



**CHIN HSIN
ENVIRON
ENGINEERING
CO. , LTD.**

2024

SUSTAINABILITY REPORT





1

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1 Basic Information of the Report

1.1 About the Report

1.1.1 Reporting period

This report is the 1st Sustainability Report issued by Chin Hsin Environ Engineering Co., Ltd.(for the consolidated scope, hereinafter referred to as Chin Hsin, the Company, or we; when referring solely to the parent company, hereinafter referred to as Chin Hsin Environ), and discloses the Company's management policies, strategies, objectives and sustainability performance in the areas of economy, environment, society, products and supply chain for 2024 (January 1 to December 31, 2024). In the future, the Company will publish a Sustainability Report annually and post it on the Company's website.

- Publication date of this report: August 2025
- Scheduled publication date for the next report: August 2026

The reporting period of this report is consistent with that of the consolidated financial statements. To ensure completeness and comparability, some sections include information prior to January 1, 2024 and after December 31, 2024, with explanatory notes provided in those sections.

1.1.2 Standards Followed

This report is prepared according to the framework of the GRI Standards issued by the Global Sustainability Standards Board (GSSB) and discloses sustainability indicator information in accordance with the IF-WM (Waste Management industry) standards issued by the Sustainability Accounting Standards Board (SASB).

1.1.3 Boundaries and Scope

The scope of information disclosure in this report is consistent with the entities consolidated in the consolidated financial report, including Chin Hsin Environ Engineering Co., Ltd. (hereinafter referred to as Chin Hsin Environ), Liang Wei Environmental Engineering Co., Ltd. (hereinafter referred to as Liang Wei Environmental Engineering), Cheng Shin Environmental Engineering Co., Ltd. (hereinafter referred to as Cheng Shin Environmental), and Huan Hsin Precision Co., Ltd. (hereinafter referred to as Huan Hsin Precision).

The important operating sites mentioned in this report refer to the four sites listed above. If the disclosure scope in any section differs from the foregoing, supplementary explanations will be provided in that section. The calculation basis for the various statistical data in this report is as follows:

Financial Data	The economic income distribution table uses data from the consolidated financial report audited by CPAs. If not otherwise specified, financial data are denominated in “NTD”.
Environmental Data	GHG emissions are based on inventories conducted in accordance with ISO 14064-1: 2018; water resource and waste statistics are principally based on data reported to local competent authorities, and for operational sites without reporting requirements, internal statistics or reasonable estimates are used. Some of this year’s environmental data differ from the reporting scope: <ul style="list-style-type: none">● GHG: Covers only Chin Hsin Environ, Cheng Shin Environmental, and Liang Wei Environmental Engineering.● Waste: Covers only Chin Hsin Environ and Huan Hsin Precision
Other Data	Compiled internal statistical data from each operating site.

1.1.4 Restatements of Information

As this is the first year of issuing the report, no information has been restated.

1.1.5 Internal Control

The Company has established operational procedures for sustainability information management, Sustainability Report preparation, and assurance. The Sustainable Development Task Force is responsible for the overall planning and coordination of the annual Sustainability Report. Each year, the Corporate Governance Team, Product Team, Environmental Protection Team, Supply Chain and Social Team, and Employee Team of the Sustainable

Development Task Force are responsible for collating the information required for the report and drafting its content. Upon completion of the annual Sustainability Report, it is submitted to the Sustainable Development Task Force for initial review, then the Audit Office conducts internal audits, and finally the Board of Directors approves and finalizes the report.

1.1.6 Contact Information

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1.2 Sustainability Strategy and Performance

1.2.1 Words from the Chairman

In 2024, through the efforts of all employees and the management team, Chin Hsin and its subsidiaries achieved consolidated operating revenue of NTD 699 million and net profit after tax of NTD 210 million. Compared with the consolidated operating revenue and net profit after tax in 2023, they increased by 43.33 % and 103.22 %, respectively. The earnings per share after tax for this year were NTD 4.87.

In response to global environmental change and the demand for improved environmental quality, the government has adopted the national Hope Project goal of green growth and 2050 net zero transition. It plans to transform the Resource Recycling Act while continuing the concept of flipping waste into value. At the same time, it will introduce capital market investment mechanisms for green industries and launch the draft Circular Economy Promotion Act, which emphasizes using investment funding to expand the circular industry and promote a circular economy model, thereby building a society of sustainable resource utilization.

Facing an era of rapidly changing market conditions, Chin Hsin continuously explores and identifies sustainable development transformation models. Guided by the core management concepts of “service”, “innovation”, and “sustainability”, and with the goal of “resource maximization, waste minimization”, its transformation strategies include integrating technological management into the waste collection process to enhance service value, aligning with government environmental protection policies to develop medical waste resource recovery and eco-friendly wood-plastic production technologies, and establishing a circular economy production model for waste plastics, thereby continuously injecting momentum into the Company’s development. As a service provider in the environmental protection industry, Chin Hsin continually innovates, transforming the traditional industrial waste collection business into a modern, innovative industry. By cultivating a corporate sustainability culture and establishing shared values among employees, the Company actively promotes sustainable initiatives, embedding the spirit of sustainability into its business development strategy. While enhancing its own competitiveness, it also creates greater social value and upholds its corporate social responsibility commitment to sustainable development.




Chin Hsin Environ Engineering Co., Ltd.
Chairman

張芳正

1.2.2 Sustainability Performance

Social Aspect

1. In 2024, occupational safety and health education and training for new hires comprised a total of 37 sessions; internal education and training comprised 13 sessions in total; external education and training included 3 participants; the average employee training duration exceeded 3 hours.
 2. Health examinations are arranged for employees once every two years.
 3. In 2024, the Company sponsored the Citong Elementary School soft tennis team with approximately NTD 30 thousand, benefiting 35 students.
 4. In 2024, the Company sponsored the Ciao He Elementary School diversified capacity development program with approximately NTD 100 thousand, benefiting 91 students.
- 

Governance Aspect

The board performance evaluation report was completed in December 2024 and submitted to the board on February 27, 2025. Each director had an attendance rate of 100% and the overall operation was satisfactory.

Environmental Aspect

The Company's Chin Hsin Wood building material products feature resource recycling characteristics, and have obtained the Green Building Material Label and ISO9001: 2015 manufacturing certification for environmentally friendly plastic building materials.

Supply Chain

In 2024, important suppliers were evaluated each quarter. All participating suppliers achieved a passing score of at least 80, totaling 88 suppliers.

1.3. Stakeholder Engagement

1.3.1 Stakeholder Identification

Taking into account Chin Hsin's industry attributes and business model, the Sustainable Development Task Force referenced the five principles of the AA1000 SES Stakeholder Engagement Standard (2015), namely Dependency, Responsibility, Tension, Influence and Diverse Perspectives, to identify stakeholder groups or organizations that influence Chin Hsin and those influenced by Chin Hsin. Six categories of stakeholders directly related to the Company were identified, including shareholders, government agencies, enterprises, medical institutions, suppliers, and employees.

1.3.2 Stakeholder Communication

In order to understand and respond to stakeholders' concerns, we provide various communication channels and engage regularly with stakeholders, allowing them to voice their opinions at any time so that we can understand the ESG issues they care about and offer responses or appropriate strategies. 2024 stakeholder communication mechanisms and issues of concern are summarized as follows:

▼ Chin Hsin's Stakeholder Communication Mechanism and Management Procedures

No.	Communication Procedure	Description
1	Identification of Stakeholders and Issues of Concern	Each team of the Sustainable Development Task Force is responsible for collecting the issues of concerns of relevant stakeholders
2	Respective responsible units	Stakeholder feedback is provided to the respective responsible units, which formulate response measures for the identified issues of concern
3	Sustainable Development Task Force	Each unit responsible for the respective issues regularly reports to the Sustainable Development Task Force, which integrates the engagement results
4	Board of directors	<ul style="list-style-type: none">● The engagement results are regularly reported to the Board of Directors; if the responsible unit is unable to resolve a related issue, it is submitted to the Board of Directors for direct resolution● The Board of Directors is responsible for reviewing the effectiveness of the communication
5	External Disclosure	Each year, the results of stakeholder engagement are published externally in the Sustainability Report, on the official website, etc.

▼ Chin Hsin's Major Stakeholders and Communication Results

Stakeholders	Description of Relationship	Communication Channel	Communication Frequency	Major Issues of Concern (Note 1)	Responsible Unit	Communication Results
Suppliers	Suppliers of raw materials, equipment, services, and miscellaneous procurements provide qualified and appropriate raw materials, jointly establishing a sustainable supply chain.	E-mail Contact by phone Plant visits	Occasionally Occasionally Occasionally	Supplier management, ethical corporate management, GHG emissions, use of raw materials, engagement with local communities	Management Department	<ul style="list-style-type: none"> ● In 2024, important suppliers were evaluated each quarter. All participating suppliers achieved a passing score of at least 80, totaling 88 suppliers. ● The Company also promotes the advocacy and communication of the "Inclusion of CSR Clauses in Key Contracts." In 2024, 30 key suppliers had completed signing the Ethical Corporate Management Clause, and 29 had completed the Supplier CSR Self-assessment Form.
Government agency	Chin Hsin is a TWSE-listed company and, in accordance with the Company Act, the Securities and Exchange Act, and various environmental protection regulations, is subject to supervision and management by government authorities at all levels.	Policy Briefings Public hearings Government website Official correspondence	Occasionally Occasionally Occasionally Occasionally	Legal compliance, engagement with local communities, climate change, waste	Vice Chairman, General Manager, Spokesperson, General Manager's Office, Sales Department, Planning Department	<ul style="list-style-type: none"> ● The Company assigns personnel from relevant departments to regularly participate in public sector meetings to discuss the current status of environmental regulations and provide recommendations on implementation matters. ● Invited to participate in the FSC's briefings on the net zero carbon emissions roadmap proposed for TWSE listed companies, to strengthen exchanges on energy conservation and carbon reduction issues.
Shareholder	As an investor in the Company, we ensure the provision of fair and transparent information.	Shareholder Meeting Company website Annual report MOPS Operational Information Disclosure	Annually Occasionally Annually Occasionally Monthly	Economic performance, waste, ethical corporate management, climate change, customer relationship management, occupational safety and health	Spokesperson, Head of Corporate Governance, General Manager's Office, Finance Department	<ul style="list-style-type: none"> ● The 2024 financial report was disclosed on MOPS ahead of the regulatory schedule. ● The board performance evaluation for 2024 was completed at the end of December 2024 and presented to the board in February 2025. ● The Company arranges relevant courses and training. All of the Company's Directors in 2024 completed the continuing education hours as stipulated in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies. ● In 2024, the Company held 1 investor conference and 1 performance presentation. ● In 2024, 2 shareholders' meetings were held.
Business organizations	Waste is removed by Chin Hsin to create a safe living	Telephone interview	Occasionally	Waste, air quality, GHG emissions,	Sales Department	Frontline personnel interview customers or conduct customer satisfaction surveys to understand their feedback

Stakeholders	Description of Relationship	Communication Channel	Communication Frequency	Major Issues of Concern (Note 1)	Responsible Unit	Communication Results
and medical institutions	environment and ensure sustainable environmental development.	In-person visits E-mail Official correspondence	Occasionally Occasionally Occasionally	customer relationship management, water use and discharge, ethical corporate management, green products, occupational safety and health		and levels of satisfaction and establish a dedicated point of contact.
Employees	Provide services to sustain the Company's operations.	Labor-management meeting Employee Welfare Committee Internal communication document	Quarterly Quarterly Occasionally	Economic performance, employee diversity and equality, occupational safety and health, ethical corporate management, employee career development	Personnel Office	<ul style="list-style-type: none"> ● Labor-management meetings were held each quarter in 2024. ● In 2024, occupational safety and health education and training for new employees comprised a total of 37 sessions. ● In 2024, the Company provided education and training for ethical conduct and legal compliance to employees, totaling 174 attendances and 2,270.2 hours. (Note 2)

Note 1: This table only briefly outlines the issues that stakeholders are concerned about. For detailed response measures, please refer to the relevant sections of this report.

Note 2: Education and training for ethical conduct and legal compliance cover courses related to ethical corporate management, occupational safety and health regulations, and gender equality regulations.

1.4 Management of Material Issues

1.4.1 Process of Evaluating Material Issues

Process of Evaluating Material Issues

Each year, Chin Hsin's Sustainable Development Task Force evaluates, based on the impacts arising from the Company's operational activities, industry characteristics, and value chain, the sustainability issues that have significant impacts on stakeholders through stakeholder engagement and expert consultant advice, in accordance with the materiality, completeness, and stakeholder inclusiveness requirements of GRI 3 in the GRI Standards 2021. The General Manager is responsible for decision-making, and each year regularly reports to the Board of Directors on the stakeholder communication process and the results of the significant topics identification. The detailed evaluation process is as follows:

1 Identify Key Issues

- (1) Summarize industry attributes: Inventory the business activities, business models, product or service formats, industry types, and worker profiles of the Company and its subsidiaries, and analyze all related industry attributes of the Group.
- (2) Identification of sustainability issues: In addition to incorporating past significant positive and negative events, the Company also considers potential risks or opportunities through stakeholder feedback, global frameworks and standards (including the GRI Standards, TCFD, and SASB), industry regulations, and benchmarking peer companies, in order to comprehensively identify sustainability issues relevant to the Company. During this reporting period, a total of 22 sustainability issues were identified.

2 Determine Material

We conducted a questionnaire survey by inviting the Company's internal managers and external stakeholders to complete it in order to evaluate the positive and negative impacts of each sustainability issue. Internal managers assessed the impacts on the Company's operations, while external stakeholders assessed the impacts on the environment, society, and human rights. The degree of impact is comprehensively evaluated based on factors including the severity of the impact, the likelihood or frequency of occurrence, the scope of influence, and whether the negative impact can be remediated.

In 2024, a total of 96 questionnaires were collected; after excluding invalid responses, 94 valid questionnaires remained, of which 20 were from internal stakeholders and 74 were from external stakeholders. After calculating the positive and negative impact scores of each issue on the Company's operations and external stakeholders, we ranked the issues by total impact score in "descending order and set the top 5 by total score" as the materiality threshold, thereby identifying the 5 material issues for this reporting period. In addition, due to industry characteristics, the Company has included "green products" as a material topic for management, bringing the total number of material topics for this period to 6.

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Reporting on Material Issues Information

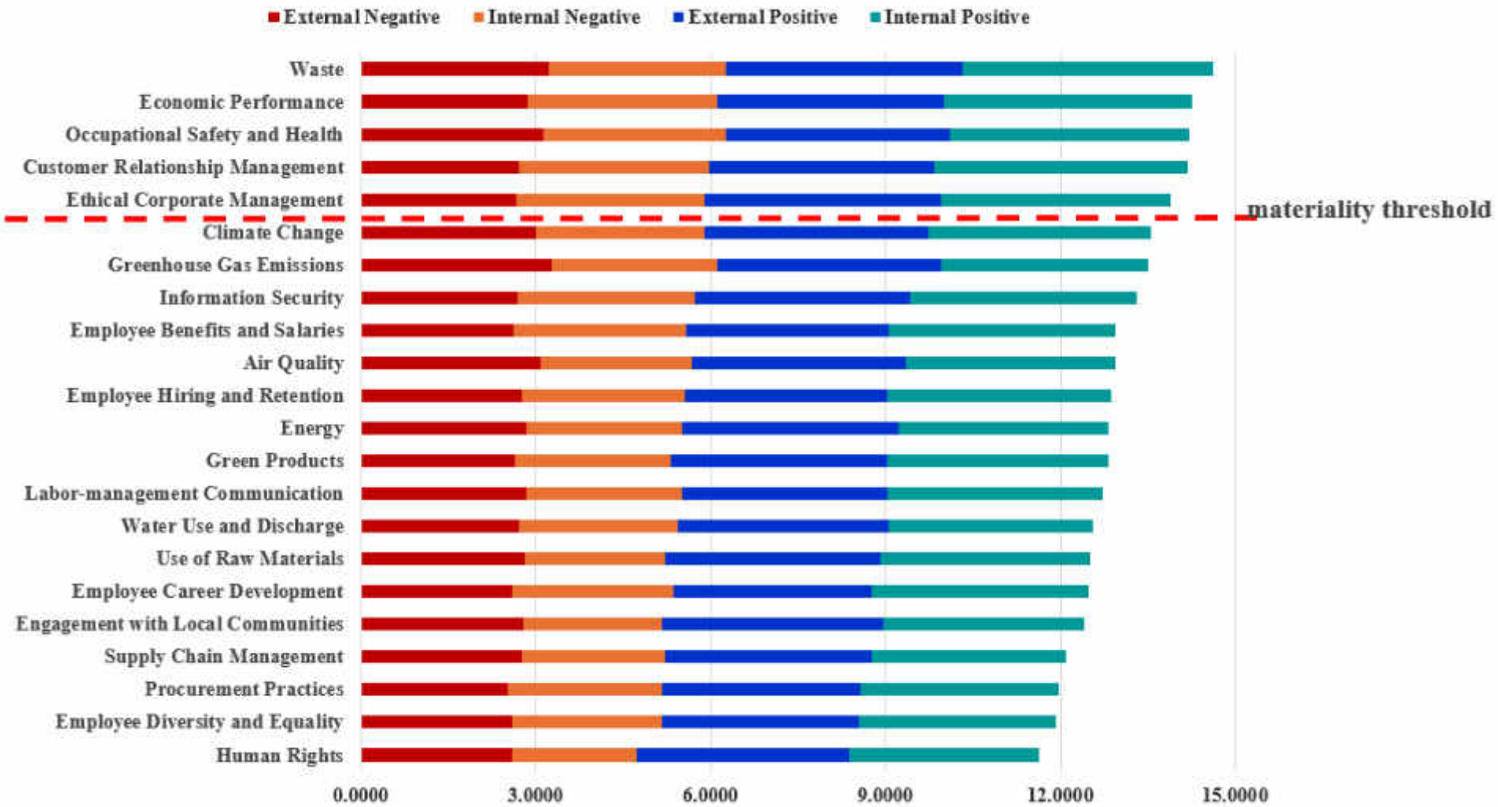
Based on the international standards corresponding to the material issues as determined by the Sustainable Development Task Force, the management policies and objectives for the material topics are reviewed, annual data are collected, and important sustainability information is fully disclosed in this report to comprehensively address the issues of concern to stakeholders. After the annual Sustainability Report has been prepared, the Sustainable Development Task Force reviews the report content again and submits it to the Board of Directors for review and resolution to ensure there are no concerns of improper or inaccurate representation in the disclosed information.

4

Continuous Review

Each year, the Company regularly reviews the implementation of policies for material issues and the rate at which targets are achieved to optimize internal management guidelines and qualitative and quantitative objectives; after identifying material issues for the next period, it compares differences between current and previous issues, investigates the reasons for those differences, and reports them in the report.

- Major Issues Bar Chart



1.4.2 Impact Management of Material Issues

Management Strategies of Material Issues

The Board of Directors serves as the highest decision-making and oversight body for Chin Hsin's material issues management and assigns the Sustainable Development Task Force to manage material sustainability issues, including inventorying and reviewing management policies for material issues and proposing optimization and improvement recommendations, establishing diverse stakeholder communication channels, regularly consolidating stakeholder suggestions, assessing their types and impacts, formulating response measures or strategies, and reporting to the Board of Directors. The Board of Directors meets with the Sustainable Development Task Force at least once each year to jointly discuss the management of material issues and to formulate the sustainability direction and strategic objectives for the coming year.

▼ 2024 List of Material Issues and Management Policies

Major topics	Corresponding GRI Topics	Impact		Key Management Approach	Impact Scope (Boundary)			KPI and goals	Corresponding Chapter of the Report
		Positive Impact	Negative Impact		Upstream	Company Operations	Downstream		
Ethical Corporate Management	GRI 205-3, 206-1	Ensure that employees conduct themselves in accordance with business ethics and social expectations, enhance corporate reputation, and comply with policies and management related to fair trading practices and anti-corruption to	If a negative incident occurs, the Company's image will be damaged, and in severe cases, it may even face litigation.	Establish corporate governance systems based on relevant government regulations and ethical corporate management, and ensure strict compliance with applicable laws and company regulations.	V	V	V	<ol style="list-style-type: none"> 1. Continue to implement the principles of ethical corporate management to prevent any form of fraud. 2. Ensure strict compliance with relevant regulatory requirements of supervisory authorities, proactively implement policies and legal updates from supervisory authorities, and achieve the goals of ethical corporate management and sustainable operations through legal compliance. 3. Continuously enhance complaint channels and maintain confidentiality of complainant information. 4. Continuously maintain no incidents of violations of ethical corporate management. 5. Each year, 90% of employees participate in the ethics commitment training course. 	2.4.1 Ethical Corporate Management

Major topics	Corresponding GRI Topics	Impact		Key Management Approach	Impact Scope (Boundary)			KPI and goals	Corresponding Chapter of the Report
		Positive Impact	Negative Impact		Upstream	Company Operations	Downstream		
		avoid penalties.							
Economic Performance	GRI 201-1, 201-4	Revenue growth strengthens the Company's stable operations and increases shareholders' and investors' willingness to invest.	Operating losses lead to damage to the Company's image and resource constraints.	Strengthen green operations by continuously investing in green services or products and circular economy-related business activities, investing in major eco-friendly and sustainable machinery and equipment, and assisting and requiring suppliers to establish greenhouse gas inventories and reduce emissions as an important basis for the Company's procurement strategy evaluation.		V		<ol style="list-style-type: none"> 1. Expand diversified operational models to inject new growth momentum into the Company. 2. Maintain robust financial performance by continuously increasing net profit after tax, earnings per share, and total shareholders' equity. 3. Gradually increase the market share of the Company's main products and expand brand influence and market awareness. 	2.3 Economic Value
Waste	GRI 306-1 to 306-5	Assist in waste disposal and implement a circular economy.	Waste is not properly removed and sent for subsequent treatment and reuse.	Continuously develop methods for waste reuse to increase the proportion of waste resource recovery, implement waste reduction internally, practice green living, and achieve comprehensive energy conservation and carbon reduction.	V	V	V	<ol style="list-style-type: none"> 1. The proportion of waste resource recovery increased by 4% to 5% compared with 2024. 2. Reduce the proportion of waste generated in the wood-plastic production process and increase the reuse rate by 5%. 	4.4 Waste Management
Customer Relationship Management	-	The waste collection operation process documentation has been fully digitized for management and operation, resulting in	If customers do not understand the service model and content provided by the Company, they may turn to other	Conduct telephone or in-person visits to customers occasionally to understand customer needs, explain the service plans offered by the Company, review compliance with industry-related regulatory updates, and assess service satisfaction, with the aim of continuously enhancing the Company's overall service	V	V	V	<ol style="list-style-type: none"> 1. Conduct customer satisfaction surveys regularly and maintain an average satisfaction score above 80 points. 2. The annual customer renewal rate is at least 95%. 	3.2 Customer Relationship Management

Major topics	Corresponding GRI Topics	Impact		Key Management Approach	Impact Scope (Boundary)			KPI and goals	Corresponding Chapter of the Report
		Positive Impact	Negative Impact		Upstream	Company Operations	Downstream		
		increased satisfaction among customers, regulatory authorities, and employees, which enhances the customer experience and strengthens trust in the service.	companies for services.	quality and providing customers with services or products that exceed expectations in a professional manner.					
Occupational Safety and Health	GRI 403-1 to 403-10	A robust occupational safety system and training can effectively reduce workplace accidents and occupational injuries and illnesses, enhance the Company's reputation, and reduce the risk of litigation and penalties.	If employees experience occupational accidents, the Company may face medical expenses for work-related injuries and government fines, and it may also damage the Company's image and cause it to lose the trust of investors	A comprehensive protection plan is used to enhance employees' safety awareness and concepts, as well as raise the alertness, and correct occupational safety and health knowledge of operators. Various software and hardware protection measures are also used to ensure that employees can feel at ease in a good safety and health environment, so that employees can then maximize their performance.	V	V		<ol style="list-style-type: none"> 1. Build an internal digitized environmental safety and health management platform that consolidates education and training, certifications, documents, and internal announcements. 2. Promote and implement a safety and health culture, and plan to organize safety and health activities, including safety and health education and training for supervisors. 3. Establish a safe and healthy working environment, and pursue a safe work environment with zero injuries and zero incidents. 4. Zero major accidents or disasters. 5. Occupational safety personnel receive occupational safety education and training twice a year. 	5.4 Workplace Safety

Major topics	Corresponding GRI Topics	Impact		Key Management Approach	Impact Scope (Boundary)			KPI and goals	Corresponding Chapter of the Report
		Positive Impact	Negative Impact		Upstream	Company Operations	Downstream		
			and other stakeholders.						
Green Products	- (Custom Topic)	By improving the resource use efficiency of waste plastics, the eco-friendly wood-plastic composite production process reduces resource input and increases waste utilization to achieve environmental and economic prosperity.	The recycling rate of the eco-friendly wood plastic composite products is too low, leading to an increase in plastic waste generated.	Formulate comprehensive product recycling management policies and provide customers with convenient recycling channels to increase the recycling rate of waste products, and process the recovered plastic waste by reintroducing it as production raw materials.	V	V	V	<ol style="list-style-type: none"> 1. Establish comprehensive recycling policies for wood-plastic composite products to increase the recycling rate of waste products. 2. Raise the proportion of recycled pellets used as raw materials in wood-plastic composite product production to 8%. 	3.1.3 Green Products

Note: This list of management policies only enumerates the key policies or strategies and management objectives. For detailed management policies, please refer to the explanations in each section.

