 the new "supplier integrity terms and conditions" were added to all contracts (Total 158); and the 17 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.

# 7 Appendix

## GRI Standards Index

Instructions for use: The ESG information for the period from January 1 to December 31, 2025, 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 or Note |
| GRI 2：General disclosure 2021 | 2-1 Organization information in details | 2.1.1 Basic Information | 20 | NA | |
| | 2-2 Entities included in the organizational ESG report | 1.1.3 Reporting Boundary and Scope | 2 | | |
| | 2-3 Period, frequency and contact person of report | 1.1.1 Reporting Period | 2 | | |
| | | 1.1.6 Contact Information | 3 | | |
| | 2-4 Information restatement | 1.1.4 Restatement of Information | 3 | | |
| | 2-5 External warranty / assurance | 1.1.7 External Assurance | 3 | | |
| | 2-6 Activities, value chain and other commercial relationships | 6.1.1 Industry Overview | 100 | – | – |
| | 2-7 Employees | 2.1.1 Basic Information | 20 | – | – |
| | | 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 | 25 | – | – |
| | | 2.2.2 Functional Committees | 29 | | |
| | 2-10 Nomination and election of top management | 2.2.1 Governance Structure | 25 | – | – |

| GRI Standards | Disclosure Items | Corresponding chapter | Page | Omission Statement | |
|---|---|---|---|---|---|
| | | | | Omitted Disclosure(s) | Reason or Note |
| GRI 2：General disclosure 2021 | 2-11 Chair of top management | 2.2.1 Governance Structure | 25 | – | – |
| | 2-12 The role of top management in supervising impact management | 1.4.1 Material Topic Assessment Process | 9 | – | – |
| | | 1.4.2 Management of Material Topic Impacts | 11 | | |
| | 2-13 Person in charge of impact management | 1.4.1 Material Topic Assessment Process | 9 | – | – |
| | | 1.4.2 Management of Material Topic Impacts | 11 | | |
| | 2-14 The role of top management in ESG report | 1.4.1 Material Topic Assessment Process | 9 | – | – |
| | 2-15 Conflict of interests | 2.2.1 Governance Structure | 25 | – | – |
| | 2-16 Communications of key materiality events | 2.2.2 Functional Committees | 29 | – | – |
| | 2-17 Collective intelligence of top management | 2.2.1 Governance Structure | 25 | – | – |
| | 2-18 Performance evaluation of top management | 2.2.1 Governance Structure | 25 | – | – |
| | 2-19 Remuneration policy | 2.2.1 Governance Structure | 25 | – | – |
| | 2-20 Remuneration decision process | 2.2.1 Governance Structure | 25 | – | – |
| | 2-21 Annual total remuneration percentage | 3.2.1 Equitable and Competitive Compensation | 56 | – | – |
| | 2-22 Statement of sustainable development strategy | 1.2.1 Words from Chairman | 4 | – | – |
| | 2-23 Policy commitment | 2.4.1 Ethical Management | 32 | – | – |
| | | 2.4.2 Human Rights Policy | 38 | | |
| | 2-24 Inclusion of policy commitment | 2.4.1 Ethical Management | 32 | – | – |
| | | 2.4.2 Human Rights Policy | 38 | | |

| GRI Standards | Disclosure Items | Corresponding chapter | Page | Omission Statement | |
|---|---|---|---|---|---|
| | | | | Omitted Disclosure(s) | Reason or Note |
| GRI 2：General disclosure 2021 | 2-25 Procedure for negative impact remediation | 2.4.1 Ethical Management | 32 | – | – |
| | | 2.4.2 Human Rights Policy | 38 | | |
| | 2-26 Mechanism to seek suggestions and propose concerns | 2.4.1 Ethical Management | 32 | – | – |
| | | 2.4.2 Human Rights Policy | 38 | | |
| | 2-27 Regulatory compliance | 2.4.3 Regulatory Compliance | 40 | – | – |
| | 2-28 Association membership | 2.1.1 Basic Information | 20 | – | – |
| | 2-29 Stakeholder engagement guidelines | 1.3.1 Stakeholder Identification | 6 | – | – |
| | | 1.3.2 Stakeholder Engagement | 6 | | |
| | 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 | 9 | NA | |
| | 3-2 Materiality issue list | 1.4.2 Management of Material Topic Impacts | 11 | | |