2 Corporate Governance

2.1 About Chin Hsin

2.1.1 Company Profile

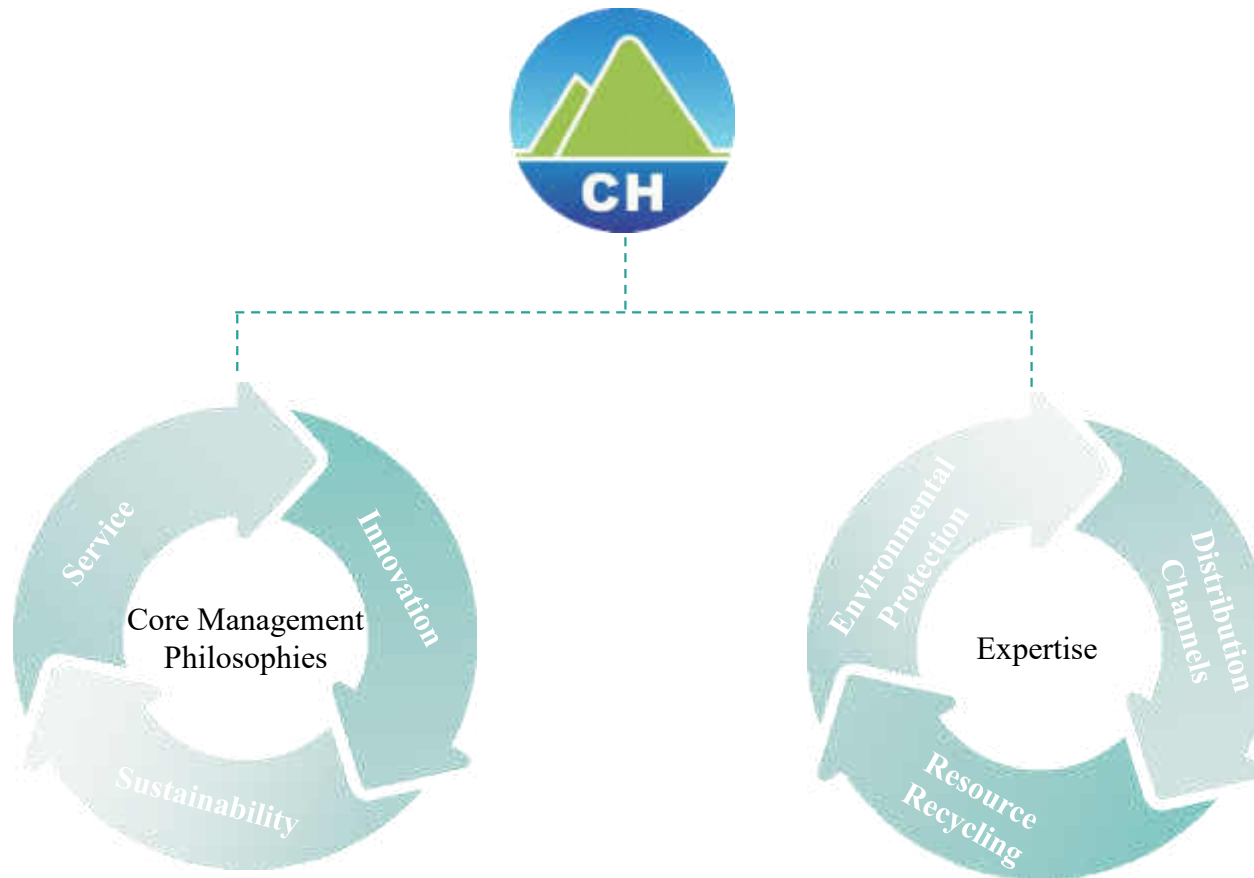
Chin Hsin was established in 1999 and obtained a waste disposal permit issued by the Yunlin County Government in September of the same year. As a Class A waste disposal agency, its main business is the removal of general industrial waste, hazardous industrial waste, and biomedical waste generated by enterprises and medical institutions in Taiwan. The company owns various advanced transport vehicles and professional removal personnel. Through strict waste stream control and technologically driven management combined with communication devices integrated with vehicle GPS positioning systems, it fulfills every entrusted industrial waste service, effectively safeguards each process, and provides customers with channels to monitor the progress of their entrusted waste clearance operations. This approach consolidates customer trust and offers comprehensive waste removal solutions to meet the diverse disposal needs of customers in different regions for different types of industrial waste, thereby establishing the Company’s professional image trusted by customers. The Company’s headquarters is located in Yunlin County, Taiwan, and it maintains disposal sites in Taoyuan and Tainan.

In recent years, to respond to the international trend of net zero emissions, the Company has embraced the movement for sustainable resource recycling, committed to developing environmentally friendly wood-plastic composite production technologies and creating new forms of healthy and safe building materials that combine practicality and durability to reduce excessive timber consumption, while addressing the problem of recycled thermoplastics becoming waste. The Company has also launched a medical waste recycling business to process medical waste containing plastics for resource recovery, integrating with Chin Hsin Wood production line to supply the thermoplastic pellets used in its production processes, building a comprehensive recycled plastic production chain to secure material sources more economically and stably and to implement a new circular economy operating model for plastics with the goal of energy saving and emission reduction.

Company Name	Chin Hsin Environ Engineering Co., Ltd.
Company Type	TWSE-listed Company
Date of establishment	July 2, 1999
Location of Headquarters	No. 58-1, Yanping Road, Citong Township, Yunlin County
Industry Category	Green energy and environmental protection
Main Products and Services	Cleaning and transportation of medical or general business waste
Paid-in capital	NTD 460,000,000
2024 Operating Revenue	NTD 698,725
Number of Employees as of the end of 2024	225 people

- **Company History and Management Strategy**

The Company takes service, innovation, and sustainability as its core management philosophies, and continues to apply its expertise in the three domains of environmental protection, distribution channels, and resource recycling. To enhance its operational capabilities and expand its business scope, it was listed on the Innovation Board on June 18, 2024. Through a rigorous review system and information disclosure, it has improved corporate performance, strengthened internal management systems, and effectively increased employee cohesion toward the Company, helping to attract and retain outstanding talent while further reinforcing the trust of shareholders, government agencies, customers, local communities, and employees in the Company's management team.

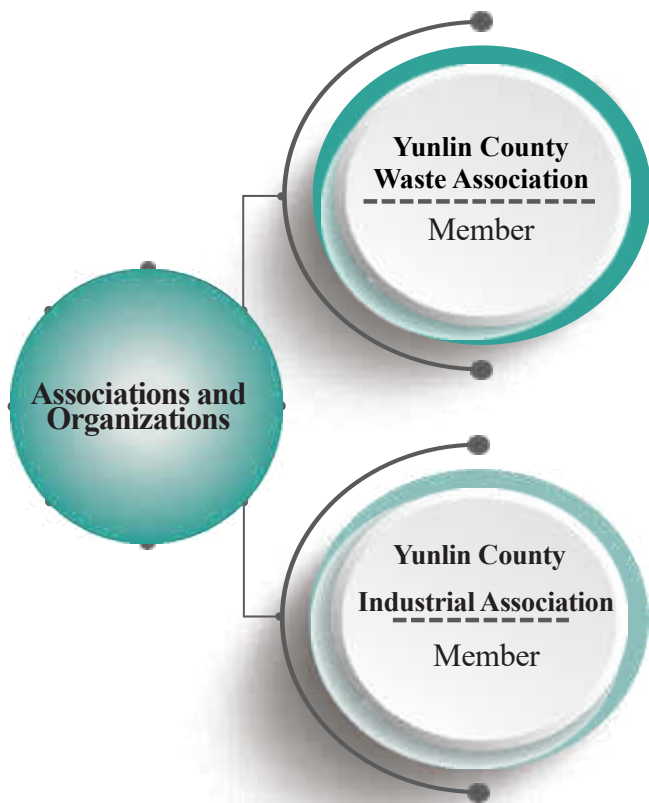


▼ Key development milestones

1999	7	Establishment of Chin Hsin Environ Engineering Co., Ltd.
	9	Obtained the waste disposal permit issued by the Yunlin County Government.
2005	8	Completed registration as a waste items and containers resource recycling organization.
2006	9	Completed a cash capital increase of NTD 5 million, increasing the paid-in capital to NTD 10 million.
	9	Obtained the overseas export permit for waste dry batteries.
2012	2	Completed a cash capital increase of NTD 50 million, increasing the paid-in capital to NTD 60 million.
	10	Obtained the wastewater operation permit.
2021	7	The Company issued new shares through a share exchange to acquire all of the issued shares of Liang Wei Environmental Engineering Co., Ltd. and Cheng Shin Environmental Engineering Co., Ltd., resulting in a paid-in capital of NTD 133,020,000.
2021	8	Established an e-commerce platform and launched an electronic commerce system with real time message reporting and reception to effectively monitor and manage waste flow and related information.
2021	10	Established Huan Hsin Precision Co., Ltd., with paid-in capital of NTD 30 million, of which the Company invested NTD 20 million and holds 66.67% of its shares.
	12	Completed a cash capital increase of NTD 166,980,000, increasing the paid-in capital to NTD 300 million.
2022	9	Completed a cash capital increase of NTD 100 million, increasing the paid-in capital to NTD 400 million.
2023	3	The public issuance of shares became effective upon filing with the competent authority.
	5	The shares were registered on the TPEx Emerging Stock Board.
	6	Established the Sterilization Plant Operations Department to expand the business of high-temperature sterilization treatment of operational waste.
2024	1	Obtained the business waste reuse permit.
	5	Chin Hsin Wood polystyrene composite products obtained the Healthy Green Building Material Certification from the Ministry of the Interior.
	6	The shares were listed on the Innovation Board of the TPEx.

- **Membership of Associations**

Chin Hsin continues to participate in public and industry associations related to its business, exchanging industry knowledge, information and practical experience with peers and professionals in order to collectively respond to changes in the international environment and elevate industry standards. In 2024, the Company joined 2 public and industry associations, as listed below:



2.1.2 Operating Sites

The Company has established medical waste disposal sites and transfer stations in Taoyuan, a medical and general business waste disposal site in Yunlin, and a medical waste disposal site in Tainan, extending its collection scope to cover the northern, central, and southern regions of Taiwan. This not only provides a geographical advantage and enables more efficient order processing but, through the establishment of centralized transfer stations and the planning of a star-shaped transportation network, integrates collection routes and adjusts manpower allocation to effectively reduce collection costs and maintain stable profit margins.

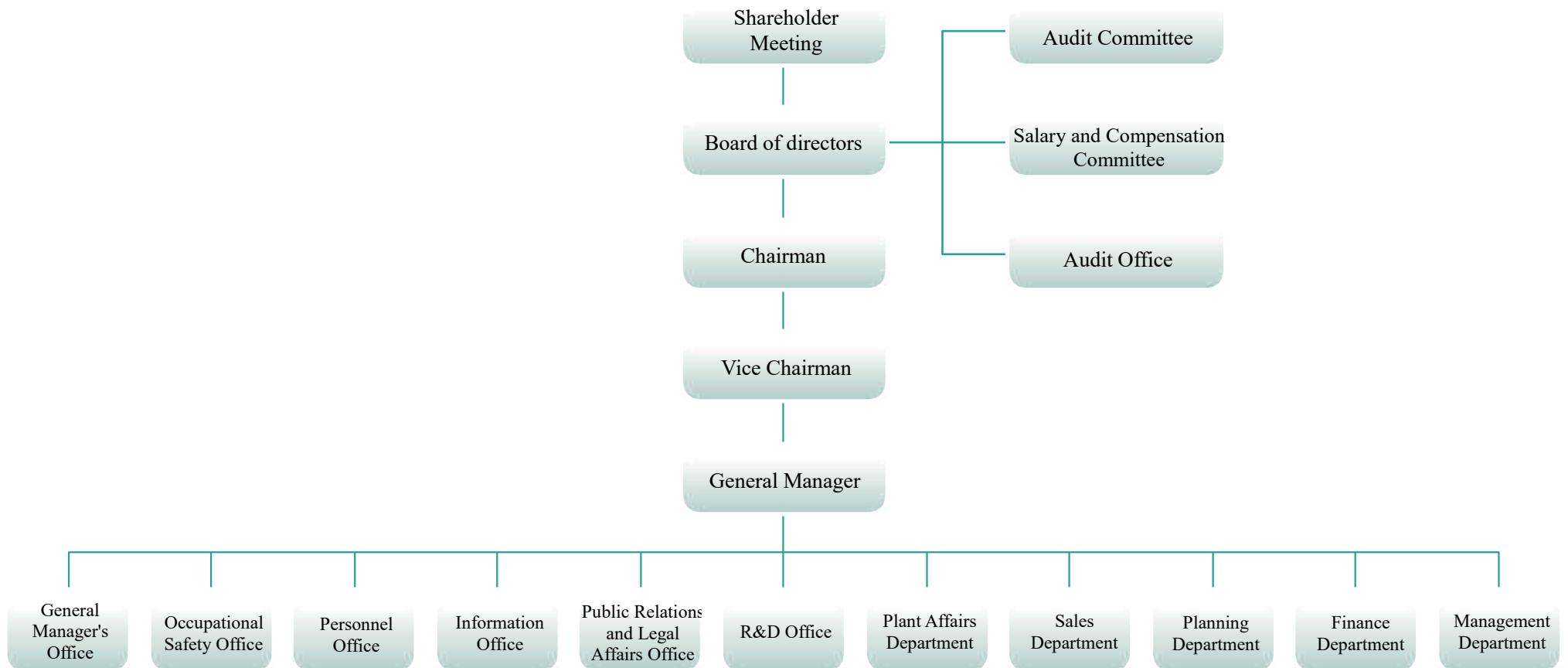
Additionally, in Yunlin, the Company established a wood-plastic composite building materials Chin Hsin Wood production plant and a medical waste recycling and reuse processing plant, constructing a comprehensive recycled plastic production chain, improving resource use efficiency, and implementing a new circular economy operating model for plastics aimed at energy saving and emission reduction.



2.2 Governance Structure

2.2.1 Governance Structure

The Company's highest authority is the shareholders' meeting, at which shareholders elect directors to form the Board of Directors, the Company's highest governance body responsible for overall business decisions. Under the board, the functional committees such as the Remuneration Committee and Audit Committee respectively oversee the remuneration of the Company and its directors as well as the Company's financial statements and performance targets. In addition, the Internal Audit Office supervises the effectiveness of the Company's internal control system. Each committee must regularly report its execution results and resolutions to the Board of Directors in order to safeguard the rights and interests of the Company and all stakeholders.



- **Board of Directors' Operations and Composition**

The Board of Directors serves as the balancing and supervisory body between the Company's owners and its management. It exercises the rights and obligations granted by shareholders and establishes operational policies based on stakeholder interests. It also appoints the executive management, oversees business performance, adopts sustainable development strategies, and tracks their execution.

The Company's board members are selected via a candidate nomination system. The shareholders' meeting elects 5 to 9 members from the candidate list. Directors serve 3-year terms and may be re-elected. Nomination and selection criteria include candidate independence and the relevance of professional background to the Company's operations and development, with consideration given to board diversity. The current Board of Directors is composed of 7 directors, including 3 independent directors, with a male to female ratio of 6 to 1.

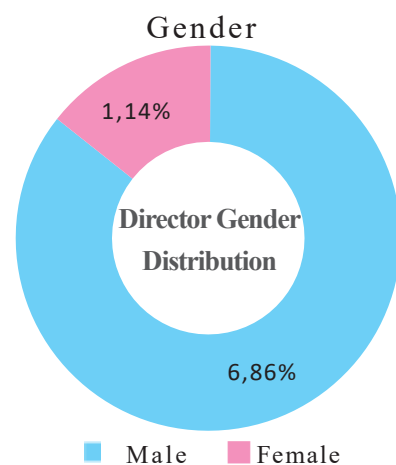
Chin Hsin generally convenes one board meeting each quarter; in 2024, it convened 7 regular board meetings and 1 extraordinary board meeting, with an average attendance rate of 100%. For details on each director's attendance and the content of the proposals, please refer to [Pages 25 and 78 to 80 of the Chin Hsin 2024 Annual Report](#)

▼ **Director information of Chin Hsin** (Current term of the Board of Directors: April 22, 2023 to April 23, 2026)













































Title	Term of Service	Name	Gender	Age	Concurrent Position in the Company	Concurrent Key Position in Other Companies	Functional Committees	
							Audit Committee	Salary and Compensation Committee
Chairman	3	Sunny Friend Environmental Technology Co., Ltd. (Representative: Fang-Cheng Chang)	Male	51 years old or above (inclusive)	-	<ol style="list-style-type: none"> 1. Chairman and General Manager of Sunny Friend Environmental Technology Co., Ltd. 2. Chairman of Cheng Shin Environmental Engineering Co., Ltd. 3. Chairman of Liang Wei Environmental Engineering Co., Ltd. 4. Chairman of Huan Hsin Precision Co., Ltd. 5. Chairman of Beijing Ruentex Environmental Technology 6. Chairman of Jiangsu Suqian Ruentex Environmental Technology 7. Chairman of Langfang Ruentex Environmental Technology 8. Chairman of Yuncheng Ruentex Environmental Technology 9. Chairman of Rizhao Panyue Environmental Technology Co., Ltd. 		
Vice Chairman	3	Sunny Friend Environmental Technology Co., Ltd. (Representative: Yung-Tien Chang)	Male	51 years old or above (inclusive)	-	<ol style="list-style-type: none"> 1. Deputy General Manager of Sunny Friend Environmental Technology Co., Ltd. 2. Vice Chairman of Liang Wei Environmental Engineering Co., Ltd. 3. Vice Chairman of Cheng Shin Environmental Engineering Co., Ltd. 4. Vice Chairman of Huan Hsin Precision Co., Ltd. 5. Director of Jiangsu Suqian Ruentex Environmental Technology 6. Director of Langfang Ruentex Environmental Technology 7. Director of Rizhao Panyue Environmental Technology Co., Ltd. 		

Title	Term of Service	Name	Gender	Age	Concurrent Position in the Company	Concurrent Key Position in Other Companies	Functional Committees	
							Audit Committee	Salary and Compensation Committee
Director	3	Sunny Friend Environmental Technology Co., Ltd. (Representative: Mei-Chun Tsai)	Male	30 to 50 years old	-	Manager of Sunny Friend Environmental Technology Co., Ltd.		
Director	3	Song-Yuan Chen	Female	51 years old or above (inclusive)	-	Chairman of Shang Xin Environmental Engineering Co., Ltd.		
Independent Director	3	Tai-Chang Wang	Male	51 years old or above (inclusive)	-	1. Full-time professor of the College of Management, Department of Accounting, NTU 2. Independent director of Ruentex Industries Limited 3. Independent director of Tanvex BioPharma Inc.	V	V
Independent Director	3	Chin-Shui Hsu	Male	51 years old or above (inclusive)	-	Chairman of Homemesh Co., Ltd.	V	V
Independent Director	3	Tsai-Hsing Huang	Male	51 years old or above (inclusive)	-	Security Personnel of Chang Lin Security Co., Ltd.	V	V

Note: The Chairman and General Manager are not the same person.



▼ Distribution of Directors' Professional Competencies and Experience

Title	Name	Distribution of Directors' Professional Competence and Experience										
		Leadership and Decision-Making	Operations and Management	Financial and Accounting Laws	Industry Knowledge	Industrial Technology	Marketing	Sales Development	Risk management.	Environmental Sustainability	Social Engagement	Supply Chain Management
Chairman	Sunny Friend Environmental Technology Co., Ltd. (Representative: Fang-Cheng Chang)											
Vice Chairman	Sunny Friend Environmental Technology Co., Ltd. (Representative: Yung-Tien Chang)											
Director	Sunny Friend Environmental Technology Co., Ltd. (Representative: Mei-Chun Tsai)											
Director	Song-Yuan Chen											
Independent Director	Tai-Chang Wang											
Independent Director	Chin-Shui Hsu											
Independent Director	Tsai-Hsing Huang											

- **Continuing Education for Directors**

Chin Hsin annually arranges continuing education courses for directors on professional skills and knowledge and on topics related to sustainable development, including corporate governance, ethical corporate management, regulatory compliance, risk management, green supply chain and green industrial revolution, in order to strengthen the directors' and the Company's professional capabilities to respond to operational impacts. In 2024, the Company accumulated 60 hours of participation in continuing education programs and courses. For details of each director's continuing education items, please refer to [pages 40 to 41 of the Chin Hsin 2024 Annual Report](#).

- **Directors' and Senior Executives' Remuneration Structure**

Chin Hsin's directors' remuneration comprises fixed cash remuneration, variable directors' fees, and various allowances. In accordance with Article 19 of the Articles of Incorporation, when directors perform the Company's business, the Company may pay remuneration, with authority granted to the Board of Directors to determine amounts based on each director's level of participation and contribution to the Company's operations and by reference to prevailing industry standards. In addition, if the Company earns a profit in the year, under Article 22 of the Articles of Incorporation the Board of Directors shall resolve to allocate up to 1 % (inclusive) as directors' fees. Independent directors, pursuant to Article 3 of the "Procedures for Remuneration of Directors, Audit Committee Members and Remuneration Committee Members", receive a fixed monthly salary and a fixed transportation allowance and do not participate in the distribution of directors' fees. The other directors receive a fixed transportation allowance and participate in the distribution of directors' fees.

Determine the procedures for specifying the amount for the remuneration of directors. The remuneration committee provides the proposal for the remuneration percentage based on the Company's operating results, performance, and the appraisal of the board for the year to the board for review. The remuneration is distributed in accordance with the "Guidelines on the Remuneration for Directors Audit Committee and Remuneration Committee Members" to provide the directors with a reasonable amount in remuneration. For the 2024 directors' remuneration, the directors' remuneration scale table, and distribution standards, please refer to [Pages 20 to 21 of the Chin Hsin 2024 Annual Report](#)

Chin Hsin's senior management remuneration system is recommended by the Remuneration Committee to the Board of Directors and approved by the Board of Directors. Pursuant to the Company's "Regulations Governing the Remuneration of Employees" and "Regulations Governing the Remuneration of Managers", various work allowances and bonuses are prescribed to show appreciation for and reward employees' efforts, and such bonuses are granted based on the Company's annual operational performance, financial condition, business status, and individual work performance; if the Company earns a profit in the year, in accordance with Article 22 of the Articles of Incorporation, 7 % of the profit amount shall be allocated as employee remuneration. The results of the performance evaluation conducted by the Company in accordance with the "Appraisal Management Regulations" are used as the reference for the allocation of managerial officers' bonuses. The performance evaluation items for the managers are:

I. Financial Indicators:

It is linked to the Company's financial profitability, and adjusted according to the Company's regulations for the distribution of employee remuneration and regulations for the distribution of year-end bonuses, and with reference to the target achievement rate of managers.

II. Non-Financial Indicators:

The remuneration of managers is taken into consideration with reference to various managers' performance (e.g., the practice of the Company's core values, operational management ability, participation in sustainable operations, etc.)

In addition to fixed salaries and retirement pensions, performance bonuses are calculated based on the achievement of various performance indicators, and the retirement system for senior management is the same as that for other employees. For the 2024 senior management salaries and scale table, please refer to [Page 22 of the Chin Hsin 2024 Annual Report](#).

- **Resignation and Retirement Policies for Directors and Senior Management**

Chin Hsin's directors and senior management resignation notice period is determined in accordance with local government regulations. The number of days of notice and the method of calculating severance pay are the same as for other employees, and apart from severance pay, no other payments or in-kind benefits will be provided to departing directors and senior management. For details, please refer to [pages 56 to 57 of the Chin Hsin 2024 Annual Report](#).

- **Connection between Directors' and Senior Management's Remuneration and ESG Performance**

The remuneration of directors and senior management has not yet been linked to ESG performance because the Company is temporarily unable to establish specific quantitative metrics for ESG performance management as evaluation standards. Once clear quantitative metrics can be defined, ESG performance indicators will be gradually introduced so that remuneration is tied to individual participation in ESG matters and the achievement of ESG targets, thereby strengthening directors' and senior management's accountability for the Company's sustainable vision.

- **Board of Directors' Performance Evaluation**

The Company has established a performance evaluation system for the Board of Directors. On March 15, 2023, the Board of Directors approved the "Regulations Governing the Board Performance Evaluation" to foster self-discipline among its members and enhance the board's operational effectiveness. The Board of Directors shall, in accordance with these Regulations, conduct at least one internal performance evaluation each year for the board itself, individual directors, and functional committees (including the Audit Committee and Remuneration Committee) for the current year. The evaluation shall be completed before the end of Q1 of the following year, and the results shall be subject to regular review.

In December 2024, the Company issued 7 "Board Members Self-evaluation Questionnaires" and collected all 7, and together with the performance evaluations from the "Board Performance Evaluation Questionnaire," the "Audit Committee Performance Evaluation Questionnaire," and the "Remuneration Committee Performance Evaluation Questionnaire," compiled them into the 2024 Board of Directors Performance Evaluation Report, which was submitted to the Board of Directors on February 27, 2025.

Chin Hsin's internal evaluation results for the year were excellent, indicating that the Board of Directors and all functional committees operated effectively and in compliance with corporate governance requirements. The operations of the board, the Remuneration Committee, and the Audit Committee all adhered to legal regulations and maintained good interaction with the management team. When agenda items required a director's recusal due to a conflict of interest, the chairperson consistently requested the director to recuse and recorded it in the meeting minutes. The Company continued to promote the adoption of corporate governance procedures to fully protect shareholders' rights and interests. Each director's average actual attendance at the Board of Directors, the Remuneration Committee and the Audit Committee was good, with an attendance rate of 100%.

▼ Board Evaluation Implementation Status

Evaluation cycle	Evaluation date	Evaluation methods	Scope of evaluation	Evaluation items	Evaluation results
Annually	January 1, 2024 to December 31, 2024	Internal Self-evaluation	Overall performance of the Board of Directors	<ol style="list-style-type: none"> 1. Level of participation in company operations (including ESG participation and decision-making) 2. Improvement of the quality of the Board of Directors' decision making 3. Composition and structure of the Board of Directors 4. Election and continuing education of the directors 5. Internal control 	98.22 (out of 100 points)
Annually	January 1, 2024 to December 31, 2024	Internal Self-evaluation	Individual board members	<ol style="list-style-type: none"> 1. Understanding of company goals and tasks 2. Awareness of directors' responsibilities 3. Level of participation in company operations 4. Internal relationship management and communication 5. Directors' professional competence and continuing education 6. Internal control 	Average score of 99.75 (out of 100 points)
Annually	January 1, 2024 to December 31, 2024	Internal Self-evaluation	Overall performance of the Audit Committee	<ol style="list-style-type: none"> 1. Level of participation in company operations 2. Awareness of functional committees' responsibilities 3. Quality of decision making by functional committees 	Average score of 100 (out of 100 points)
Annually	January 1, 2024 to December 31, 2024	Internal Self-evaluation	Overall performance of the Remuneration Committee	<ol style="list-style-type: none"> 4. Composition and member selection of functional committees 5. Internal control 	100 (out of 100 points)

- **Management of Conflicts of Interest**

Provisions for conflict of interest recusal are included in Chin Hsin's Rules of Procedure for Board of Directors Meetings and in the Organizational Charters of the Audit Committee and the Remuneration Committee. If a board proposal involves an interest of a director, the director's spouse or a relative within the second degree of kinship, or a company in which the director has a controlling or subordinate relationship, the director shall disclose the interest at the meeting; if the interest may harm the Company's interests, the director shall neither participate in the discussion nor vote, must recuse themselves from both discussion and voting, and shall not exercise the voting rights of other directors; the names of the directors concerned, a description of the key issues and the circumstances of recusal shall all be recorded in the meeting minutes. Directors and managers must also complete the annual related-party transaction declaration and report the results to the Audit Committee.

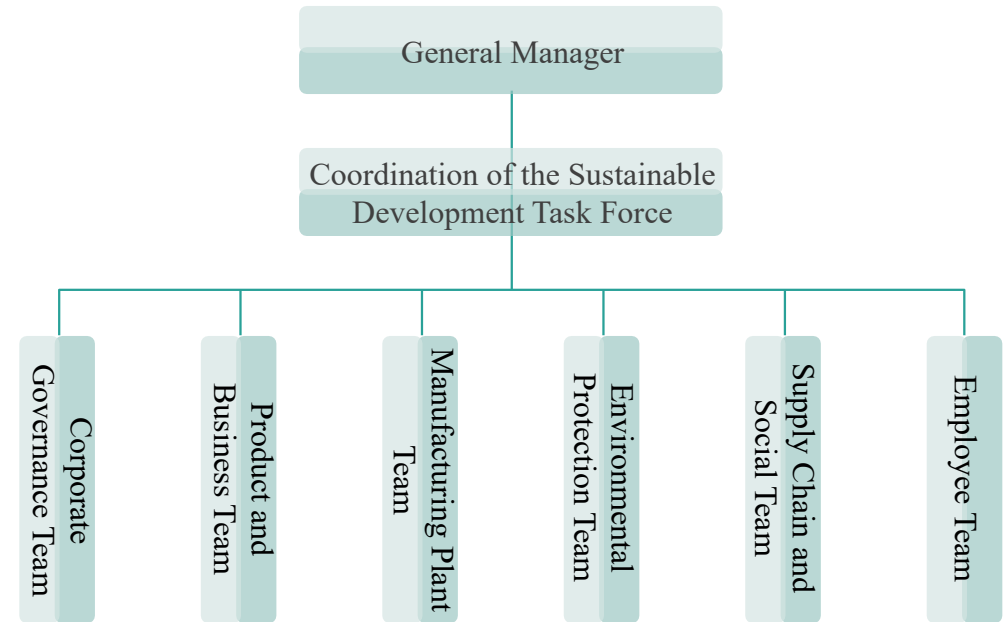
© For the 2024 related-party transactions and the cross-shareholding status among directors, controlling shareholders, or other stakeholders, please refer to: [Pages 8 to 13 of the Chin Hsin 2024 Annual Report](#)

Additionally, the Company has established codes of ethical conduct for personnel at various levels, the Code of Ethical Conduct for Directors and Managers and the Code of Conduct for Employees. The Internal Audit Office supervises the implementation of these codes and regularly reports the results to the Board of Directors. As of the end of 2024, Chin Hsin did not experience any major conflicts of interest.

2.2.2 Functional Committees and Dedicated Sustainability Units

- **Sustainable Development Task Force**

Chin Hsin established a Sustainable Development Task Force, headed by General Manager Chang Tsai Jung, with the Finance Department Manager serving as coordinator and core members representing each department as the Company's highest level dedicated internal sustainability unit. Under the Sustainable Development Task Force are the Corporate Governance Team, the Product and Business Team, the Manufacturing Plant Team, the Environmental Protection Team, the Supply Chain and Social Team, and the Employee Team, which jointly advance the execution and progress of the Company's sustainable development projects. Chin Hsin has adopted the Sustainable Development Best Practice Principles and the Management of Sustainability Information, both approved by the Board of Directors, to define the authorities and responsibilities of the Sustainable Development Task Force. The Sustainable Development Task Force is responsible for identifying significant ESG issues related to the Company's operations, formulating management strategies and objectives, and preparing the annual sustainability report. It must also oversee the effectiveness of the Company's ESG policy implementation and the achievement of targets, and report its findings to the Board of Directors on an annual basis.



In 2024, the Sustainable Development Task Force of Chin Hsin held 3 meetings, of which 3 significant matters were communicated to the Board of Directors. These were the execution status of the GHG inventory, the implementation status of ethical corporate management, and the stakeholder communication status report.

- **Salary and Compensation Committee**

The current Remuneration Committee is composed of 3 members, all independent directors who satisfy the regulatory independence requirements, with a term from April 24, 2023 to April 23, 2026. The Company has established the Remuneration Committee Organizational Charter to define the Remuneration Committee's powers and duties, and is responsible for formulating and regularly evaluating the remuneration systems and standards for its members. In principle, the Remuneration Committee convenes meetings semiannually; in 2024 it convened 3 meetings, and its members' attendance rate was 100%.

- **Audit committee**

The Company's Audit Committee is composed of 3 independent directors, and its term is from April 24, 2023 to April 23, 2026. Its authorities include reviewing the Company's financial statements, overseeing the appointment and independence of CPAs, establishing or amending internal control systems, and supervising the Company's compliance with internal regulations and relevant laws. In principle, meetings are convened once each quarter; when necessary, department heads, internal auditors, CPAs, legal advisors, and others are appointed to attend and participate in the discussions. In 2024, 7 meetings were convened, and members' attendance rate was 100%.

© Audit Committee implementation status: [Page 29 of Chin Hsin's 2024 Annual Report.](#)

2.3 Economic Performance

Each department prepares the budget for the following year in Q4 of every year. The Finance Department consolidates the budgets or targets for sales, production, procurement, salary expenses, and other items, and prepares the consolidated budget income statement. The Chairman or a representative designated by the Chairman reports the budget preparation results at the last board meeting of the year, and the Board of Directors resolves to approve them.

Each month, the Finance Department consolidates the current financial statements and compares them with the budget and prior operating performance. The results are discussed at the senior management meeting to review and improve operational policies. Ching Hsin's quarterly consolidated financial statements, annual consolidated financial statements, and parent company only financial statements are all published on the Company's official website and the MOPS.

In the current year, the Company's business expansion strategy has achieved significant results, particularly in the removal services for medical and industrial waste. By actively developing new clients through the Sales Department, it successfully increased the volume of waste removed, thereby driving growth in revenue and gross profit. Additionally, the Company participated in the asbestos building material waste removal and disposal projects of various county and city governments. This collaboration not only generated additional service revenue, but also significantly increased revenue from industrial waste removal, further enhancing the Company's market competitiveness. While expanding its existing businesses, the Company also continues to develop new ones. Although the production and sales of eco-friendly wood-plastic composites and the recycling and reuse of medical waste are still in the growth stage, revenue has increased compared with the previous year as technology is continuously optimized and markets are actively developed.

In summary, in 2024, the Company's consolidated revenue was NTD 698,725 thousand, representing growth of 43% compared with 2023. Consolidated net income after tax was NTD 209,973 thousand, and earnings per share after tax were NTD 4.87. For other explanations and analyses of financial performance please refer to the Company's annual report.

▼ Chin Hsin's Consolidated Financial Performance

Items	2022	2023	2024
Operating revenue (NTD thousand)	447,413	487,477	698,725
Net profit (loss) before tax (NTD thousand)	111,431	131,552	263,794
Net profit (loss) after tax (NTD thousand)	86,704	103,322	209,973
Earnings (loss) per share (NTD)	2.64	2.61	4.87
Cash dividends (NTD/shares)	1.50	2.35	3.80

Note: Cash dividends are the amounts resolved and distributed as earnings distributions for each reporting year (the distribution amount for 2024 was approved at the shareholders' meeting on May 22, 2025).

The Company analyzes its consolidated financial position from the perspective of stakeholder economic distribution in accordance with GRI. In the current year, the total direct economic value generated (operating revenue and non-operating revenue) was NTD 713,732 thousand, and the total distributed amount was NTD 678,559 thousand. The top three economic distribution items were employee salaries and benefits (38.1%), operating costs (27.0%), and payments to capital contributors (26.1%).

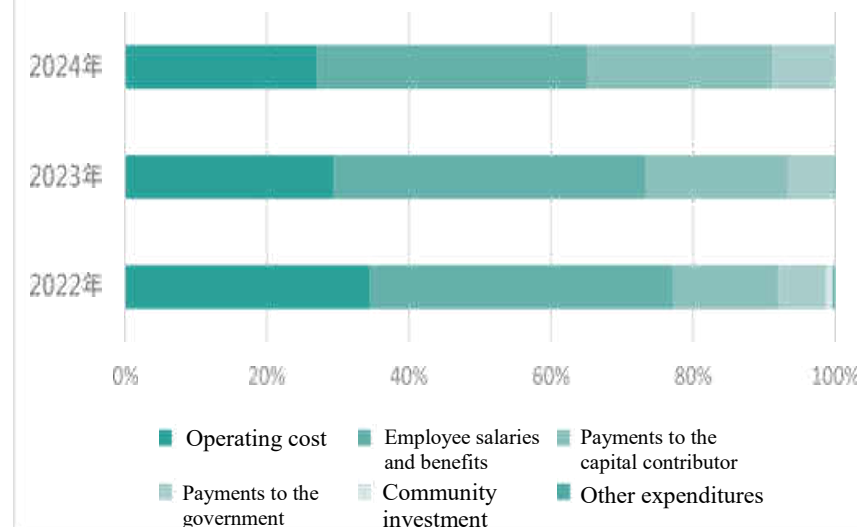
▼ Economic Value Generated and Distributed over the Past Three Years (Unit: thousand)

Economic Value	Items	2022	2023	2024
Direct economic income	Net operating revenue	447,413	487,477	698,725
	Financial investment income	1,409	3,059	5,657
	Sales revenue of assets	0	0	7,098
	Government subsidies received (Note 2)	650	70	2,225
	Other income	45	372	27
Direct Economic Value Generated		449,517	490,978	713,732
Economic distribution	Operating cost	146,264	142,014	183,509
	Employee salaries and benefits	180,554	210,944	258,688
	Payments to the capital contributor	62,468	96,461	177,226
	Payments to the government	28,114	31,463	58,358
	Community investment	4,264	57	775
	Other expenditures	1,149	717	3
Distributed Economic Value		422,813	481,656	678,559
Retained Economic Value (Note 1)		26,704	9,322	35,173

Note 1: Retained economic value = direct economic value generated minus economic value distributed.

Note 2: The Company has no government shareholding. In 2024, it received NTD 2,225 thousand in government subsidies, primarily for R&D subsidies.

Proportion chart of economic distribution items for each year



2.4 Responsible Business Conduct

2.4.1 Ethical Corporate Management

In accordance with the model templates for the “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEX Listed Companies” and the “Procedures for the Management of Material Internal Information”, the Company has adopted the "Ethical Corporate Management Best Practice Principles", the "Code of Ethical Conduct", the "Procedures for Ethical Management and Guidelines for Conduct", the "Procedures for Prevention of Insider Trading", and the "Procedures for Handling Reports of Cases", all approved by the Board of Directors. Please refer to the Company website (inquiry URL: <https://www.chin-hsin.com.tw/>, inquiry path: Home Page > Corporate Governance > Operational Charters). The Company identifies potential adverse impacts on different stakeholders in its business relationships, sets preventive measures and post incident remedial mechanisms for specific risks, and has an independent supervisory unit that follows up on subsequent handling of events, dynamically improving and optimizing its commitment to responsible business conduct to ensure that the Company achieves its ethical corporate management standards and objectives.

To guide and ensure that members at each operating site and the Company’s stakeholders understand the Company’s ethical corporate management policy, Chin Hsin has implemented a series of measures and management mechanisms, including signing relevant documents, providing a 2-hour educational training session for promotion, and requiring suppliers to sign an ethical corporate management clause.

The Company regularly holds training courses on ethical corporate management and invites all employees to participate. The courses explain prohibited practices in business conduct, including professional ethics and anti-corruption courses, to prevent unethical behavior. In 2024, all 7 members of the governance unit (100%) completed the ethical corporate management promotion and training courses.

To mitigate the impact of any violations of ethical corporate management and professional ethics, employees at all Chin Hsin operating sites may use the internal whistleblower reporting procedure, and suppliers and stakeholders may use the complaint channels to report any illegal or unethical corporate management conduct.

Identity		Timing	Documents requiring signature	Signing percentage
Workers	All members of the Board of Directors and the management	Annually	Statement of Integrity	100%
Business Partners	New Suppliers	At the time of signing	Ethical Corporate Management Clause	33%
	Current Suppliers	At the time of signing	Ethical Corporate Management Clause	80%

Reporting channels include:

1. When the reported party is a director, the Chairman, a General Manager, a manager, an employee, or a person with substantive control, the Company offers the whistleblower appropriate reporting channels, which may be in writing, by telephone (02-25795580 ext. 203), by fax (02-25794015), or by email (crystalhs@mail.chin-hsin.com.tw). The Audit Office manages the hotline and email box, handles the related matters and fill out the "Grievances Handling Form", with the assistance from the Personnel Office and the Public Relations and Legal Office. The Audit Office presents the complaints to the convener of the responsible unit to conduct investigation and offers assistance.
2. If the counterparty to a complaint is the General Manager or the Head of the Audit Office, the channel for filing grievances shall be properly provided and it can be done in written notes, telephone calls (05-5529255 ext. 521), fax (05-5848282) and email (juang@mail.chin-hsin.com.tw). The Personnel Office manages the hotline and email box, handles the related matters and fill out the "Grievances Handling Form" with assistance from the Public Relations and Legal Office. The Personnel Office presents the complaints to the convener of the responsible unit to conduct investigation and offers assistance.

An independent Audit Office is responsible for overseeing the follow-up handling of whistleblower reports and incorporates ethical corporate management-related regulations into the annual general business audit program, reporting its findings to the Board of Directors each year.

In the current year, no corruption incidents occurred among employees or business partners, nor was there any involvement in litigation under antitrust or monopoly regulations.

2.4.2 Human Rights Policy

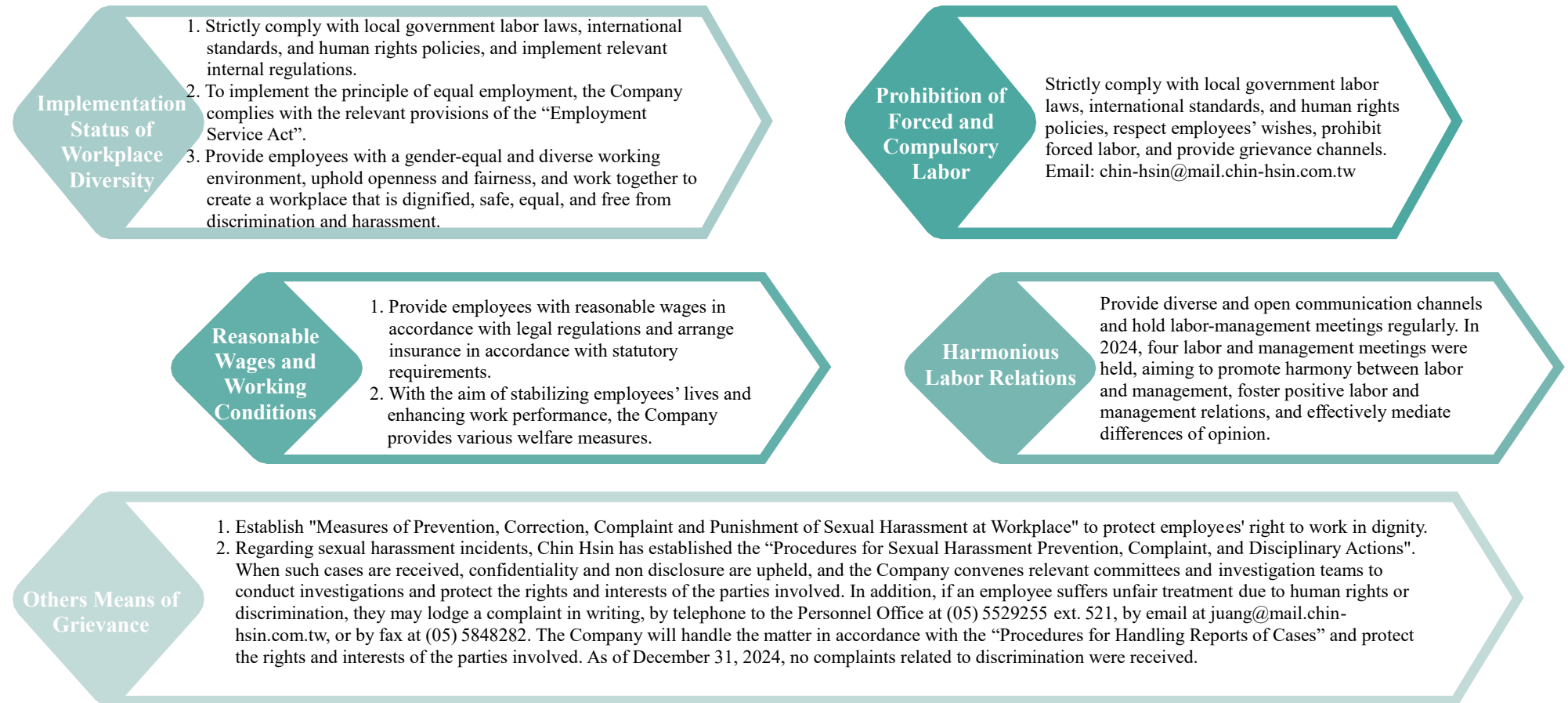
- Human Rights Policy

Chin Hsin supports and adheres to internationally recognized human rights standards, referencing the “Universal Declaration of Human Rights”, the “UN Guiding Principles on Business and Human Rights”, the United Nations Global Compact (UNGC), and “International Labour Organization Conventions”, and strives to prevent any potential human rights infringements. To fulfill its commitments to the human rights of internal employees and external stakeholders, it has established a “Human Rights Policy” and related regulations and measures aimed at creating a workplace environment that is safe, equal, non-discriminatory, and free from harassment. In terms of internal employees’ human rights and inclusion, the Company is committed to safeguarding employees’ fundamental human rights and related interests. Every employee should be treated fairly and with respect. To ensure equal workplace rights for internal employees, the Company establishes a friendly working environment, provides a healthy and safe workplace, and protects employees’ personal data, so that all internal and external stakeholders receive fair and dignified treatment. In 2024, there were no records of violations of the law.