Materiality issue disclosure

| GRI Standards | Disclosure Items | Corresponding chapter | Page | Omission Statement | |
|---|---|---|---|---|---|
| | | | | Omitted Disclosure(s) | Reason or Note |
| Ethical Management | | | | | |
| 3-3 Materiality issue management | | 1.4.2 Management of Material Topic Impacts | 11 | – | – |
| | | 2.4.1 Ethical Management | 32 | – | – |
| GRI 205：Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | – | – | Operations assessed for risks related to corruption | The corruption risk assessment has not yet been completed; therefore, the relevant quantitative information is not currently available for disclosure. Going forward, the Company will progressively establish a corruption risk assessment mechanism and enhance related disclosures. |
| | 205-2 Communications and training of anti-corruption policy and procedure | 2.4.1 Ethical Management | 32 | – | – |
| | 205-3 Identified corruption events and actions taken | 2.4.1 Ethical Management | 32 | – | – |
| Economic performance | | | | | |
| 3-3 Materiality issue management | | 1.4.2 Management of Material Topic Impacts | 11 | – | – |
| | | 2.3.1 Economic Value | 30 | – | – |
| GRI 201: Economic performance 2016 | 201-1 Direct economic values generated and distributed by organization | 2.3.1 Economic Value | 30 | – | – |
| | 201-4 Financial assistance received from government | 2.3.1 Economic Value | 30 | – | – |
| GHG emission | | | | | |
| 3-3 Materiality issue management | | 1.4.2 Management of Material Topic Impacts | 11 | – | – |
| 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 | – | – |

| GRI Standards | Disclosure Items | Corresponding chapter | Page | Omission Statement | |
|---|---|---|---|---|---|
| | | | | Omitted Disclosure(s) | Reason or Note |
| Waste | | | | | |
| 3-3 Materiality issue management | | 1.4.2 Management of Material Topic Impacts | 11 | – | – |
| GRI 306：Waste 2020 | 306-1 Waste generation and significant waste-related impacts | 5.4.1 Waste Management Policy | 94 | – | – |
| | 306-2 Management of significant waste-related impacts | 5.4.1 Waste Management Policy | 94 | – | – |
| | 306-3 Waste generated | 5.4.2 Waste Removal and Disposal | 97 | – | – |
| | 306-4 Waste diverted from disposal | 5.4.2 Waste Removal and Disposal | 97 | – | – |
| | 306-5 Waste directed to disposal | 5.4.2 Waste Removal and Disposal | 97 | – | – |
| Air Quality | | | | | |
| 3-3 Materiality issue management | | 1.4.2 Management of Material Topic Impacts | 11 | – | – |
| GRI 305：Emissions 2016 | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 5.2.3 Other Air Pollutant Emissions | 89 | – | – |
| Energy | | | | | |
| 3-3 Materiality issue management | | 1.4.2 Management of Material Topic Impacts | 11 | – | – |
| GRI 302：Energy 2016 | 302-1 Energy consumption within the organization | 5.1.1 Energy Consumption | 82 | – | – |
| | 302-3 Energy intensity | 5.1.1 Energy Consumption | 82 | – | – |
| Employee welfare and salary | | | | | |
| 3-3 Materiality issue management | | 1.4.2 Management of Material Topic Impacts | 11 | – | – |
| GRI 201：Economic performance 2016 | 201-3 Defined benefit plan obligations and other retirement plans | 3.2.2 Comprehensive Employee Benefits | 58 | – | – |