The Company’s human rights policy and management plan are as follows:

Equal Employment Opportunity	Freedom of Employment	Healthy and Safe Workplace	Privacy Protection	Freedom and Security	Working Hours Management	Salary and Benefits
In recruitment, employment, training, rewards, promotion, termination, retirement, and other employment conditions, the Company does not discriminate on the basis of race, class, language, ideology, religion, political affiliation, nationality, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, disability, zodiac sign, blood type, or former union membership, and upholds the principle of equal pay for equal work; its employment policy ensures equal treatment, creating a fair and impartial working environment for hiring, remuneration and benefits, training, evaluation, and promotion opportunities.	All work shall be voluntary and elective; employees shall have the right to resign freely with reasonable notice, and child labor and forced labor are prohibited.	To mitigate potential health and safety risks arising from work patterns, regularly assess employees’ health and safety.	Establish personal data management procedures and implement security measures for personal data files to safeguard employees’ personal data.	Respect employees’ freedom of association by providing diverse activities to foster interpersonal interactions; to maintain gender equality and uphold personal dignity in the workplace, strictly prohibit workplace sexual harassment, establish the “Procedures for Sexual Harassment Prevention, Complaint, and Disciplinary Actions”, and provide complaint channels to protect employees’ rights.	When work beyond normal working hours is necessary, the normal working hours may be extended with the consent of the labor and management meeting; extended hours shall be compensated in accordance with the Labor Standards Act and may be offset with time off at the employee’s discretion. Working hours, rest periods, and leave shall be arranged reasonably.	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.

● Implementation of Various Specific Management Solutions



● Human Rights Policy Advocacy

Since 2024, Chin Hsin has implemented sexual harassment prevention training to enable employees to understand how to prevent and respond to workplace sexual harassment, and has incorporated topics related to human rights and labor rights into its awareness programs to enhance personnel's understanding of and attention to these issues. As of 2024, a total of 91 people have participated in the courses, with a combined total of 91 training hours.

2.4.3 Legal Compliance

The Company's threshold for disclosing penalties for material regulatory violations is a penalty amount of NTD 100,000 or above (inclusive). In 2024, Chin Hsin complied with all environmental, social, governance, economic, and product and service regulations and did not incur any material penalties of NTD 100,000 (inclusive) or above or other non-monetary sanctions. However, there were 49 incidents of penalties for violations of traffic regulations or environmental protection regulations, with fines ranging from NTD 600 to NTD 60,000, none of which caused significant impact on the environment or society or affected the Company's operations. The Company has reviewed the violations, implemented improvements, and strengthened advocacy to prevent similar incidents from occurring again.

▼ Status of Fines Paid in the Past Two Years

Year	2023	2024
Fines paid for violations in the year (number of cases)	174	49
Fines paid for violations in the year (amount)	214,480	113,400
Fines paid for violations occurring in previous years (number of cases)	0	0
Fines paid for violations occurring in previous years (amount)	0	0

Note: In 2024, a total of 3 cases resulting from employees' personal conduct were adjudicated by the Ministry of Environment. The above fines were borne by the employees themselves and were not paid by the Company; therefore, they are not included within the statistical scope of this table.

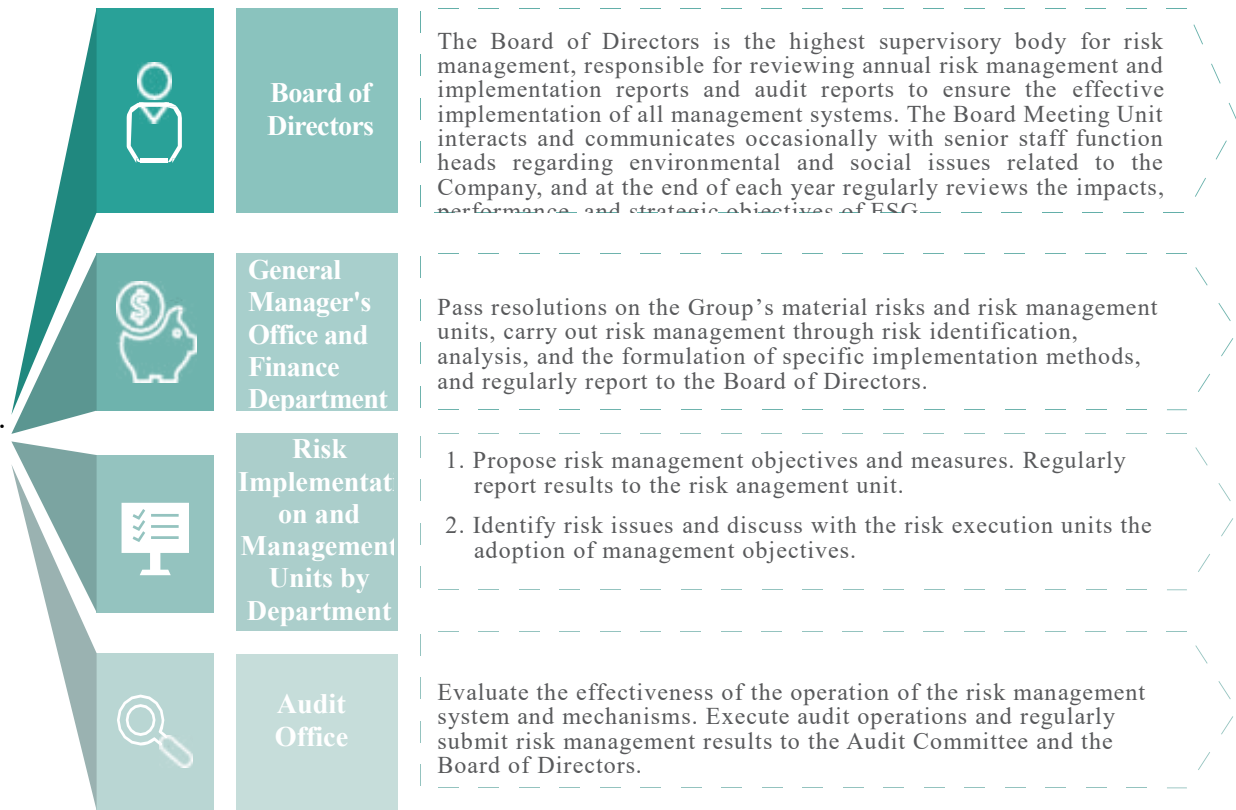
2.5 Risk Management

2.5.1 Risk Management Organization

The Company has adopted the Three Lines of Defense for internal control as its risk management mechanism. For the first line of defense, each department is responsible for carrying out risk assessments based on their functions and scope of business, as well as their core business activities; for the second line of defense, the General Manager’s Office and the Finance Department are responsible for assisting, supervising and the first line of defense with risk identification and management; the Audit Office under the Board of Directors serves as the third and final line of defense. It inspects, supervises, and tracks the progress of deficiencies and corrections in the first two lines of defenses, and discloses them to the Board of Directors concurrently or periodically to ensure the effective implementation of the Company’s risk management system.

The scope of risks covers operational risks, financial risks, market risks, legal compliance risks and climate risks. Enterprise risk management is implemented through risk management procedures such as risk identification and assessment, impact measurement, response and adjustment, and monitoring and reporting. The Company’s Sustainable Development Task Force reports to the Board of Directors once a year on the implementation of corporate sustainable development-related matters. Operations and implementation of material issues related to the Company’s operations, environmental, social, corporate governance and risk management are reported to the Audit Committee and Board of Directors once a year.

There is currently not explicit “Risk Management Regulations” and this will be formulated by the Company if necessary at a future date.



2.5.2 Risk Identification and Countermeasures

Chin Hsin, in accordance with the scope of the Company's risk management policies and procedures, completed internal risk issue identification and assessment and implemented risk mitigation measures, as described below:

Risk Dimension	Risk Issue Identification	Impact Effects	Risk Mitigation Measures
Economic Aspect	Market Risk	In response to environmental protection regulations and customers' green supply chain policies, customer preferences for waste disposal have shifted toward resource recovery methods, and they have begun to pay attention to the carbon emissions associated with the waste treatment process.	<ol style="list-style-type: none"> 1. The Company has independently initiated a medical waste resource recovery processing business, meeting customers' processing method requirements while enhancing the Company's competitiveness in the medical waste removal market. 2. Actively seek treatment facilities that offer diverse waste treatment methods as partners at the back end of the waste disposal process to enhance integrated waste disposal services for clients. 3. Strengthen the green business philosophy, replace fuel powered disposal vehicles with electric vehicles, and transform waste removal into a low carbon service.
Economic/Social Aspects	Regulatory Compliance	<ol style="list-style-type: none"> 1. The additional imposition of carbon tax and energy tax has led to an increase in operating costs. 2. The government requires reductions in GHG emissions and regular reporting of carbon emissions. 	<ol style="list-style-type: none"> 1. Implement total carbon emission control and establish a GHG inventory platform to regularly collect and monitor emission amounts. 2. Establish carbon footprint monitoring to measure the environmental impact of the product manufacturing process. 3. Establish energy saving and carbon reduction targets and continually pursue energy saving and carbon reduction.
Economic Aspect	Information Security Risk	Information systems are subjected to external intrusions, posing a risk of data leakage.	<ol style="list-style-type: none"> 1. The system is equipped with firewall and antivirus software security measures, and IT personnel regularly conduct inspections and tests to establish a comprehensive antivirus system. 2. Strengthen disaster prevention, information security, monitoring, reporting mechanisms, anomaly management, and backup measures. 3. Implement information security training and awareness initiatives to enhance employees' information security awareness.
Social Aspect	Occupational Safety Risk	Frequent outbreaks of highly infectious diseases and the expanding variety of hazardous waste due to advances in production technology increase employees' risk of infection or exposure to hazardous waste, thereby impacting operations.	<ol style="list-style-type: none"> 1. Monitor epidemic developments in real time, conduct epidemic prevention education, prepare epidemic prevention supplies, oversee sanitation management, and monitor personnel health. 2. Implement operational controls of the ISO 45001 management system, promote occupational safety and health protective measures, and prevent occupational accidents. 3. Implement an employee care system by conducting annual health examinations, caring for employees' health, and providing a supportive working environment. 4. Implement internal management policies to ensure that vehicles carry emergency response procedure manuals for hazardous industrial waste and emergency response equipment.

Risk Dimension	Risk Issue Identification	Impact Effects	Risk Mitigation Measures
Environmental Aspect	Climate Change Risk	Natural disasters cause equipment damage or shorten useful life, resulting in increased capital expenditures.	<ol style="list-style-type: none"> 1. Inspect drainage systems, flood detention facilities, and emergency pumping equipment to address extreme rainfall risks, preventing insufficient drainage that could cause surface runoff to impact production line equipment and collection vehicles and machinery. 2. Implement regular inspections and maintenance of plant facilities, and upon issuance of a typhoon warning immediately take typhoon prevention measures to prevent poor on site drainage from causing erosion and water accumulation that could affect equipment operation. 3. Establish emergency response plans and conduct regular drills to strengthen personnel response capabilities, preventing sudden or unforeseen natural disasters from impacting operations and causing financial burdens.
Environmental Aspect	Clearance Risks	Waste spillage or leakage poses a risk of environmental pollution.	When signing contracts, sales personnel gain an exact understanding of the waste characteristics and coordinate tasks with the collection team; if the waste to be transported is prone to leakage or is carried in bulk, the collection team must implement appropriate preventive control measures.

2.6 Climate Change Risks and Opportunities

2.6.1 Climate Governance

- **Supervision by the Board of Directors**

The Company's Board of Directors is the highest decision-making body for corporate governance. In addition to taking climate issues into account for corporate governance and business strategies, the Board of Directors has also integrated climate risk and opportunity management into its overall policies. By continuing to monitor the implementation of various risk management mechanisms, we hope to implement climate change management and demonstrate the importance of climate governance by the Company while our business continues to grow.

The Company's Board of Directors has authorized the senior management to handle economic, environmental, and social issues arising from the Company's operating activities. Climate-related issues are managed by the Sustainable Development Task Force convened by the General Manager. The team is composed of relevant department heads and designated personnel. Its tasks include but are not limited to identifying, assessing and managing climate-related risks and opportunities, and formulating corresponding strategies and goals; continuing to analyze and control climate risks and opportunities; planning of climate and sustainability strategy to ensure the implementation of climate actions; implementation status is regularly reported to the Board of Directors, so that the Board of Directors is aware of business risks related to climate issues.

- **Integration of the Risk Management System**

The scope of risks covers operational risks, financial risks, market risks, legal compliance risks and climate risks. Enterprise risk management is implemented through risk management procedures such as risk identification and assessment, impact measurement, response and adjustment, and monitoring and reporting. The Company's Sustainable Development Task Force reports to the Board of Directors once a year on the implementation of corporate sustainable development-related matters. Operations and implementation of material issues related to the Company's operations, environmental, social, corporate governance and risk management are reported to the Audit Committee and Board of Directors once a year. Due to the importance and unique nature of climate change issues, the Sustainable Development Task Force makes a separate report on environmental performance and goals, as well response and management of climate change issues to the Board of Directors. This will hopefully lead to swifter response on climate-related risks and opportunities.

2.6.2 Identification and Assessment of Climate Risks and Opportunities

In order to promote transparency in disclosing climate-related risks and opportunities, Chin Hsin references domestic and international technical reports, the regulatory requirements of its operational jurisdictions and relevant peer disclosures; it evaluates risks and opportunities based on “degree of impact” and “likelihood of occurrence,” and prepares a risk and opportunity matrix according to the evaluation results to determine the impact levels and materiality of each item.

Based on the above analysis, the Company regards items with a combined score of 9 or above for degree of impact and likelihood of occurrence as major climate-related risks and opportunities. These seven items are immediate risks of flooding (heavy rainfall), typhoons, market risk of changes in customer preferences, and opportunities of recycling and reuse, research and innovation in developing new products and services, diversification of business activities, and shifts in consumer preferences. The Company discloses their actual and potential impacts on the organization; please see the next section for details.

▼ Climate Change Risk Matrix

Degree of Impact of Risks	Likelihood of Occurrence					
	5			◆ Long-term Flooding (Heavy Rain)	◆ Immediate Flooding (Heavy Rain)	◆ Typhoon ◆ Changes in Customer Preferences
	4		◆ Demand for Low-carbon Products and Services			
	3			◆ Strong Wind	◆ PM2.5 ◆ Voluntary Initiatives ◆ High Temperature	◆ Compulsory Reporting ◆ International Conventions/Agreements ◆ Fuel/Energy Tax ◆ PM2.5 ◆ Carbon Tax
	2				◆ Cap and Trade Transactions and Emissions Trading ◆ General Environmental Regulations	
	1		◆ Air Pollution Control			
	0					
		0	1	2	3	4
						5

▼ Climate Change Opportunity Matrix

Degree of Impact of Opportunities	Likelihood of Occurrence					
	5				◆ Changes in Consumer Preferences	◆ R&D and Innovation in Developing of New Products and Services ◆ Diversification of Business Activities
	4				◆ Adopt More Efficient Transportation Methods ◆ Use of New Technology	◆ Recycling and Reuse
	3				◆ Leverage Public Sector Incentive Measures	
	2					
	1					
	0					
		0	1	2	3	4
						5

2.6.3 Impact Assessment of Climate Risks and Opportunities

Under the supervision and guidance of the Board of Directors and the Sustainable Development Task Force, the Company evaluates the actual and potential impacts that major climate-related risks and opportunities may have on its business operations, strategic direction, and financial performance. The assessment considers impact magnitude, time and geographic scope, value chain implications, and financial effects, and develops strategic solutions to address the actual and potential impacts of climate change in a timely manner and enhance the organization's climate resilience. To understand the short-, mid-, and long-term impacts of climate-related risks and opportunities on the Company, the Company has defined its time horizons as follows: short-term of 1 to 3 years, mid-term of 3 to 5 years, and long-term of more than 5 years.

▼ Climate Change Risk Impacts and Corresponding Opportunities

Main Category	Subcategory	Risk or Opportunity Item	Description	Financial impact	Degree of impact (Note 1)	Frequency of occurrence (Note 2)	Time of occurrence	Likelihood of occurrence (Note 3)	Management approach
Transition risk	Market risk	Changes in customer preferences	As customers increase their demand for low-carbon services and products to enhance brand image or comply with regulations, existing products or services may be replaced, thus affecting customer orders and market share.	Reduced operating revenue, reduced demand for products or services, and reduced access to capital and investment opportunities.	5	1	Mid-term	5	<ol style="list-style-type: none"> 1. Actively expand the scope of services and develop resource recovery processing services to meet medical waste removal clients' needs. 2. Gradually replace fuel powered waste collection vehicles with electric tractors to help reduce carbon emissions and make the service more environmentally friendly.
Physical risk	Immediate risk	Typhoon	High intensity rainfall or strong winds that impede collection operations will delay or halt waste removal.	Increased operating or capital costs.	5	3	Short-term	5	Upon issuance of a typhoon warning, immediately implement typhoon preparedness measures, confirm the range of collection dates affected by typhoon conditions, negotiate with customers in advance to adjust waste collection schedules, and reasonably adjust subsequent collection routes, schedules and collection team work-hour allocations in order to reduce the overtime costs incurred by temporary suspension of collection operations.
		Immediate Flooding	Damage to operating sites or equipment	Increased operating or	5	2	Short-term	4	<ol style="list-style-type: none"> 1. Install drainage checkpoints, flood detention facilities, and emergency pumping equipment

Main Category	Subcategory	Risk or Opportunity Item	Description	Financial impact	Degree of impact (Note 1)	Frequency of occurrence (Note 2)	Time of occurrence	Likelihood of occurrence (Note 3)	Management approach
		(Heavy Rain)		capital costs, and increased compensation amounts.					<p>to address extreme rainfall risks, preventing insufficient drainage from causing surface runoff that adversely affects the operation of facilities.</p> <p>2. Implement regular inspections and maintenance of plant facilities, and upon issuance of a typhoon warning immediately take typhoon prevention measures to prevent poor on site drainage from causing water accumulation that could shorten equipment service life.</p>
Opportunity	Resource utilization efficiency	Recycling and reuse	Increase the recycling rate of waste Chin Hsin Wood products and the conversion rate of plastic resources from medical waste, and reduce back end waste treatment costs.	Reduced operating or capital costs.	4	3	Long-term	5	<p>1. Collaborate with external professional institutions to develop production technologies and increase the conversion rate of waste plastics into raw materials for eco-friendly wood-plastic composite production.</p> <p>2. Strengthen Chin Hsin Wood product recycling management policies by establishing comprehensive recycling operation procedures for waste Chin Hsin Wood products to increase the recycling and reuse rate of waste products and implement its circular economy production model.</p>
	Products and services	Changes in Consumer Preferences	Customers have begun to prefer service providers with energy saving and carbon reduction capabilities.	Increased Demand for Low-carbon Products and Services	5	3	Long-term	4	Gradually replace fuel powered waste collection vehicles with electric tractors to help reduce carbon emissions and strengthen the low carbon, environmentally friendly image of the waste removal brand.
		R&D and innovation in the development of new products and	Develop multi-plastic bonding technology to use recycled waste plastics as raw materials for producing recycled wood-plastic composite building	Increased operating revenue	5	3	Long-term	5	Through production technology upgrades, more types of waste plastics can be used as raw materials for producing eco-friendly wood plastic composite building materials, strengthening the products' green design concept while increasing the proportion of recyclable waste plastics recovered as

Main Category	Subcategory	Risk or Opportunity Item	Description	Financial impact	Degree of impact (Note 1)	Frequency of occurrence (Note 2)	Time of occurrence	Likelihood of occurrence (Note 3)	Management approach
		services	materials, thereby reducing the volume of waste plastics in the market.						resources and reducing the volume of waste plastics requiring treatment.
		Diversification of business activities	Develop the eco-friendly wood-plastic composite building materials business and the medical waste recycling and reuse processing business.	Increased operating revenue	5	3	Long-term	5	In response to environmental protection policies, Chin Hsin has developed circular economy related businesses including eco-friendly wood plastic composite building materials production and medical waste recycling and reuse processing, expanding its operations and revenue sources while meeting waste collection clients' resource recovery processing needs and enhancing its competitiveness in the waste removal market.

Note 1: The degree of impact range is 1 to 5 points, with higher scores indicating greater impact.

Note 2: The frequency of occurrence scale is 1 to 5 points, with higher scores indicating a higher frequency of occurrence.

Note 3: The likelihood of occurrence scale is 1 to 5 points, with higher scores indicating greater likelihood of occurrence.

● Financial Impact of Transformation Actions

Climate change has led to changes in customer service preferences, increased market uncertainty, and the need to incorporate sustainability awareness into operating investments; as the economy gradually shifts toward supporting low carbon services and products, the Company is investing in relevant equipment or developing low carbon services and products, including introducing an electronic six part receipt application to sharply reduce paper use in the collection process, launching medical waste recycling and reuse services and eco-friendly wood plastic composite production, and installing related equipment to establish a plastics circular economy operating model. It also plans to replace fuel powered collection vehicles with electric vehicles on a set schedule to reduce fuel consumption and cut the carbon emissions generated by collection services. These operational transformation plans will all increase operating costs. Climate related issues are driving policies and regulations that promote corresponding standards; to meet legal compliance goals, the Company will increase manpower and equipment inputs, such as establishing internal registers of electricity and water usage and carbon emissions, which will raise operating costs. As disaster causing extreme weather becomes more severe, the Company installs drainage checkpoints, flood detention facilities, and emergency pumping equipment to address extreme rainfall risks, preventing inadequate drainage from damaging production equipment, collection fleets, and machinery, and it strengthens emergency response plans with regular drills to enhance personnel response capabilities, which also increases operating costs.

▼ Impact on Costs of Actions Taken to Manage Risks or Opportunities

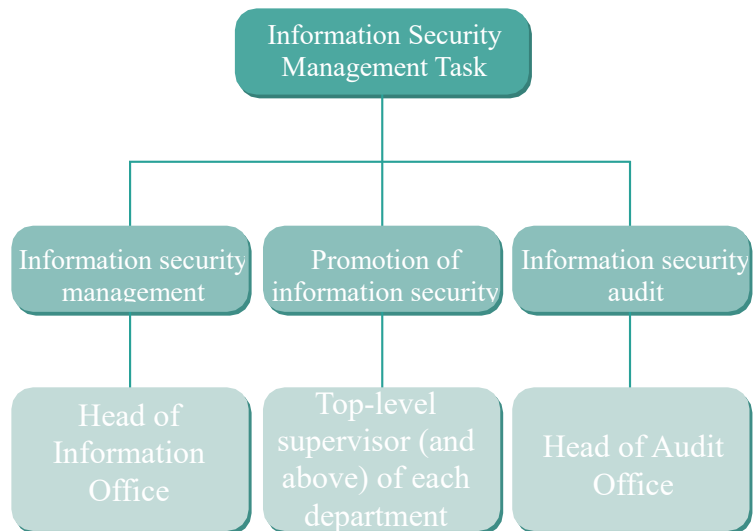
Subcategory	Risk or Opportunity Item	Manpower Cost	Equipment Cost	Capital Expenditure	R&D Expense	Social Activity Expenditure	Losses and Remedies	Outsourcing Cost	Insurance Expense
Market risk	Changes in Customer Preferences	0	0	0	0	0	0	0	0
Immediate Risk	Typhoon	4	0	0	0	0	0	0	0
	Immediate Flooding (Heavy Rain)	0	5	0	0	0	5	0	4
Resource utilization efficiency	Recycling and Reuse	0	4	0	5	0	0	0	0
Products and services	Changes in Consumer Preferences	0	0	0	0	0	0	0	0
	R&D and innovation in the development of new products and services	0	4	0	5	0	0	0	0
	Diversification of business activities	0	4	0	0	0	0	0	0

Note: This table shows the major cost or expenditure items potentially involved in the transformation actions for each risk or opportunity, and uses a 0 to 5 scale to assess their financial impact. A higher score indicates a greater impact, and 0 represents no impact.

2.7 Information Security

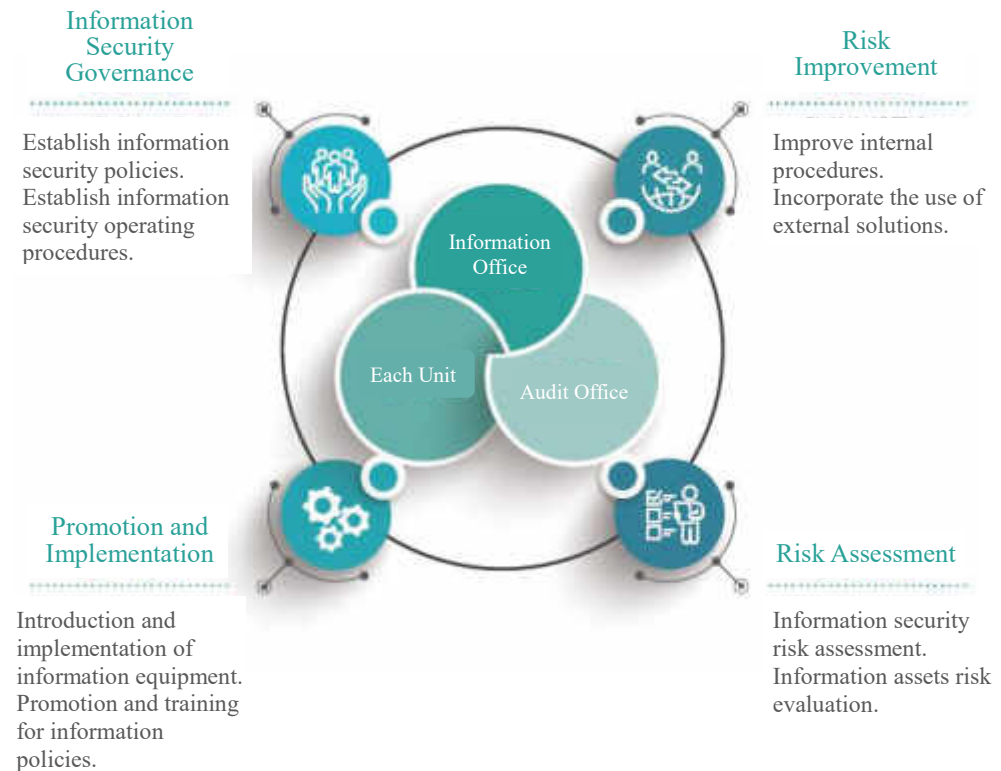
In 2023, the Company established the “Information Security Policy”, with the Information Office coordinating the formulation, implementation, risk management, and compliance auditing of information security and protection policies.

▼ Information Security Organizational Structure

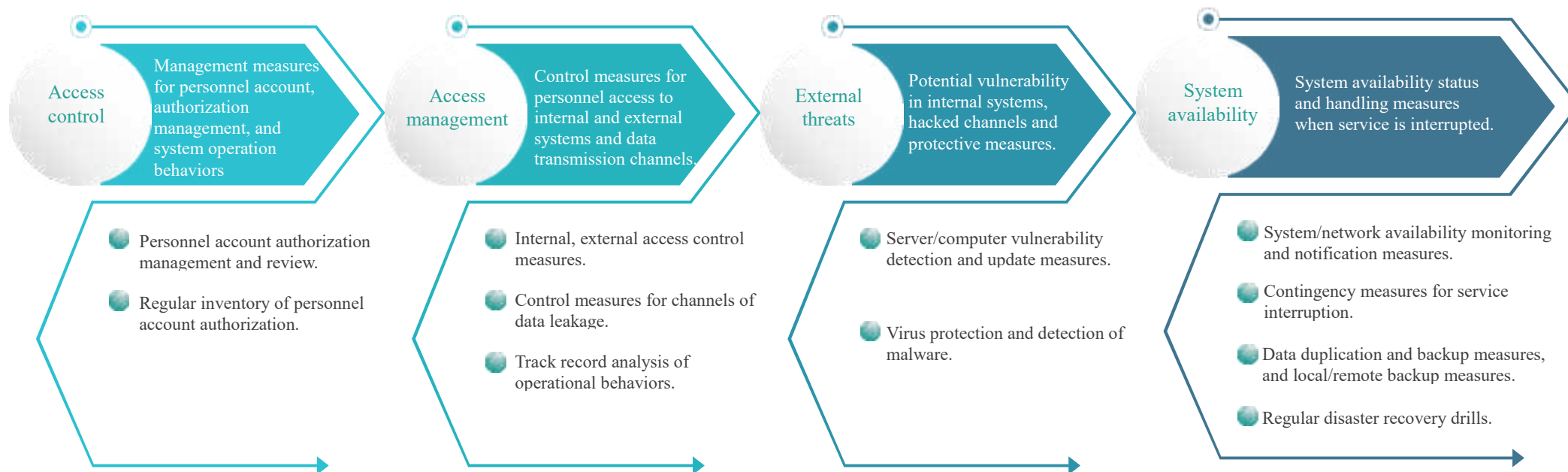


● Cybersecurity Policy

The Company’s Information Office is responsible for promoting and implementing the "information security policy" of the regulations, which includes personnel management and information security education and training, computer system security management, network security management, system access control, application system development and maintenance security management, information asset security management, physical and environmental security management, planning and management of business continuity plans, information security audits, etc.



- Specific management solutions



- Resources committed to information security management.

The Company continues to commit resources to information security affairs every year, including reinforcing information security defense equipment, improving information security management systems and education and training, appointing 1 information security supervisor and 1 information security staff member, and holding 1 information security meeting in 2024, thoroughly implementing measures from management to technology to enhance information security capabilities. For prevention of incidents, business continuity drills for the aspect of information are run every year focusing on the recovery, safekeeping and testing of key system data every week, which are all included in the information security routine.

The Company's information system hosts are not connected to external networks. From system, technical, and procedural perspectives, the Company mitigates information security threats and establishes an information security environment that meets customer requirements, conducting regular information security tests. The virtual host for the Company's official website, however, is managed by an external third-party IT provider. To ensure effective incident response capabilities and protect the assets of the Company and its customers, the Company regularly confirms with that provider that its information security management system complies with the ISO 27001 certification standard and that it holds a valid ISO 27001 certificate from October 1, 2023 to October 31, 2025.

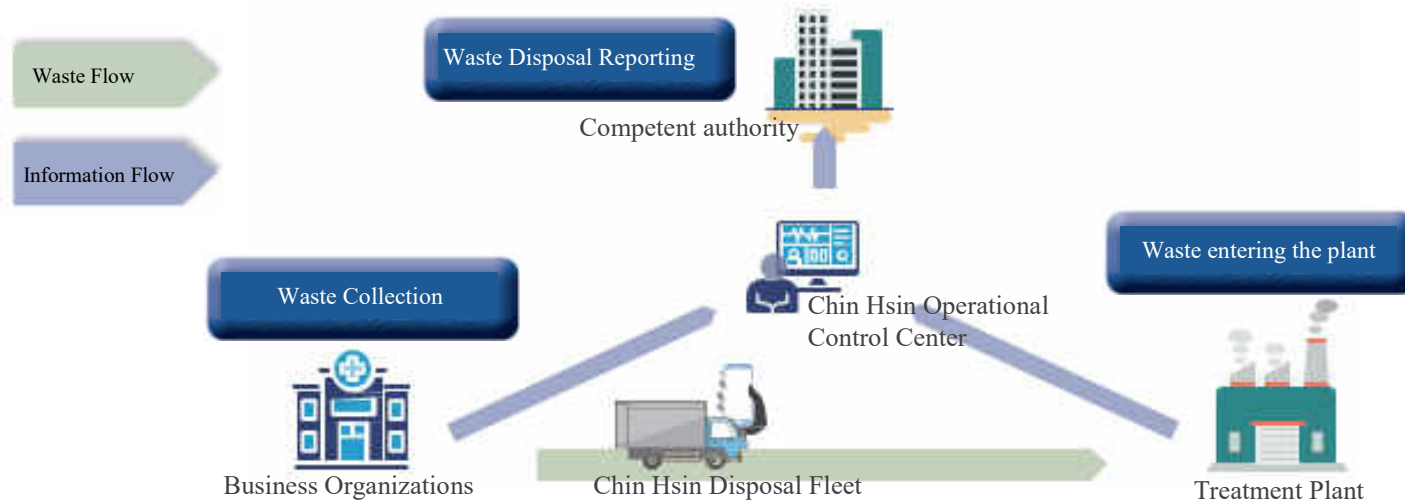
In 2024, the Company did not receive any complaints regarding customer privacy infringement or data leakage incidents.

3 Industry Services and Supply Chain Management

3.1 Product Service and Development

The Company actively promotes an innovative cross industry integrated business model that combines waste removal, resource recycling and reuse processing, and Chin Hsin Wood manufacturing and sales, leveraging integrated services to secure customer sources, reduce operational risk, and increase the recovery rate of resources in medical waste recycling and reuse processing. At the same time, the Company feeds waste plastics, after being processed for reuse, into its production processes, helping to reduce disposal risks and effectively lower subsequent waste treatment and production costs.

In addition, the Company has established an e-commerce platform that provides online transactions and ordering functions for waste removal services and has listed Chin Hsin Wood recycled products, thereby expanding the application scope of the circular economy. The Company operates an integrated model combining traditional and innovative approaches to provide comprehensive services that other waste removal companies find difficult to achieve.

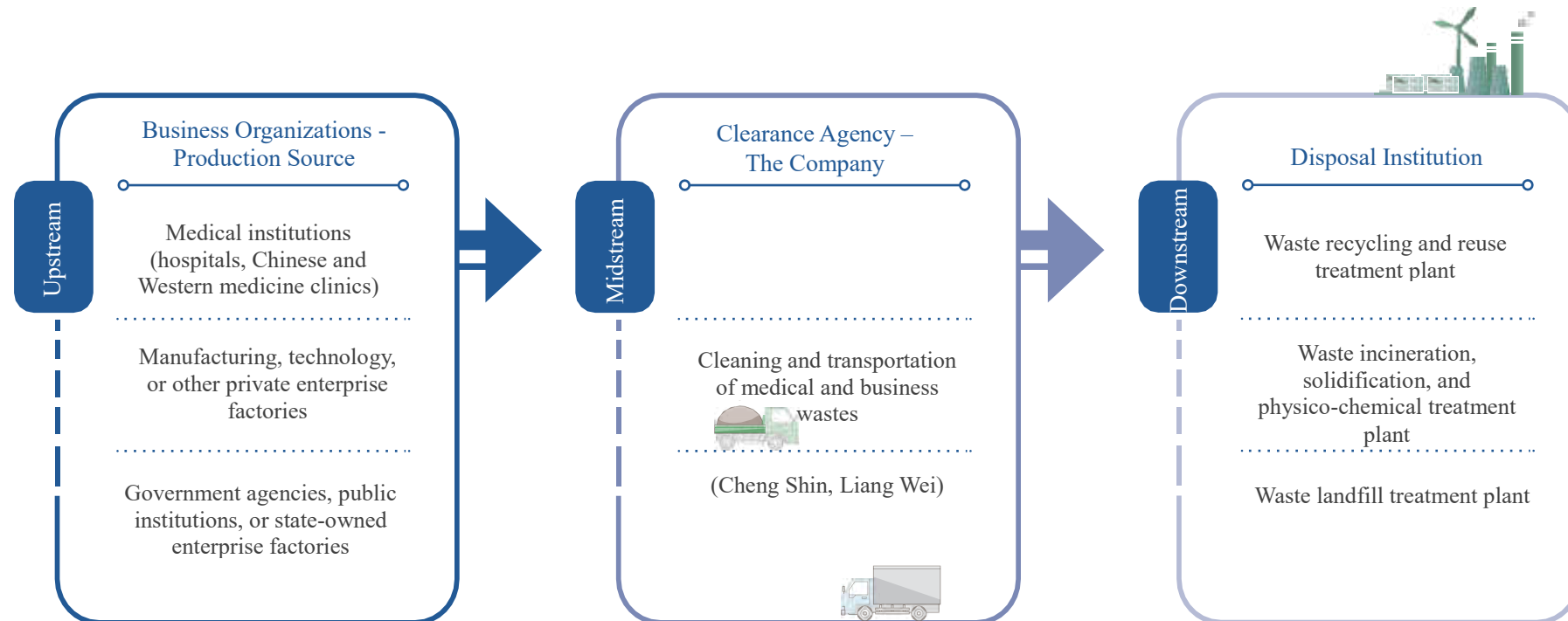


3.1.1 Disposal Services

The industrial waste disposal process can be simply divided into “clearance” and “treatment” phases. The removal agency, in accordance with the categories of industrial waste generated by the client, dispatches waste collection equipment that complies with regulatory requirements, plans collection routes and personnel assignments, and dispatches a collection team to collect the industrial waste. The industrial waste is then transported to different treatment facilities for subsequent processing based on the client’s treatment instructions.

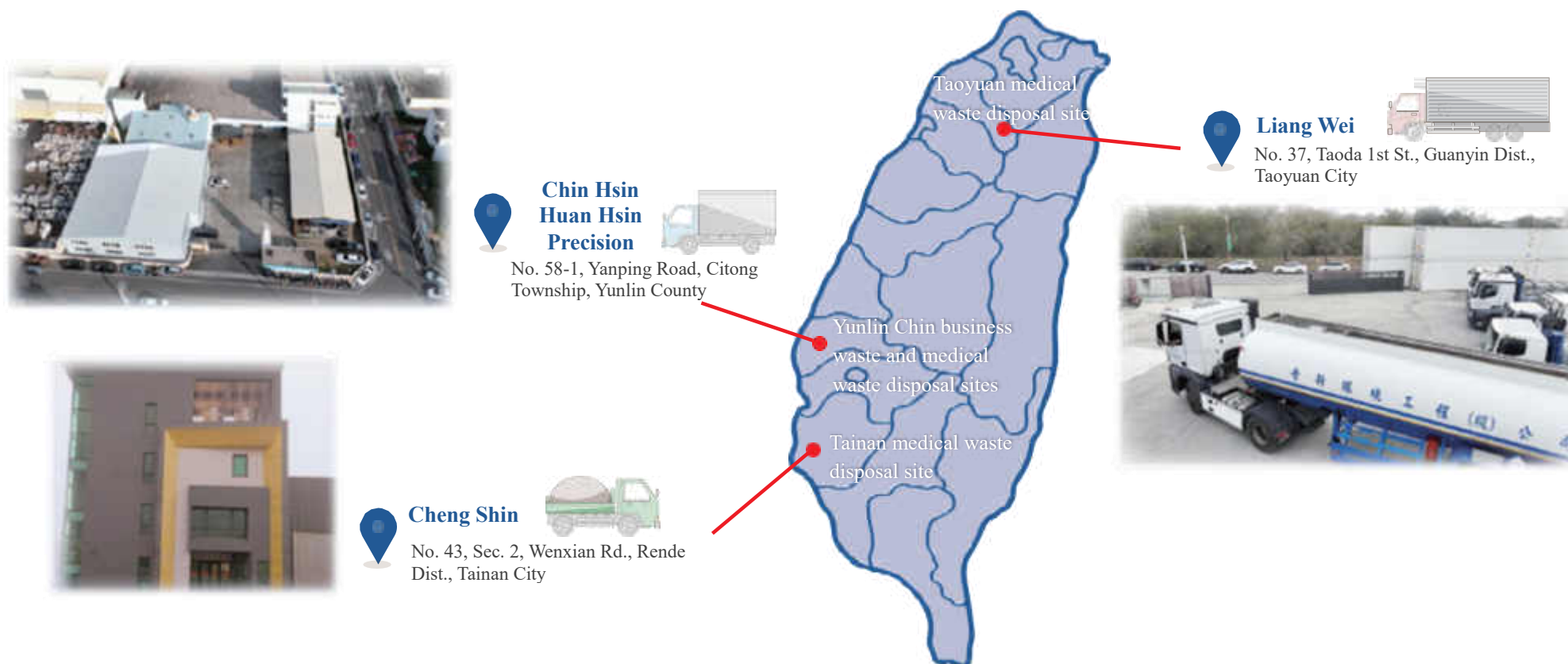
Chin Hsin holds a Class A waste disposal permit approved by the competent authority and possesses the technical capability to remove general industrial waste, hazardous industrial waste, and biomedical waste generated by enterprise institutions and medical facilities throughout Taiwan. It has established dispatch sections and transfer stations in the northern, central, and southern regions, with collection routes covering all of Taiwan and collecting only the industrial wastes approved under its permit.

◆ Overview of the Clearance Agency’s Role in the Industrial Waste Industry Chain



The Company's primary clients are medical institutions, including medical centers, medium and large hospitals, clinics and nursing institutions; domestic electronics industries; the semiconductor industry; the chemical industry; and traditional manufacturing enterprises. Following business consultations to understand client needs, The Company conducts waste analysis and provides quotations, signs contracts, arranges waste removal to treatment facilities for processing, and ensures that the overall removal services comply with regulatory requirements. In the current year, as the operating model has not undergone significant adjustments, the supply chain and service market for the waste removal business have seen no material changes.

◆ Clearance Service Locations



In the post pandemic era, as the green economy drives the global market and sustainability issues receive increasing attention, strengthened government regulations and supply chain management by brand owners are accelerating the pace at which domestic enterprises shift toward sustainability so as to align with government policy objectives such as “sustainable production and consumption,” “improving resource use efficiency,” and “value added waste treatment.” Overall, although industrial waste generation has risen in recent years because Taiwanese companies have returned to set up factories and economic development has advanced, national sustainability policies have kept the growth in industrial waste output moderate, with annual average production at about 20 million tons.

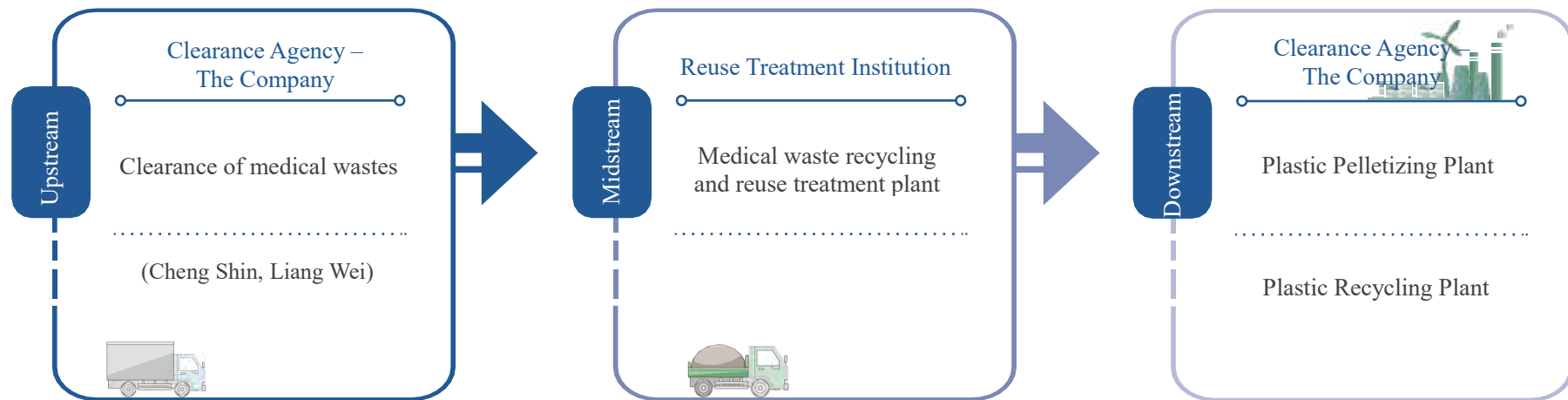
In today’s environment of frequent infectious diseases, the proper disposal of medical waste has become an increasing concern for governments and the public. As of the end of 2024, a total of 543 agencies had been issued Class A waste disposal permits in Taiwan, with a combined monthly permitted capacity of approximately 3,232,909 tons. However, due to limitations such as the availability of specialized collection equipment, only about 20 agencies actually possess operational capability for medical waste disposal. In the medical waste disposal industry, this represents an oligopolistic market. With long-term demand for medical care rising each year, the volume of waste generated by various medical services will also increase annually, and the overall market opportunities for medical waste disposal are expected to grow steadily.