| GRI Standards | Disclosure Items | Corresponding chapter | Page | Omission Statement | |
|---|---|---|---|---|---|
| | | | | Omitted Disclosure(s) | Reason or Note |
| 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 | 56 | – | – |
| 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 | 58 | – | – |
| | 401-3 Parental leave | 3.2.3 Family-Friendly Workplace Initiatives | 59 | – | – |
| Labor-Management Communication | | | | | |
| 3-3 Materiality issue management | | 1.4.2 Management of Material Topic Impacts | 11 | – | – |
| GRI 402：Labor/Management Relations 2016 | 402-1 Minimum notice periods regarding operational changes | 3.1.2 Talent Recruitment | 50 | – | – |
| Occupational safety and health | | | | | |
| 3-3 Materiality issue management | | 1.4.2 Management of Material Topic Impacts | 11 | – | – |
| GRI 403：Occupational Health and Safety 2018 | 403-1 Occupational safety and health management system | 3.4.1 Occupational Health and Safety Management | 62 | – | – |
| | 403-2 Hazard identification, risk assessment and incident investigation | 3.4.1 Occupational Health and Safety Management | 62 | – | – |
| | 403-3 Occupational health service | 3.4.1 Occupational Health and Safety Management | 62 | – | – |
| | 403-4 Worker participation, counseling and communications related to occupational safety and health | 3.4.1 Occupational Health and Safety Management | 62 | – | – |
| | 403-5 Worker training related to occupational safety and health | 3.4.1 Occupational Health and Safety Management | 62 | – | – |
| | 403-6 Worker's health improvement | 3.4.1 Occupational Health and Safety Management | 62 | – | – |
| | 403-7 Prevention and mitigation of occupational safety and health impacts directly linked to business relationship | 3.4.1 Occupational Health and Safety Management | 62 | – | – |
| | 403-8 Workers covered by an occupational health and safety management system | 3.4.1 Occupational Health and Safety Management | 62 | – | – |
| | 403-9 Work-related injuries | 3.4.2 Occupational Injuries and Work-related Ill Health | 65 | – | – |

Topic-specific Disclosures

| GRI Standards | Disclosure Items | Corresponding chapter | Page | Omission Statement | |
|---|---|---|---|---|---|
| | | | | Omitted Disclosure(s) | Reason or Note |
| 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 | 93 | – | – |
| | 303-4 Water discharge | 5.3.2 Water Withdrawal, Discharge, and Consumption | 93 | – | – |
| | 303-5 Water consumption | 5.3.2 Water Withdrawal, Discharge, and Consumption | 93 | – | – |
| GRI 304：Biodiversity 2016 | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 5.5.1 Protected Areas and Areas of High Biodiversity Value | 100 | – | – |
| GRI 401：勞雇關係 2016 | 401-1 New employee hires and employee turnover | 3.1.2 Talent Recruitment | 50 | – | – |
| GRI 404：訓練與教育 2016 | 404-1 Average hours of training per year per employee | 3.3.1 Talent Development and Training | 60 | – | – |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 3.3.1 Talent Development and Training | 60 | – | – |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | 3.3.2 Performance Evaluation | 61 | – | – |
| GRI 405：Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | 2.2.1 Governance Structure | 25 | – | – |
| | | 3.1.2 Talent Recruitment | 50 | | |

# SASB Standards Index

Instructions for use: The ESG information for the period from January 1 to December 31, 2025, has been reported in accordance with the SASB Standards.

SASB Industry Classification: IF-WM

| Metric Category | SASB Metric Code | Disclosure Topic | Disclosure Items | Type | Annual Disclosure Status | Units | Corresponding chapter | Page | Omission Statement | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Omitted Disclosure(s) | Reason or Note |
| Metric | IF-WM-110a.1 | Greenhouse Gas Emissions | (1) Gross global Scope 1 emissions | Quantitative | 123,249.383 | $tCO_2e$ | 5.2.1 Greenhouse Gas (GHG) Inventory | 84 | – | – |
| | | | (2) Percentage of emissions subject to emissions-limiting regulations | | 80.6 | Percentage (%) | 5.2.1 Greenhouse Gas (GHG) Inventory | 84 | – | – |
| | | | (3) Percentage of emissions subject to emissions-reporting regulations | | 80.6 | 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 flared | | – | Percentage (%) | – | – | Percentage flared | The stabilized materials landfilled are inorganic in nature and do not generate landfill gas |
| | | | (3) Percentage used for energy | | – | Percentage (%) | – | – | Percentage used for energy | The stabilized materials landfilled are inorganic in nature and do not generate landfill gas |
| Metric | IF-WM-110a.3 | Greenhouse Gas Emissions | Discussion of long-term and short-term strategies or plans to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | Discussion and Analysis | Please refer to the relevant sections of this Report for details | – | 5.2.2 Greenhouse Gas (GHG) Emissions Reduction | 87 | – | – |