3.1.2 Reuse of Medical Waste

For safety considerations, most medical equipment used by medical institutions is made of plastic. To maximize resource use efficiency and realize the economic benefits of secondary materials, the Company, in accordance with the “Regulations for Management of Waste Reuse in the Medical Industry”, promotes reuse processing for medical waste plastics that still possess value, such as discarded dialysis devices (artificial kidneys). After high temperature and high pressure sterilization removes pathogenic bacteria, the materials are pelletized into plastic raw materials, reducing the environmental degradation caused by extracting virgin plastic resources and lowering the carbon emissions generated by incineration.

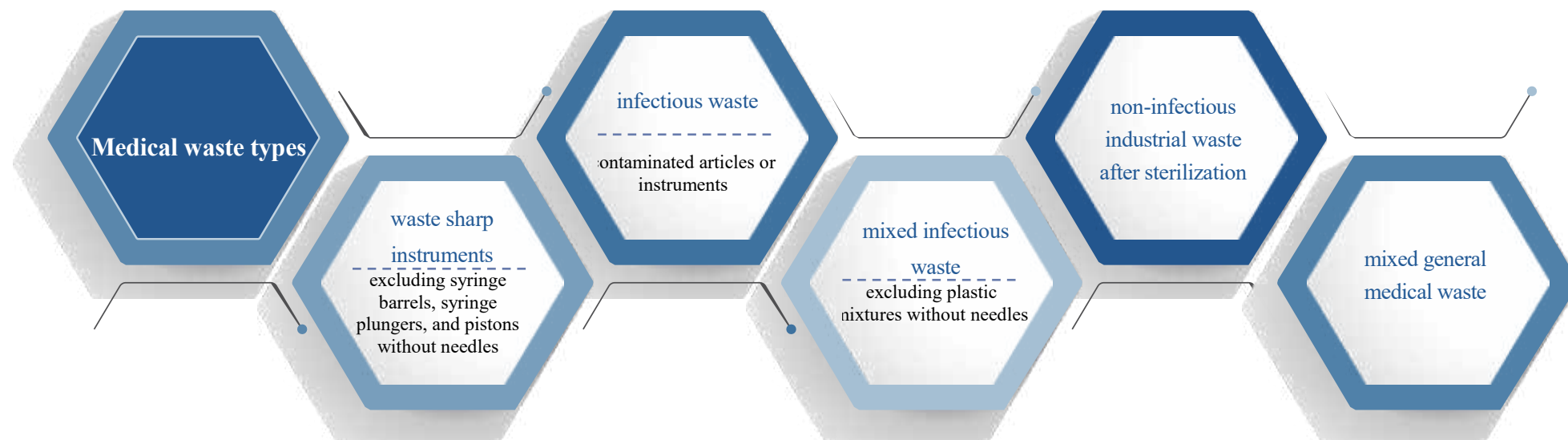
Driven by the zero waste resource recycling policy, the plastic recycled materials market has developed. To enhance the recycling value of waste and reduce the flow of resources to incineration or landfill, and in coordination with medical institutions’ strengthened waste management policies, the volume of medical waste processed for reuse has increased year by year.

◆ Overview of Reuse Treatment Institutions within the Medical Waste Industry Chain:



Medical waste types that Chin Hsin is currently licensed to process include waste sharp instruments (excluding syringe barrels, syringe plungers, and pistons without needles), infectious waste (contaminated articles or instruments), mixed infectious waste (excluding plastic mixtures without needles), non-infectious industrial waste after sterilization, and mixed general medical waste. In the future, the Company will add sterilizable items, increase the proportion of recyclable materials, and achieve the goals of waste reduction and improved circular benefits.

To avoid energy-intensive long-distance transportation and improve operational efficiency, the Company sources 100% of its procurement locally within Taiwan for both its waste removal and recycling and reuse businesses. This cooperative approach not only enables the Company to give back to local communities and make good use of local resources, but also enhances interaction with local suppliers. In the current year, as the operating model has not undergone significant adjustments, the supply chain and service market of the recycling and reuse business have experienced no material changes.

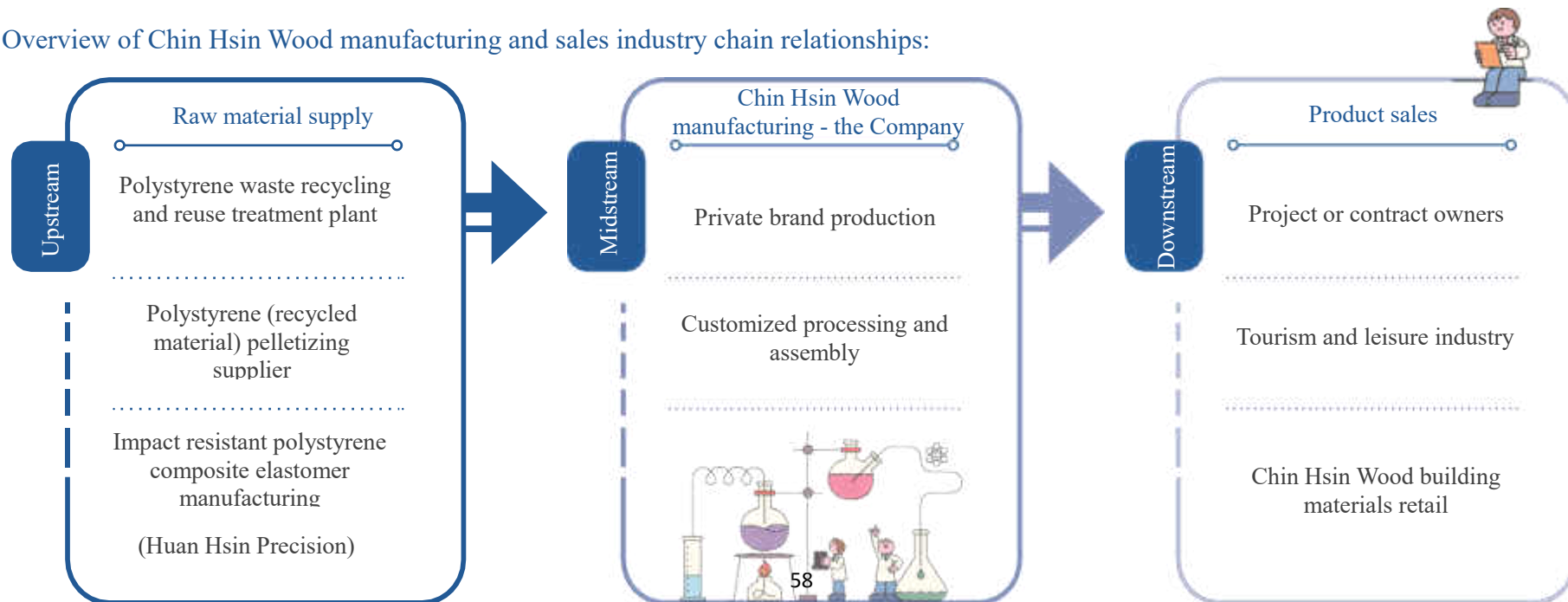


3.1.3 Green Products

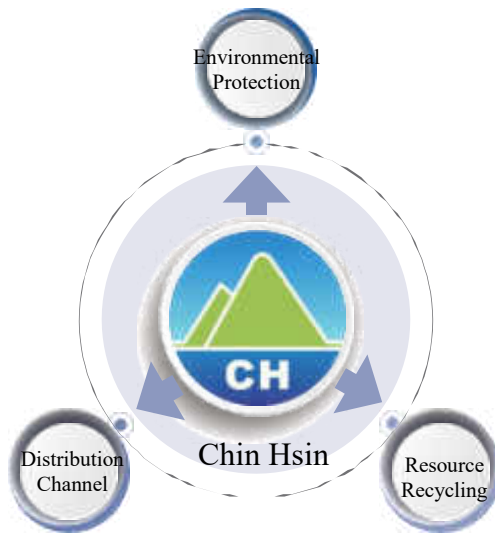
Chin Hsin is committed to reducing carbon emissions, conserving energy, minimizing waste and protecting the ecological environment. It continuously seeks breakthroughs, challenges the status quo and creates more valuable products and solutions to provide customers with the highest quality service and meet the diverse needs of the market. Therefore, in 2021, Chin Hsin introduced production technologies and equipment for Chin Hsin Wood building materials to develop eco-friendly Chin Hsin Wood construction materials that can be widely applied in architecture, interior decoration, and cultural and creative fields, thereby enhancing environmental sustainability and resource use efficiency. According to the Industrial Production, Sales and Inventory Dynamic Survey conducted by the Department of Industrial Technology of the Ministry of Economic Affairs, over the past five years the average sales of natural wood building materials was approximately NTD 15 billion. With growing attention to sustainability and environmental issues, this will become an important opportunity for the future development of Chin Hsin Wood.

In addition to selling Chin Hsin wood-plastic imitation timber products, the Company also provides related planning and design services and on site construction and installation services. The upstream suppliers mainly comprise local Taiwanese manufacturers of plastic extrusion equipment and producers of raw materials for plastic imitation wood. Through the Company's design, processing, and assembly operations, it supplies downstream end consumers, enterprises, government agencies, engineering consulting firms, and designers across Taiwan. The central region is its primary sales market, accounting for 3% of the Company's revenue. Compared with 2023, there have been no material changes in the supply chain or the service market.

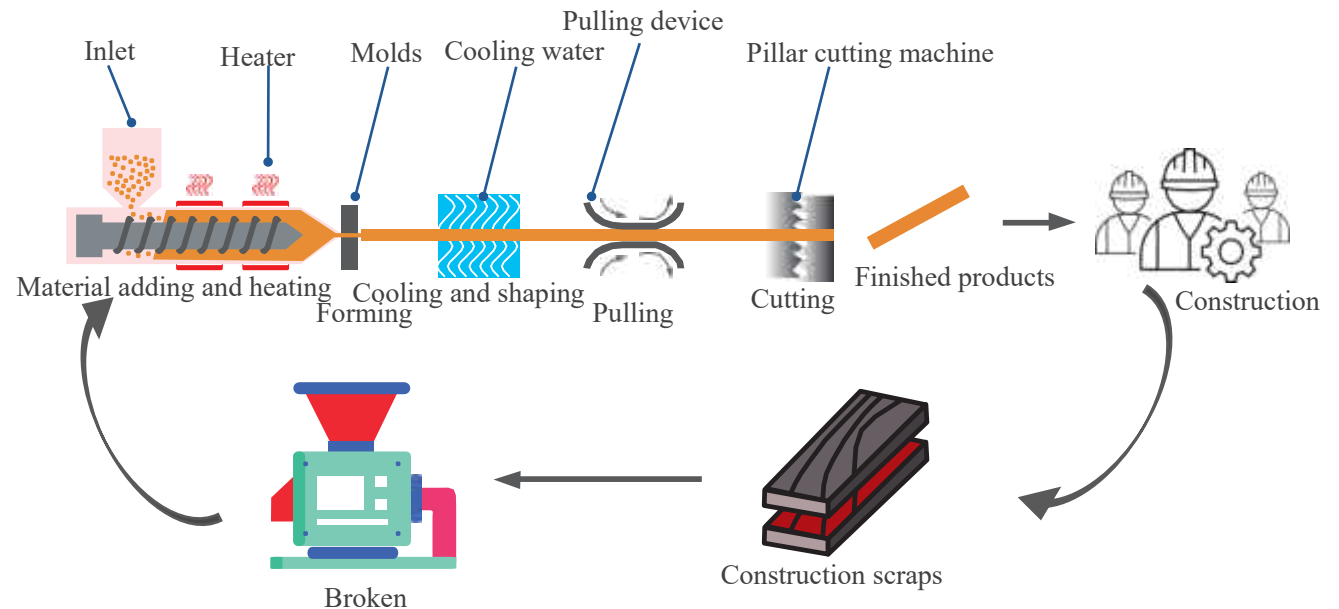
◆ Overview of Chin Hsin Wood manufacturing and sales industry chain relationships:



Eco-friendly wood-plastic composite circular economy



In response to global warming and to promote resource recycling and reuse, material circulation, and waste to energy, Chin Hsin established a production line for environmentally friendly wood-plastic building materials, using fully recyclable waste plastics as production raw materials. Circular economy concepts were introduced into petrochemical energy products to reduce the development and consumption of fossil fuels while giving plastic waste new value by replacing traditional timber; each metric ton of Chin Hsin Wood used can protect a 20-year-old tree from being felled. Unlike conventional wood-plastic composites that contain blended additives and have a plastic texture, Chin Hsin Wood uses polystyrene (rPS) as the primary material to produce an all-plastic product that most closely resembles natural wood in appearance, feel, and application. Scraps generated after project completion or boards removed upon demolition can be returned to the plant, crushed, and remanufactured into new sections. The Company uses its own name as the brand name for Chin Hsin Wood, thereby continuing to fulfill its original commitment to environmental protection, truly implementing the concepts of circular economy and sustainable resource use, and enabling users to enjoy building materials that are practical, durable, and healthy and safe.



Green design of Chin Hsin Wood Products

Chin Hsin Wood is a new building material that closely resembles wood, created through a single-step manufacturing process involving softening, extrusion, and micro foaming of 20% olefin elastomer and 80% recycled polystyrene. The sources of the recycled polystyrene include waste such as expanded polystyrene, Yakult bottles, and plastic cookie trays, among others. As Chin Hsin Wood consists of a single material, it requires no excessive sorting; scrap can be crushed back into raw material and remanufactured into new materials, thereby achieving 100% circular recycling and reuse.

In response to domestic environmental trends and in support of a circular economy, Chin Hsin has increased the capacity of its Chin Hsin Wood production line and is actively expanding the application of regenerated green building materials in the renovation engineering market. In 2024, the Company began resource treatment of infectious medical waste containing plastics and recovery of such plastics. By integrating this new business with its existing medical waste collection services and the manufacturing and sales of Chin Hsin Wood, the Company prevents recyclable plastics from becoming waste, relieves the shortage of waste treatment capacity, alleviates the scarcity of global timber resources, and enhances product added value. The Company is committed to maximizing the value of medical waste, practicing sustainable environmental protection, and creating circular business opportunities that save energy and reduce carbon emissions. Chin Hsin Wood is not only a building material; it can also be widely used in interior decoration as a decorative option for flooring, walls, light partitions, and ceilings. It is equally suitable for furniture manufacturing and craft displays. The all plastic composition and wood grain texture of Chin Hsin Wood convey the natural warmth and feel of timber, showcasing the product’s high quality and uniqueness. Its range of applications extends from homes to public infrastructure, from indoors to outdoors, including national park trails, villa courtyard landscaping, and commercial thematic landscapes. Target users include individual consumers, architects, designers, and manufacturers. For those who pursue natural aesthetics and quality while also valuing environmental protection, it is an ideal choice.



Appearance and physical properties more closely resemble natural wood

Surface with a hard wood-grain fibrous texture, resistant to weak acids and weak alkalis, mold resistant, and termite proof



Zero waste in resource circulation

After disposal, it can be completely reintroduced as feedstock to achieve 100% recycling and reuse, ensuring product resource sustainability and moving toward a circular economy.



Easy construction

Featuring low warpage, easy coloring, combined rigidity and toughness, and ease of processing, it is the best alternative material to traditional woodworking methods



Plastic material toughening technology

Increase flexural and tensile strength values, enabling Chin Hsin Wood products compounded from various plastic raw materials to achieve optimal toughness



Microcellular foaming

Produced with microcellular foaming technology, it is lightweight, lowers the thermal conductivity coefficient, and provides better thermal insulation.



Dissimilar plastics bonding technology

Enhance the stability of extrusion products compounded from dissimilar (waste) plastic raw materials, for example polypropylene (PP) and polystyrene (PS).

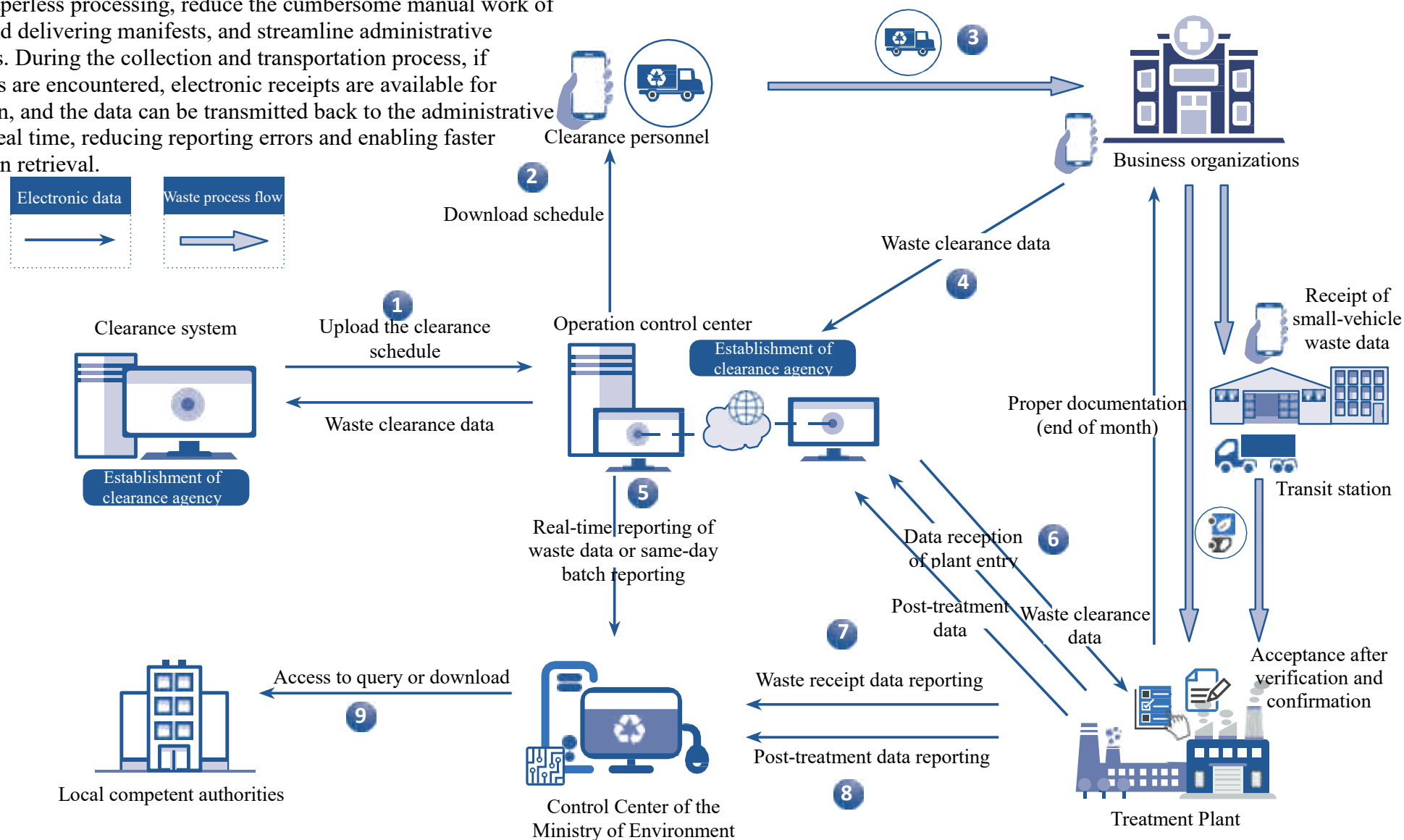
3.2 Customer Relationship Management

This section primarily explains the customer relationship management mechanisms for the waste collection and transportation services that currently account for the major portion of the Company's revenue; with respect to the sales of Chin Hsin Wood products, as the business is still in the initial stage of market development, the Company will, as the business grows, gradually establish the corresponding customer management strategies and include them in future report disclosures.

Chin Hsin's operations and services are all carried out in accordance with the relevant environmental regulations of the government of the Republic of China. Bearing a significant mission of social responsibility, the Company conducts all business in compliance with laws and regulations, takes service first as its management orientation, and maintains long-term and stable partnerships. Through electronic receipt management, complaint handling, and feedback on service satisfaction, it continuously improves all aspects of quality, earning high recognition from customers.

Electronic Receipt Management

Management and operations are carried out using electronic receipts to achieve paperless processing, reduce the cumbersome manual work of mailing and delivering manifests, and streamline administrative procedures. During the collection and transportation process, if inspections are encountered, electronic receipts are available for verification, and the data can be transmitted back to the administrative center in real time, reducing reporting errors and enabling faster information retrieval.



Customer Complaint Handling

We value customers' complaints and suggestions, have established a comprehensive complaint handling process, and ensure that customer information is promptly and fully conveyed to the relevant units so that they can respond quickly and prevent similar problems from recurring. To enhance customers' experience of our services, we carry out continuous improvements, safeguard customer rights, and strengthen customers' trust in the Company, thereby better meeting their expectations.



Customer Satisfaction Rate

We value customers' opinions on the Company's "business", "clearance", and "product" aspects. During customer visits, sales staff accurately understand customers' level of satisfaction with the Company, promptly and effectively improve on issues raised by customers, and propose solutions to meet customers' needs and expectations. The target is to achieve an annual customer renewal rate of 95% or higher.

3.3 Supply Chain Management

3.3.1 Supplier Management Policy

To foster long-term and stable cooperative relationships with suppliers, the Company has established the “Supplier Management Policy” and the “Ethical Corporate Management” regulations to manage supplier quality, supply stability, and sustainable development. The Company conducts site visits, audits, and management across the dimensions of quality, technology, service, environment, society, and governance to examine whether suppliers comply with the Company’s Supplier Code of Conduct, which serves as a reference for the Company’s supplier evaluations. New and existing suppliers are required to take these as guidelines for action and work together toward the goals of sustainable development and environmental protection.

The Company’s supplier management policy is as follows:

1. Evaluation and control to ensure the quality of technical services.

The Management Department is responsible for the Company's supplier management. Requisitioning units can all report supplier-related information to the Administration Department. From information communication, price inquiry, price negotiation, contracting to execution, requisition units and the procurement unit communicate early and regularly with suppliers to avoid mistakes and improve the supplied quality. The Company not only requires its suppliers to understand and abide by the Company's supplier management policy, but also requires all labor service or construction contractors to comply with labor-related laws and regulations such as the "Labor Standards Act" and the "Occupational Safety and Health Act" to protect the rights and interests of the contractor's labor. Key suppliers are selected through the supplier profile and evaluated on a quarterly basis. Factory inspections and suppliers communications are carried out based on equipment requirements. Communication and cooperation serve as the basis for integrating our philosophy on sustainability with suppliers for the monitoring of ethical management and CSR. Regulations such as the environment, labor, human rights, social and product liability are reviewed together to enhance CSR and promote sustainable corporate development. For effective management, the Company has, since 2024, classified suppliers with contract amounts exceeding NTD 1 million as key suppliers who must cooperate with evaluation and inspection processes conducted jointly by the Management Department and the requesting unit.