| Metric Category | SASB Metric Code | Disclosure Topic | Disclosure Items | Type | Annual Disclosure Status | Units | Corresponding chapter | Page | Omission Statement | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Omitted Disclosure(s) | Reason or Note |
| Metric | IF-WM-110b.1 | Fleet Fuel Management | (1) Fleet fuel consumed | Quantitative | – | GJ | – | – | 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 natural gas | | – | Percentage (%) | – | – | Percentage 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 renewable | | – | Percentage (%) | – | – | Percentage renewable | 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-110b.2 | Fleet Fuel Management | Percentage of alternative fuel vehicles in fleet | Quantitative | – | Percentage (%) | – | – | Percentage of alternative fuel vehicles in fleet | 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 | Air emissions of the following pollutants: (1) NOx (excluding $N_2O$) | Quantitative | 67.316 | Tonne | 5.2.3 Other Air Pollutant Emissions | 89 | – | – |
| | | | Air emissions of the following pollutants: (2) SOx | | 23.636 | Tonne | 5.2.3 Other Air Pollutant Emissions | 89 | – | – |
| | | | Air emissions of the following pollutants: (3) Volatile organic compounds (VOCs) | | 28.243 | Tonne | 5.2.3 Other Air Pollutant Emissions | 89 | – | – |
| | | | Air emissions of the following pollutants: (4) Hazardous air pollutants (HAPs) | | 4.072 | Tonne | 5.2.3 Other Air Pollutant Emissions | 89 | – | – |
| Metric | IF-WM-120a.2 | Air Quality | Number of facilities 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 Category | SASB Metric Code | Disclosure Topic | Disclosure Items | Type | Annual Disclosure Status | Units | Corresponding chapter | Page | Omission Statement | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Omitted Disclosure(s) | Reason or Note |
| Metric | IF-WM-120a.3 | Air Quality | Number of incidents of non-compliance associated with air quality permits, standards, and regulations | Quantitative | 0 | Quantity | 2.4.3 Regulatory Compliance | 40 | – | – |
| Metric | IF-WM-150a.1 | Leachate and Hazardous Waste Management | (1) Total Toxic Release Inventory (TRI) releases | Quantitative | 40,754 | Tonne | 5.4.1 Waste Management Policy | 94 | – | – |
| | | | (2) Percentage released to water | | – | Percentage(%) | – | – | Percentage released to water | Not applicable; no incidents occurred during the reporting period |
| Metric | IF-WM-150a.2 | Leachate and Hazardous Waste | Number of corrective actions implemented for landfill releases | Quantitative | 0 | Quantity | 5.4.1 Waste Management Policy | 94 | – | – |
| Metric | IF-WM-150a.3 | Leachate and Hazardous Waste | Number of incidents of non-compliance associated with 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 | – | Percentage (%) | 3.1.3 Labor-Management Agreements | 55 | Percentage of active workforce covered under collective bargaining agreements | The Company has not established or joined any labor unions and has not entered into any collective bargaining agreements |
| Metric | IF-WM-310a.2 | Labor Practices | (1) Number of work stoppages | Quantitative | 0 | Number of Occurrences | 2.4.2 Human Rights Policy | 38 | – | – |
| | | | (2) Total days idle | | 0 | Idle Days | 2.4.2 Human Rights Policy | 38 | – | – |

| Metric Category | SASB Metric Code | Disclosure Topic | Disclosure Items | Type | Annual Disclosure Status | Units | Corresponding chapter | Page | Omission Statement | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Omitted Disclosure(s) | Reason or Note |
| Metric | IF-WM-320a.1 | Employee Health and Safety | (a) Direct employees (1) Total Recordable Incident Rate (TRIR) | Quantitative | 2.3 | Ratio | 3.4.2 Occupational Injuries and Work-related Ill Health | 65 | – | – |
| | | | (a) Direct employees (2) Fatality Rate | | 0 | Ratio | 3.4.2 Occupational Injuries and Work-related Ill Health | 65 | – | – |
| | | | (a) Direct employees (3) Near Miss Frequency Rate (NMFR) | | 0 | Ratio | 3.4.2 Occupational Injuries and Work-related Ill Health | 65 | – | – |
| | | | (b) Contract employees (1) Total Recordable Incident Rate (TRIR) | | – | Ratio | – | – | (b)Contract employees (1)Total Recordable Incident Rate (TRIR) | No statistics were compiled during the reporting period |
| | | | (b) Contract employees (2) Fatality Rate | | – | Ratio | – | – | (b)Contract employees(2)Fatality Rate | No statistics were compiled during the reporting period |
| | | | (b) Contract employees (3) Near Miss Frequency Rate (NMFR) | | – | Ratio | – | – | (b)Contract employees(3)Near Miss Frequency Rate (NMFR) | No statistics were compiled during the reporting period |
| Metric | IF-WM-320a.3 | Employee Health and Safety | Number of Road Accidents and Incidents | Quantitative | – | Quantity | – | – | Number of Road Accidents and Incidents | No incidents occurred during the reporting period |
| Metric | IF-WM-420a.1 | Recycling and Resource Recovery | (1) Amount of Waste Incinerated | Quantitative | 62,586 | tonne | 5.4.1 Waste Management Policy | 94 | – | – |
| | | | (2) Percentage Hazardous | | 65 | Percentage (%) | 5.4.1 Waste Management Policy | 94 | – | – |
| | | | (3) Percentage Used for Energy Recovery | | – | Percentage (%) | – | – | Percentage used for energy recovery | No heat was recovered during the reporting period |

| Metric Category | SASB Metric Code | Disclosure Topic | Disclosure Items | Type | Annual Disclosure Status | Units | Corresponding chapter | Page | Omission Statement | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Omitted Disclosure(s) | Reason or Note |
| Metric | IF-WM-420a.2 | Recycling and Resource Recovery | Percentage of Customers Receiving, by Customer Type (1) Recycling Services | Quantitative | – | Percentage (%) | – | – | Percentage of Customers Receiving, by Customer Type (1) Recycling Services | The Company had no customers receiving recycling services |
| | | | Percentage of Customers Receiving, by Customer Type (2) Composting Services | | – | Percentage (%) | – | – | Percentage of Customers Receiving, by Customer Type (2) Composting Services | The Company had no customers receiving composting services |
| Metric | IF-WM-420a.3 | Recycling and Resource Recovery | (1) Amount of material recycled | Quantitative | – | tonne | – | – | (1) Amount of material recycled | Not applicable; no incidents occurred during the reporting period. |
| | | | (2) Amount of material composted | | – | tonne | – | – | (2) Amount of material composted | Not applicable; no incidents occurred during the reporting period. |
| | | | (3) Amount of material processed as waste-to-energy | | – | tonne | – | – | (3) Amount of material processed as waste-to-energy | Not applicable; no incidents occurred during the reporting period. |
| Metric | IF-WM-420a.4 | Recycling and Resource Recovery | (1) Amount of electronic waste collected | Quantitative | – | tonne | – | – | (1) Amount of electronic waste collected | Not applicable; no incidents occurred during the reporting period. |
| | | | (2) Percentage recovered through recycling | | – | Percentage (%) | – | – | (2) Percentage recovered through recycling | Not applicable; no incidents occurred during the reporting period. |