Supplier Evaluation Form

Chin Hsin Environ Engineering Co., Ltd.									
Procurement and Payment Cycle - Supplier Evaluation Form									
Evaluation No.:					Supplier Code:				
Name of Supplier:					Contract No.:				
Contract No.:					Year:				
Items	Quality	Technology	Services	Others	Characteristics:				
Evaluation and assessment content	◆Credit record/industry reputation	◆Service and technical support aspects	◆After-sales service provided	◆Project control/contract fulfillment capability	<input type="checkbox"/> Long-term supplier <input checked="" type="checkbox"/> Short-term (one-time) supplier <input type="checkbox"/> Contract Period: <input type="checkbox"/> Ethical Corporate Management Clause <input type="checkbox"/> Corporate Social Responsibility Clause Main procurement item: Chin Hsin's 5-ton vehicle body purchase and sale contract Main user: Clearance - Youth Time				
	◆Product material quality	◆Professional technical capabilities	◆Compliance with other relevant agreements (such as confidentiality)	◆Delivery or construction period					
	◆Construction quality and machinery/equipment	◆Application unit evaluation		◆Product accuracy					
	Score	25	25	25	25	Scored	Evaluator	Head of Unit	
	January to March (Q1)	User Unit	Procurement Unit						
April to June (Q2)	User Unit	Procurement Unit							
July to September (Q3)	User Unit	Procurement Unit							
October to December (Q4)	User Unit	Procurement Unit							
Average score of Q1		Average score of Q2		Average score of Q3		Average score of Q4		Annual Average	
Remarks: I. This form may be evaluated by appropriate personnel designated by the user unit and the procurement unit. II. All contracts shall stipulate that if a supplier engages in conduct inconsistent with ethical corporate management, the Company may classify it as a disqualified supplier and refuse further transactions. III. Each quarter is scored out of 100 points; if a supplier's score for a single quarter falls below 80 points, the procurement unit may require the supplier to rectify the identified issues and will continue to monitor improvements; if the score falls below 70 points, the supplier will be classified as ineligible. IV. This evaluation form can serve as a reference document for contract renewal. V. If classified as a key supplier, in addition to completing this form, the supplier is also required, according to its authority and responsibility, to complete the "Supplier CSR Self-assessment Form" and the "Supplier Site Visit Record."									
Management Department					Department Head of the User Unit				
Version 3: Applicable since January 1, 2020									

Supplier Visit Record

Chin Hsin Environ Engineering Co., Ltd.				
Supplier Visit Record				
Name of Supplier: _____ <input type="checkbox"/> First Visit <input type="checkbox"/> Annual Visit Evaluation				
Region: <input type="checkbox"/> Chin Hsin <input type="checkbox"/> Liang Wei <input type="checkbox"/> Cheng Shin Main Procurement Item: GHG inventory and Carbon Labeling				
Date	Contract Information	Supplier Interviewee	Chin Hsin Visitor	
MM/DD/YYYY	Contract No.:			
	Contract Period:			
	Contract Amount:			
Items	Contents	Description	Score	
Operations and Internal Management (20 points)	1. Is it legally registered with the government?			
	2. Has the standardization of operational procedures been established?			
	3. Does the supplier emphasize ethical corporate management and have any credit issues?			
	4. Is information openly disclosed, and are there any improper gains?			
	5. Are operational processes continuously improved and new equipment acquired?			
Human Rights and Occupational Safety and Health (20 points)	6. Do all aspects of labor conditions comply with the Labor Standards Act? Are there any occupational safety fines?			
	7. Has a safe and healthy working environment been established?			
	8. Does it emphasize employee training and development? (Professional license, education and training)			
	9. To protect employees' basic labor rights, does it employ child labor or illegal workers?			
	10. Are there any instances of discrimination, differential treatment, or any forms of forced labor?			
Environmental Protection and Social Responsibility (20 points)	11. Does it comply with environmental regulations and standards, and are there any environmental fines?			
	12. Do the procedures for handling waste generated during operations comply with regulations?			
	13. Is waste being reduced and the proportion of resource recycling and reuse increased?			
	14. In response to green procurement, does it give priority to environmentally friendly products bearing eco-labels, energy-saving labels, and so on?			
	15. Does it show concern for the local community and fulfill its corporate social responsibility?			
Technology and Product Quality (20 points)	16. Has a relevant quality policy been established? (Appropriate labeling management or certification)			
	17. Has an internal quality audit process been established? (first-in first-out, quality control)			
	18. During the contract performance period, do the quality, technical, and service aspects meet the Company's requirements?			
	19. Are the quality and prices of products, technology, and services stable and reasonable?			
	20. During site visits, are packaging materials simplified to reduce harmful processes?			
Sustainable Management and Partnerships (20 points)	21. Considering business stability, does it provide a stable supply volume?			
	22. In the past five years, has it undertaken products, technologies, or services for well-known companies? For example:			
	23. Has a robust communication platform been established with Chin Hsin, and is the partnership maintained?			
	24. Are the Supplier Evaluation Form and the Supplier CSR Self-assessment Form in proper order?			
	25. Other (positive or negative reports or public information):			
Level	<input type="checkbox"/> Exceptional 90 points or above (inclusive)	<input type="checkbox"/> Good 80 points or above (inclusive)	<input type="checkbox"/> Unqualified Below 70 points	Total Score
Suggestions:				

2. Regional procurement to incentivize energy conservation and green procurement.

To ensure efficient operating procedures, the Company actively promotes procurement from “regional suppliers”, except for designated vendors, lowest price vendors, or purchases of special items.

3. Conduct with ethics and integrity to jointly pursue sustainable growth.

Each year, the Management Department asks suppliers with contracts worth more than NTD 1 million to fill out a “Supplier CSR Self-assessment Form.” The self-evaluation covers environmental friendliness, not causing significant negative impact on the environment, or violation of environmental protection laws and regulations. All operations shall comply with environmental protection policies. Priority is given to environmentally friendly products that are certified with the Green Mark, Energy Label, and Water Mark. In terms of human rights, there should be no discrimination in terms of gender, race, age, marital and family status, etc. Equality in remuneration, employment conditions, training and promotion opportunities should be implemented. Employees should be provided with a safe and healthy work environment, and their legal rights and employee benefits protected in accordance with occupational safety and health regulations.

Supplier CSR Self-assessment Form

Supplier CSR Self-assessment Form			
The Company _____ is a supplier to Chin Hsin Environ Engineering Co., Ltd., and the self-assessment on environmental protection, safety, health, human rights, and labor practices is as follows:			
Item No.	Self-assessment Item	Yes (Check✓)	No (Check✓)
I	The Company shall respond to environmental protection and carry out environmental protection and energy conservation measures to effectively facilitate the development of environmental sustainability.		
II	The Company pays particular attention, in its operations and in the products and services it provides, to avoiding any significant adverse environmental impacts or violations of environmental regulations; all operations must comply with environmental policies.		
III	The Company shall participate in green procurement and prioritize using those products with environmental labeling, energy label, water conservation labels and others.		
IV	The Company's employment policies provide equal opportunities in treatment, remuneration, employment conditions, training and promotion, with respect to gender, race, age, marital and family status.		
V	The Company provides their employees with the related safety and health education and training to prevent the occurrence of accidents or incidents.		
VI	The Company ensures the basic labor rights of employees, prohibits the employment of child laborers under the age of 16 and avoids all forms of forced labor, and there are no issues harmful to the basic rights of workers.		
VII	The Company is in compliance with the occupational safety and health regulations and are committed to providing employees with a safe and health working environment and ensuring their legal rights and interests.		
VIII	Other CSR-related statements		
Basic Information of Suppliers			
Form Completed By:		Main Business Activities:	
Department/Title:		Products or Services Provided to Chin Hsin:	
Contact Tel.:		Annual Total Supply Amount:	
Address:			
Form Completion Date:			

3.3.2 Supplier Audit

The Company's supply chain policy is divided into general procurement and key procurement. Key procurement applies to suppliers with long-term cooperation whose contract amounts exceed NTD 1 million and therefore must be covered by contracts. The Company's contracts fall into four main categories: purchase contracts, equipment contracts, lease contracts, and other contracts. Together, these four categories constitute the Company's overall supply-chain operations and directly affect efficiency and cost control. In 2024, purchase contracts fulfilled by suppliers during the contract period covered raw materials required in the collection and transportation process, such as fuel, cartons, and infectious-waste bags; lease contracts covered items such as land and building leases; and other contracts included services, environmental testing, waste collection and treatment, and technical consultancy engagements.

In 2024, the Company conducted annual evaluations for 88 key suppliers whose transaction amounts reached NTD 1 million or who maintained long-term cooperative relationships. The evaluation scope included ethical corporate management, environment, occupational safety, human rights, and product responsibility. By the end of 2024, the Company had completed the annual evaluations of all 88 suppliers, and all were deemed qualified.

The Company also promotes the advocacy and communication of the "Inclusion of CSR Clauses in Key Contracts." Since 2024, the Company has incorporated the relevant provisions into its contracts, requiring key suppliers to sign and comply with the "Ethical Corporate Management Clause" and to complete the "Supplier CSR Self-assessment Form." By the end of 2024, 30 key suppliers had completed signing the Ethical Corporate Management Clause, and 29 had completed the Supplier CSR Self-assessment Form. In addition, since 2024, the Company has also initiated supplier site visits and compiled and archived the results of these visits to facilitate the future priority consideration of high-quality suppliers whose corporate social responsibility philosophies align with those of the Company.

For suppliers that have not yet undergone environmental and social assessments, the Company will continue expanding the evaluation coverage going forward, gradually including suppliers that have established long-term cooperative relationships with the Company, in order to strengthen supply chain management effectiveness.

4 Environmental Friendliness

4.1 Energy Management

4.1.1 Energy Management Policy

4.1.2 Energy Consumption

Energy shortages, global warming, and climate change are becoming increasingly severe, and energy management and energy transition are among the key items in international energy policy. The choice and consumption of energy are closely related to company costs, the environment, and safety; improving energy utilization efficiency and reducing energy consumption will help save costs and mitigate the impacts of climate change. To effectively improve energy use efficiency, the Company conducts voluntary GHG inventories. The Chin Hsin Environ’s Environmental Safety Office is responsible for consolidating the types of energy used at each site, understanding energy consumption patterns, and formulating energy-saving improvement plans. The Company’s main energy consumption types are diesel and motor gasoline for waste collection vehicles, so it further seeks to mitigate the GHG produced by these vehicles to achieve a balance between economic development and environmental protection.

In 2024, Chin Hsin’s total energy consumption was 46,198.519 gigajoules (GJ). The Company’s energy use was dominated by diesel for collection equipment and motor gasoline, accounting for 85.45% and 8.78% of total energy consumption, respectively. The remainder comprised purchased electricity at about 5.76% and generator diesel at 0.01%. Therefore, future energy saving plans will focus primarily on reducing fuel consumption in collection equipment.

▼ Chin Hsin’s Energy Consumption Analysis Table (Unit: GJ)

Energy Items		2024	
		Energy Consumption (Note 1)	Percentage of Energy Consumption
Purchased Non-renewable Energy	Fossil Fuels (Note 2)	43,536.230	94%
	Purchased Electricity	2,662.289	6%
Total Energy Consumption		46,198.519	
Energy Intensity (GJ/NTD million of operating revenue)		66.118	

Note 1: Using the calorific values announced by the Bureau of Energy, Ministry of Economic Affairs, energy consumption is calculated by multiplying the energy usage by the unit calorific value and converting to gigajoules (GJ).

Note 2: Fossil fuels include diesel for collection equipment, motor gasoline, and diesel for generators.

Note 3: The Company uses revenue in NTD millions as the denominator for energy intensity.

Note 4: The Company does not use renewable energy.

4.2 GHG Management

4.2.1 GHG Inventory

The Company references ISO 14064-1: 2018 GHG inventory standard, adopts the operational control approach to set organizational boundaries, and conducts a GHG inventory annually. This year, the inventory was conducted only at Chin Hsin, Liang Wei, and Cheng Shin. The inventory categories included Category 1 (fixed emission sources, mobile emission sources, fugitive emission sources) and Category 2 (purchased electricity). The Company plans to use 2024 as the base year to regularly assess and control the organization's GHG emissions.

In 2024, the Company's total GHG emissions were 3,756.856 tCO₂e. The primary emission source was diesel for collection vehicles (81.07%), followed by purchased electricity (9.02%). The remainder consisted of emissions from gasoline and diesel used by other vehicles, and from septic tanks and refrigerant fugitive emissions. Using total revenue (in NTD millions) as the unit for calculating intensity, the GHG emission intensity is 5.4 tCO₂e per NTD million of revenue.

▼ GHG Emissions Analysis Table (Unit: tCO₂e)

Greenhouse gas emissions	2023	2024
Category 1	2,855.950	3,418.040
Percentage	92.2%	91.0%
Category 2	240.040	338.816
Percentage	7.8%	9.0%
Total GHG Emissions	3,095.990	3,756.856
Emission intensity (tCO ₂ e/NTD millions of operating revenue)	6.4	5.4

Note 1: Calculation is based on the emission factor method: activity data × emission factor × global warming potential (GWP) value.

Note 2: Sources of emission factors: (1) the GHG emission factors announced by the Ministry of Environment on February 5, 2024; (2) the gasoline and diesel emission factors calculated from the lower heating values of gasoline and diesel announced by the Ministry of Environment in 2025 for 2024; and (3) the 2024 electricity carbon emission factors announced by the Bureau of Energy in 2025.

Note 3: GWP values are calculated using the figures from the IPCC 6th Assessment Report.

Note 4: Category 1 emission sources include fixed combustion (diesel generators), mobile combustion (collection vehicles, official vehicles, forklifts, and employee vehicles), and fugitive emissions from vehicle air conditioners, in-door air conditioners, water dispensers, septic tanks, and fire extinguishers.

Note 5: GHG types include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), and other GHGs.

Note 6: The 2024 inventory organizational boundary includes only Chin Hsin, Liang-Wei, and Cheng Shin.

Note 7: This report uses the latest emission factors for motor gasoline, diesel, and septic tanks published by the Ministry of Environment and the electricity carbon emission factors published by the Bureau of Energy, Ministry of Economic Affairs, to calculate GHG emissions and to revise the leakage rates and GWP values for certain refrigerant equipment; therefore, the GHG emission figures differ from those disclosed in the Company's 2024 annual report.

4.2.2 Reduction of GHGs

Chin Hsin will implement the following measures to reduce energy resource use or to replace energy-intensive waste collection vehicles, thereby reducing GHG emissions:

1. Enhance the use of recycled process water: The Company's Chin Hsin Wood production process operational wastewater and treatment equipment effluent amount to 10 tons per day; based on the current capacity utilization rate of 20%, monthly process wastewater is estimated at 50 tons. In response to the energy reduction policy, process wastewater is reused in a closed-loop system. In 2024, the average monthly wastewater generation was 5.5 tons, resulting in an actual reduction of 44.5 tons of wastewater per month, 534 tons per year, and reduced tap water usage.
2. The Company plans to implement a plant wide water consumption and discharge reduction policy in 2025, aiming to reduce tap water use by 63% and wastewater discharge by 1.7%.
3. GHG emissions reduction policy: The Company's GHG emissions come mainly from waste collection vehicles, with four principal emission sources, including diesel, motor gasoline, purchased electricity, and refrigerants. Chin Hsin seeks to ease the warming effect of emissions from these vehicles and to balance economic growth with environmental protection. The Company plans to phase out and replace vehicles more than ten years old, retiring each year those with lower environmental standards, and estimates an annual reduction of 550,000 g/km of carbon dioxide emissions.

4.3 Overview of Water Resources

All Chin Hsin sites source water from tap water (third party water), and all water is fresh water. It is used mainly in the density separation, washing and dewatering, and high temperature sterilization kettle processes of plastic product manufacturing, as well as in the plastic extrusion process and the exhaust gas scrubbers. All sites are located in areas without water stress. In 2024, Chin Hsin’s total water intake was 6.870 thousand m³ (ML), total water discharge was 5.136 thousand m³, and total water consumption was 1.735 thousand m³.

▼ Water Discharge (Unit: thousand m³ (ML))

Discharge Destination Category	Water Quality Indicator	Water Discharge	
		2024	
		All Regions	Regions with Water Stress
Surface Water	Fresh Water	3.219	0
ThirdParty Water	Fresh Water	1.917	0
Total Water Discharge		5.136	0

Note: Cheng Shin and Liang Wei both use water for domestic purposes, with no significant evaporation or other losses; therefore, the discharge volume is conservatively estimated to equal the intake volume.

▼ Water Consumption (Unit: thousand m³ (ML))

Items	2024	
	All Regions	Regions with Water Stress
Total Water Intake	6.870	0
Total Water Discharge	5.136	0
Total Water Consumption	1.735	0

▼ Water Intake (Unit: thousand m³ (ML))

Water Source Category	Water Quality Indicator	Water Intake	
		2024	
		All Regions	Regions with Water Stress
Third-party Water	Fresh Water	6.870	0
Total Water Intake		6.870	0
Water Recycled		0.020	
Percentage of Recycling (%)		0.3	

4.4 Waste Management

4.4.1 Impact Assessment of Wastes

Chin Hsin generates only non-hazardous industrial waste, mainly six derived waste types: D-0299 mixed waste plastics, D-0902 inorganic sludge, D-1801 domestic waste, R-24089 spent activated carbon, D-0399 mixed waste rubber, and D-1099 non-hazardous scrapped dust. The bulk consists of D-0299 mixed waste plastics and D-0902 inorganic sludge. The waste management unit regularly monitors waste generation and ensures that all waste is handled legally and in compliance, mitigating or avoiding negative impacts on the organization and the external environment.

▼ Context Diagram of Waste Generated in Chin Hsin's Value Chain

Sites	Value Chain Stage	Activity Item	Waste Type	Waste Category	Disposal Method	Disposal Unit	Potential Impact
Chin Hsin	Self-operated Activities	Production Process	D-0299	Non-hazardous Business Waste	Incineration	External Third Party	Indiscriminate disposal of waste entails risks of public nuisance pollution, penalties, and shutdowns.
		Wastewater Treatment Plant	D-0902		Heat Treatment		
		Employee Offices	D-1801		Incineration		
		Preventive Facilities	R-2408		Reuse		
		Production Process	D-0399		Incineration		
		Preventive Facilities	D-1099		Solidification		

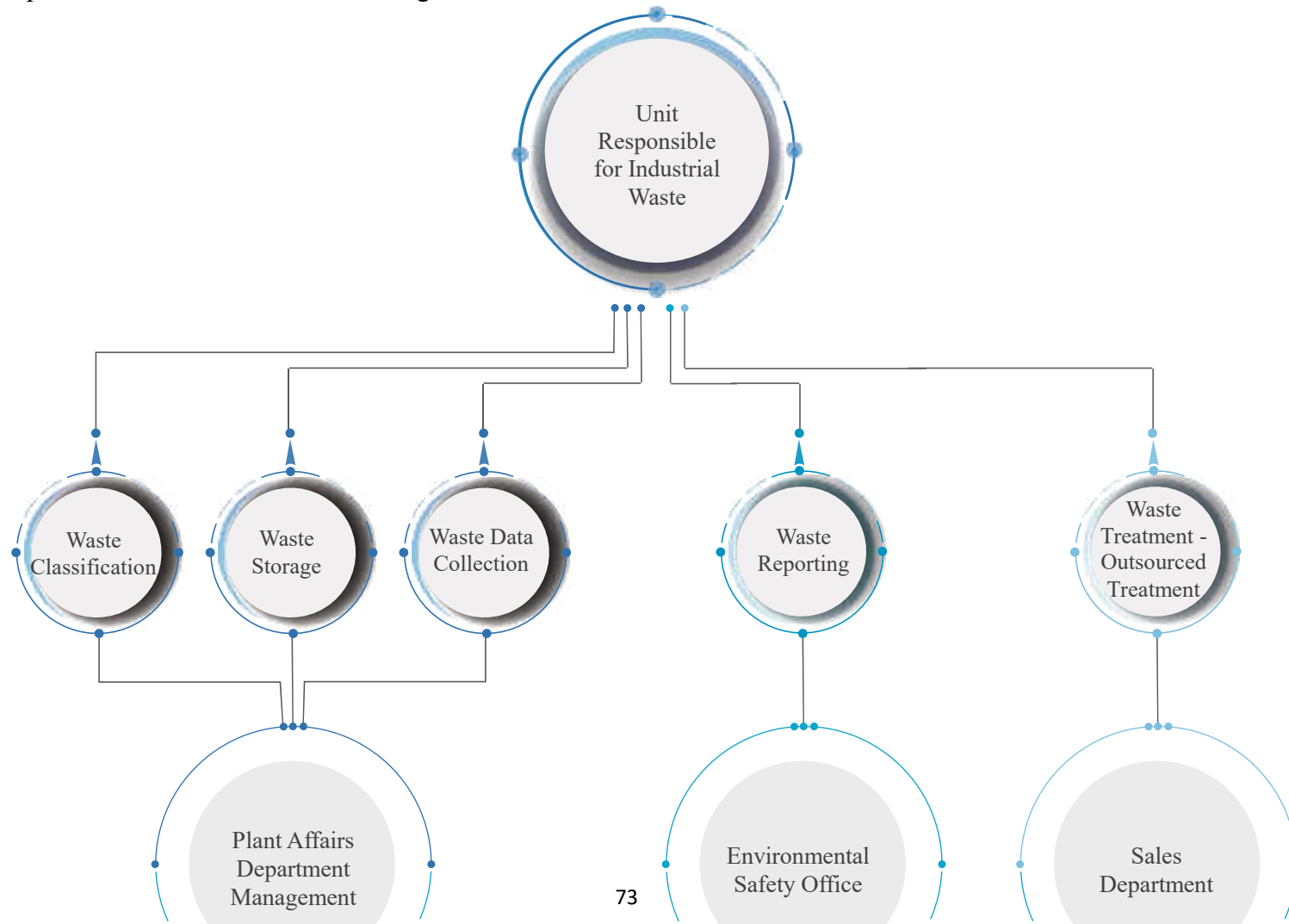
Note 1: The other sites, Cheng Shin and Liang Wei, generate only domestic waste; no statistics are currently being compiled, and therefore they are excluded from the calculation.

Note 2: The waste generated by Huan Hsin Precision is already included in the waste generated by Chin Hsin.

4.4.2 Waste Management Policies

Chin Hsin has established a unit with the authority and responsibility to control and dispose of industrial waste generated by its operations and, in accordance with environmental protection regulations, submits an Industrial Waste Management Plan. All waste disposal methods are implemented in compliance with legal requirements and are entrusted to public and private waste removal and treatment agencies to carry out the cleanup operations.