| Metric Category | SASB Metric Code | Disclosure Topic | Disclosure Items | Type | Annual Disclosure Status | Units | Corresponding chapter | Page | Omission Statement | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Omitted Disclosure(s) | Reason or Note |
| Activity Metric | IF-WM-000.A | – | Number of customers by category:<br>(1) Municipal | Quantitative | – | Quantity | – | – | Number of customers by category:<br>(1) Municipal | Customer data by category has not yet been disaggregated |
| | | | Number of customers by category:<br>(2) Commercial | | – | Quantity | – | – | Number of customers by category:<br>(2) Commercial | Customer data by category has not yet been disaggregated |
| | | | Number of customers by category:<br>(3) Industrial | | – | Quantity | – | – | Number of customers by category:<br>(3) Industrial | Customer data by category has not yet been disaggregated |
| | | | Number of customers by category:<br>(4) Residential | | – | Quantity | – | – | Number of customers by category:<br>(4) Residential | Customer data by category has not yet been disaggregated |
| | | | Number of customers by category:<br>(5) Other | | – | Quantity | – | – | Number of customers by category:<br>(5) Other | Customer data by category has not yet been disaggregated |
| Activity Metric | IF-WM-000.B | – | Fleet size | Quantitative | – | Quantity | – | – | Transportation fleet size | Not applicable; no incidents occurred during the reporting period |

| Metric Category | SASB Metric Code | Disclosure Topic | Disclosure Items | Type | Annual Disclosure Status | Units | Corresponding chapter | Page | Omission Statement | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Omitted Disclosure(s) | Reason or Note |
| Activity Metric | IF-WM-000.C | – | (1) Number of landfill facilities | Quantitative | 4 | Quantity | 5.4.1 Waste Management Policy | 94 | – | – |
| | | | (2) Number of transfer stations | | — | Quantity | – | – | (2) Number of transfer stations | The Company operates waste treatment facilities and does not operate any waste transfer stations |
| | | | (3) Number of recycling centers | | — | Quantity | – | – | (3) Number of recycling centers | The Company operates waste treatment facilities and does not operate any recycling centers. |
| | | | (4) Number of composting centers | | — | Quantity | – | – | (4) Number of composting centers | The Company operates waste treatment facilities and does not operate any composting centers. |
| | | | (5) Number of incinerators | | 4 | Quantity | 5.4.1 Waste Management Policy | 94 | – | – |
| | | | (6) Number of all other facilities | | 2 | Quantity | 5.4.1 Waste Management Policy | 94 | – | – |

| Metric Category | SASB Metric Code | Disclosure Topic | Disclosure Items | Type | Annual Disclosure Status | Units | Corresponding chapter | Page | Omission Statement | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Omitted Disclosure(s) | Reason or Note |
| Activity Metric | IF-WM-000.D | – | Total amount of materials managed, by customer type: (1) Municipal | Quantitative | – | tonne | – | – | Total amount of materials managed, by customer type: (1) Municipal | Not yet reporting amount managed, by customer category |
| | | | Total amount of materials managed, by customer type: (2) Commercial | | – | tonne | – | – | Total amount of materials managed, by customer type: (2) Commercial | Not yet reporting amount managed, by customer category |
| | | | Total amount of materials managed, by customer type: (3) Industrial | | – | tonne | – | – | Total amount of materials managed, by customer type: (3) Industrial | Not yet reporting amount managed, by customer category |
| | | | Total amount of materials managed, by customer type: (4) Residential | | – | tonne | – | – | Total amount of materials managed, by customer type: (4) Residential | Not yet reporting amount managed, by customer category |
| | | | Total amount of materials managed, by customer type: (5) Other | | – | tonne | – | – | Total amount of materials managed, by customer type: (5) Other | Not yet reporting amount managed, by customer category |

# 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 | 45 |
| 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 | 47 |
| 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、47 |
| 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. | Please refer to 5.2.2 Greenhouse Gas (GHG) Emissions Reduction | – |
| 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、87 |

## 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 CO2e), emission intensity (in metric tons CO2e per million NTD), and the scope of data coverage for the past two reporting years. |
|---|
| Please refer to 5.2.1 Greenhouse Gas (GHG) Inventory |

### ▼ 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. |
|---|
| 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. |
|---|
| Please refer to 5.2.2 Greenhouse Gas (GHG) Emissions Reduction |

# 2025 SUSTAINABILITY REPORT


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# ESG

## 2025 SUSTAINABILITY REPORT

NEW ENVIRONMENT CREATOR