Chin Hsin's Unit Responsible for Industrial Waste Management:



Chin Hsin compiles waste types, quantities, and disposal routes through operational records and uses the actual reported amounts as the annual waste generation volume. All generated waste is entrusted to qualified waste clearance and disposal operators for collection and treatment. After completing and submitting the online form, the waste is transported by the clearance operator, and unscheduled audits and inspections are conducted to ensure that the operators handle industrial waste in accordance with regulations.

▼ Chin Hsin's Waste Management Strategies and Goals

Management Strategy	Starting Year of the Strategy	Base Year of Target	Management Goal			Implementation Description
			Short-term (2025)	Mid-term (2026)	Long-term (2027)	
Reuse of Waste	2025	2024	Implement waste reuse procedures and develop feasible reuse technologies	Increase waste reuse rate by 5% compared to 2024	Increase waste reuse rate by 6% compared to 2024	Every year, 9% to 10% of medical waste generated by medical institutions can be recycled and reused as secondary plastic products. The Company began recycling medical waste in January 2024. It currently sells an average of 43 tons of recycled plastic raw materials per month, reducing the extraction and production of 516 tons of plastic raw materials annually.
Reuse of Waste	2025	2024	R&D feasible waste reuse technologies	Reduce derived waste volume and increase the amount of recycled and reused material by 5% compared to 2024	Reduce derived waste volume and increase the amount of recycled and reused material by 8% compared to 2024	In the Company's wood-plastic manufacturing process, 20% of the material is generated as scrap due to different product specifications, and the scrap is crushed and used as raw material, reducing derived waste volume and carbon emissions.

4.4.3 Waste Clearance and Disposal

In 2024, the total waste generated by Chin Hsin and Huan Hsin Precision was 238.332 tons, all of which were non-hazardous industrial waste. In addition to striving to reduce waste at the source, in order to enhance the value of existing waste resources and in compliance with local regulations and currently feasible technologies, the Company adopts recycling methods such as regeneration and reuse wherever possible, enabling waste resources to be utilized most effectively. In 2024, the amount of waste treated through recycling methods accounted for 1.2% of the annual total waste.

▼ Summary Table of Industrial Waste Generation, Transfers During Disposal, and Direct Disposal (Unit: Metric tons)

Year	Items	Generated Quantity	Transfer Volume During Disposal	Direct Disposal Volume	Storage Volume
2024	Hazardous business waste	0.000	0.000	0.000	0.000
	Non-hazardous Business Waste	238.332	2.890	235.442	0.000
	Total Volume	238.332	2.890	235.442	0.000

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

Note 2: The data in this table cover the sites Chin Hsin and Huan Hsin Precision.

Note 3: Waste from Huan Hsin Precision is co-processed with Chin Hsin, and therefore the data are aggregated. Cheng Shin and Liang Wei generate only employees' domestic waste, but generation volumes are not currently recorded.

- **Methods of transfer (recycling) for industrial waste disposal**

Waste treated through recycling methods was primarily R-2408 spent activated carbon, with other recycling operations as the main recovery approach. In 2024, the volume of waste transferred for disposal totaled 2.890 metric tons.

▼ **Waste Transferred from Disposal by Recycling Operations (Unit: Metric tons)**

Items	Disposal Transfer Method	2024		
		On-site	Off-site	Subtotal
Non-hazardous Business Waste	Preparation for Reuse	0.000	0.000	0.000
	Reuse	0.000	0.000	0.000
	Other Recycling Operations	0.000	2.890	2.890
	Subtotal	0.000	2.890	2.890

Note 1: On-site refers to waste managed internally at the Company's plant(s), and off-site refers to waste entrusted to external third-party companies for clearance and treatment.

Note 2: The data in this table cover the sites Chin Hsin and Huan Hsin Precision.

- **Methods of direct disposal for industrial waste**

Except for the wastes mentioned above, the remaining waste types D-1801 domestic waste, D-0299 mixed waste plastics, D-0399 mixed waste rubber, and D-1099 non-hazardous scrapped dust or their mixtures are directly disposed of by incineration including energy recovery. D-0902 inorganic sludge is treated by other disposal methods not involving recycling. In 2024 the volume of waste directly disposed of totaled 235.442 metric tons.

▼ **Waste Directly Disposed by Disposal Operations (Unit: metric tons)**

Items	Direct Disposal Method	2024		
		On-site	Off-site	Subtotal
Non-hazardous Business Waste	Incineration (including energy recovery)	0.000	160.582	160.582
	Incineration (excluding energy recovery)	0.000	0.000	0.000
	Landfilling	0.000	0.000	0.000
	Other Direct Disposal	0.000	74.860	74.860
	Total Volume	0.000	235.442	235.442

Note 1: On-site refers to waste managed internally at the Company's plant(s), and off-site refers to waste entrusted to external third-party companies for clearance and treatment.

Note 2: The data in this table cover the sites Chin Hsin and Huan Hsin Precision.

5 Employee Care

5.1 Human Capital

5.1.1 Human Resource Management

Chin Hsin regards employees as the Company’s most important asset. Based on the labor regulations of each operational location, the Company has established personnel management guidelines, bonus distribution regulations, an employee remuneration system, workplace sexual harassment prevention measures and grievance and disciplinary mechanisms, work rules, and other operational procedures. The Company regularly reviews and updates relevant regulations to protect employees’ basic labor rights. The Company explicitly prohibits the employment of child labor and strictly forbids discrimination, workplace sexual harassment, and forced labor, and has established an independent grievance mechanism, striving to provide a safe, equal, and free working environment.

In talent recruitment and appointment, the Company values employees’ educational background, professional competence, integrity, and passion for work, and, in accordance with law, employs persons with disabilities and Indigenous peoples to protect their employment rights. For employees at the same level or with the same function, the Company provides consistent salary structures, benefit systems, and education and training resources, without differences based on gender, age, nationality, or other factors. The Company conducts performance evaluations annually to serve as the basis for employee retention, promotions, salary adjustments, and bonus allocation.

5.1.2 Talent Hiring

Employee Overview

As of the end of 2024, Chin Hsin had a total of 225 employees, all of whom were regular full-time employees; there were no temporary, part-time, or non-guaranteed-hours employees. In addition, the Company entrusts certain operations to contractors, such as personnel for the plant sterilization unit and security guard services, and as of the end of 2024, the number of such external workers totaled 7. There have been no significant changes in staffing over the past three years.

▼ Employee Structure at the end of 2024 (Unit: persons)

Type of Employment	Gender	Country	Total	Definition Description
		Taiwan		
All Employees	Male	153	153	
	Female	72	72	
	Subtotal	225	225	
Regular Full-time Employees	Male	153	153	Employment contracts are of indefinite duration (indefinite contracts).
	Female	72	72	
	Subtotal	225	225	
Temporary Employees	Male	0	0	Employment contracts are of fixed duration (fixed-term contracts).
	Female	0	0	
	Subtotal	0	0	
Full-time Employees	Male	153	153	Employees whose weekly working hours meet the definition of full-time work under local regulations.
	Female	72	72	
	Subtotal	225	225	
Part-time Employees	Male	0	0	Employees whose weekly working hours do not meet the definition of full time employees under local regulations.
	Female	0	0	
	Subtotal	0	0	
Non-guaranteed-hours Employees	Male	0	0	Employees whose weekly working hours are not fixed, such as on-call employees.
	Female	0	0	
	Subtotal	0	0	

Employee Diversity Structure

The Company's employees are 68% male and 32% female, with employees aged 30 to 50 years comprising the majority at 67% of the total workforce. In addition, Chin Hsin meets legal requirements by employing one person with disabilities, and to realize the Company's concept of diversity and equality, also employs one employee of Indigenous status.

The Company is committed to implementing localized management strategies, emphasizing interaction and cooperation with local communities to promote the sustainable development of its operations. For this reason, we prioritize hiring local talents who possess an understanding of local culture and networks for senior management roles. By appointing local senior executives, the Company not only enhances its sensitivity to market trends and social dynamics but also strengthens cooperative relationships with local governments, businesses, and communities, promotes overall operational efficiency and the practice of social responsibility. This year, 100% of senior executives are local residents, demonstrating the Company's emphasis on and implementation of talent localization.

Note: In this report, "senior executives" refers to positions at manager level and above; "local employment" refers to employees whose nationality corresponds to that of the major operating sites; "major operating sites" is defined in section 1.1 "About This Report."

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

Job Level		Senior Executives	Mid-level Executives	Junior Executives	Entry-level Personnel	Total
Total number of employees by job level		7	17	16	185	225
Percentage of total workforce by job level (%)		3%	8%	7%	82%	100%
Diversity Indicators						
Gender	Male	6	11	11	125	153
	Female	1	6	5	60	72
Age	Under 29 years old (inclusive)	0	1	2	43	46
	30 to 50 years old	2	13	12	123	150
	51 years old or above (inclusive)	5	3	2	19	29
Whether the employee has Indigenous status		0	0	0	1	1
Whether the employee has disability status		0	0	0	1	1

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

Job Level		Senior Executives	Mid-level Executives	Junior Executives	Entry-level Personnel	Total
Gender	Male	86%	65%	69%	68%	68%
	Female	14%	35%	31%	32%	32%
Age	Under 29 years old (inclusive)	0%	6%	13%	23%	20%
	30 to 50 years old	29%	76%	75%	66%	67%
	51 years old or above (inclusive)	71%	18%	13%	10%	13%
Whether the employee has Indigenous status		0%	0%	0%	1%	0%
Whether the employee has disability status		0%	0%	0%	1%	0%

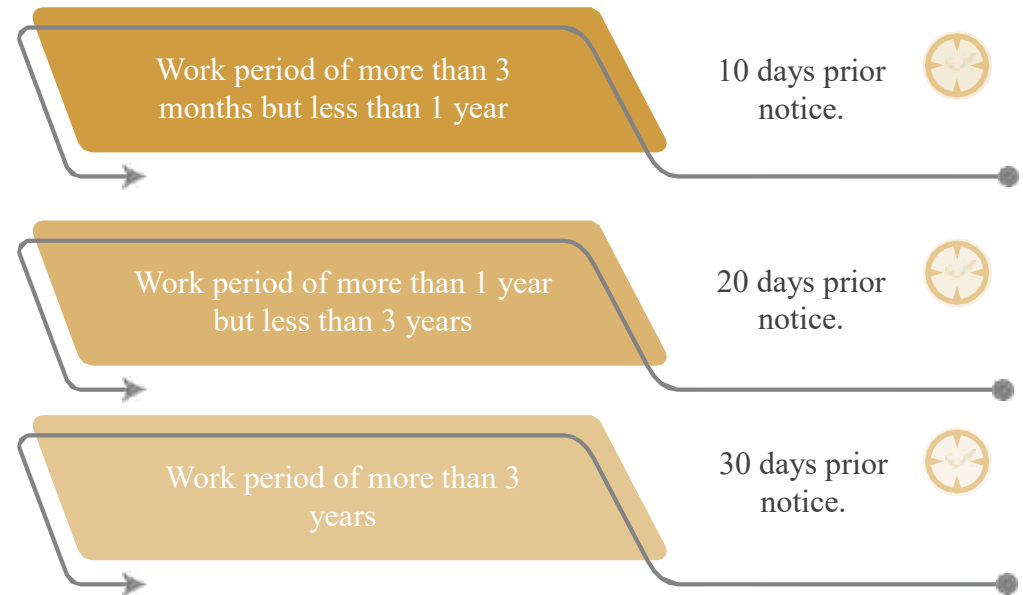
Note: Percentages in this table are calculated within the same job level and category; for example, the percentage of male entry-level employees = number of male entry-level employees / total number of entry-level employees.

Employee Turnover Overview

We have a comprehensive recruitment system designed to foster mutual growth and prosperity for employees and the Company, and we also respect employees' choices in career transitions. In 2024 the Company recruited a total of 84 new employees, including 50 male and 34 female, mainly aged 30 to 50 years; 31 employees resigned during the year (no employees reached retirement age), comprising 16 male and 15 female, with reasons for leaving including family caregiving, relocation, and career change. To safeguard employees' rights and refine the recruitment system, supervisors of the responsible units interview all departing employees to ascertain their reasons for leaving, serving as a reference for subsequent improvements in human resources management.

- **Chin Hsin's Layoff Notice Period**

If the Company experiences significant operational changes, such as organizational restructuring, adjustments in staffing requirements, force majeure events, or if an employee is deemed unqualified, it must give advance notice to employees within the notice period specified by the Labor Standards Act and pay severance.



▼ Total Number and Percentage of New Hires in 2024

Gender	Age	Country	Grand Total	New Hiring Rate (%)
		Taiwan		
Male	Under 29 years old (inclusive)	15	15	33%
	30 to 50 years old	33	33	
	51 years old or above (inclusive)	2	2	
	Subtotal	50	50	
Female	Under 29 years old (inclusive)	14	14	47%
	30 to 50 years old	20	20	
	51 years old or above (inclusive)	0	0	
	Subtotal	34	34	
Grand Total		84	84	37%

▼ Total Number and Percentage of Employees Who Resigned in 2024

Gender	Age	Country	Grand Total	Turnover Rate (%)
		Taiwan		
Male	Under 29 years old (inclusive)	5	5	10%
	30 to 50 years old	9	9	
	51 years old or above (inclusive)	2	2	
	Subtotal	16	16	
Female	Under 29 years old (inclusive)	6	6	21%
	30 to 50 years old	9	9	
	51 years old or above (inclusive)	0	0	
	Subtotal	15	15	
Grand Total		31	31	14%

5.1.3 Labor-management Communication

Chin Hsin strives to build a harmonious and equitable communication platform between employees and the Company and to establish diverse and seamless communication channels, including labor-management meetings, the welfare committee, and the employee suggestion box, to safeguard the rights and obligations of both labor and management and to promptly improve the working environment and labor-management regulations. In 2024, there were no employee suggestions.



Labor-management meeting

All labor and management meetings have been composed of worker representatives elected by all employees through a formal vote, together with employer-designated representatives. Four labor-management meetings were held during the year.

Welfare Committee Meetings

In accordance with relevant laws and regulations, the Company's Employee Welfare Measures, and the Organizational Charter of the Welfare Committee, meetings are held every three months to draft or revise various employee welfare plans. Four Welfare Committee meetings were held during the year.



Employee Suggestion Box

Provide an internal mailbox, chin-hsin@mail.chin-hsin.com.tw, enabling employees to promptly express opinions or offer suggestions.



5.2 Salary and Benefits

5.2.1 Equal Remuneration

Chin Hsin values talent retention and development, and is committed to providing competitive salary packages and comprehensive employee benefits. The Company sets its salary determination standards with reference to local regulations, industry benchmarks, and local living costs; it never allows gender, race, language, religion, age, political affiliation, or marital status to affect employees' remuneration. In this equitable and inclusive workplace environment, starting salaries for men and women are equal, but final remuneration (basic salary plus remuneration) varies based on years of service, experience, or position allowances. The Company's employee remuneration comprises basic salary, meal allowances, and various bonuses or allowances. Each year, the Company adjusts salaries based on operational performance or awards bonuses according to employee performance to motivate employees and encourage talent to grow with the Company.

In 2024, the individual with the highest remuneration in the Company was a manager-level supervisor. The ratio of that individual's annual total remuneration to the median of the Company's overall annual total remuneration excluding that individual was 3.19 times; the ratio of the percentage increase in the annual total remuneration of the highest paid individual to the median percentage increase in the Company's overall average total remuneration excluding that individual was -5.56. This year, the overall median remuneration declined slightly compared with the previous period, primarily due to adjustments in the employee structure. The Company recruited many new employees this year, predominantly entry-level staff, resulting in a higher proportion of entry-level employees and thereby affecting the median level. The Company is committed to establishing a fair and equitable remuneration system and adjusts remuneration based on performance and responsibilities to ensure internal competitiveness and alignment with principles of corporate sustainability.

▼ Pay Ratio by Job Level (male-to-female)

Key Operating Sites	Senior Executives	Mid-level Executives	Junior Executives	Entry-level Personnel
Chin Hsin (All sites consolidated for calculation)	1/0.85	1/1.31	1/1.06	1/0.66

Note 1: The basic salary plus remuneration of male employees is set to 1.

Note 2: Senior executives are defined as manager level and above; mid-level executives are defined as section level managers; entry-level executives are defined as team leader level managers; entry-level personnel are defined as employees who are neither in management nor staff positions.

The Company’s salaries are determined by education and experience and do not vary by gender. In 2024, the average basic salaries of male and female entry-level employees were 2.38 times and 1.59 times the current statutory minimum wage, respectively, and their average monthly total remuneration was 1.99 times the statutory minimum wage, exceeding the minimum wage stipulated by the Labor Standards Act. The salary differences between male and female employees stem from factors such as shift schedules and job roles, and thus the basic salaries of male employees are higher than those of female employees.

Additionally, in response to regulatory requirements, the Company discloses the remuneration information of “full-time employees not holding supervisory positions.” In 2024, the number of full-time employees not holding supervisory positions was 141, and their average salary and median salary were NTD 927 thousand and NTD 709 thousand, respectively.

▼ Ratio of Entry-level Personnel Salaries at Key Operating Sites to the Statutory Minimum Wage

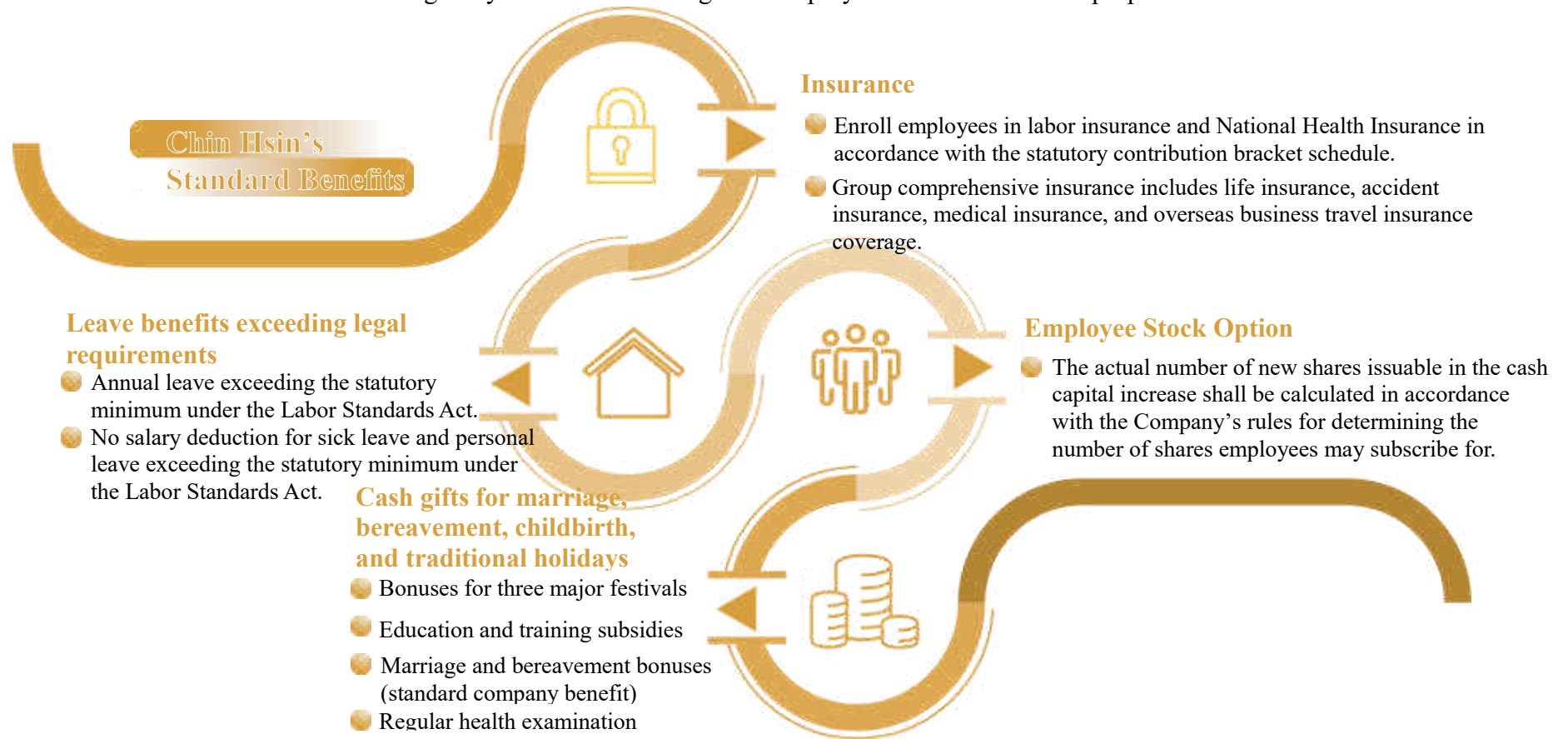
Key Operating Sites	Country	Male	Female	Average
Chin Hsin (All sites consolidated for calculation)	Taiwan	2.38/1	1.59/1	1.99/1

Note: Taking the statutory minimum wage as 1, in 2024 the monthly minimum wage under Taiwan regulations is NTD 27,470.

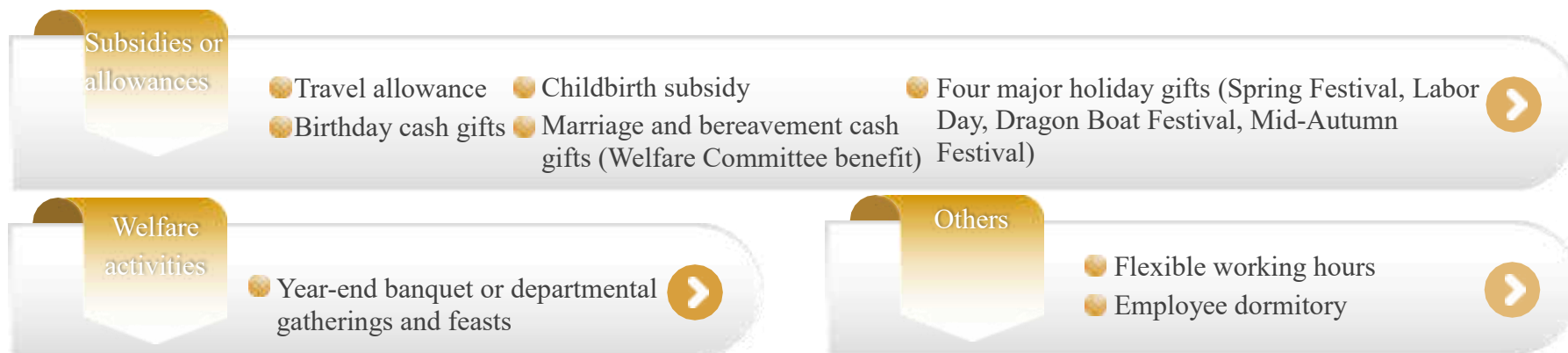
5.2.2 Comprehensive Benefits Measures

Employee Benefit Measures

To enhance employee cohesion and improve market competitiveness, Chin Hsin has established multiple employee welfare measures, such as leave benefits exceeding legal requirements, insurance, and marriage, bereavement, and maternity bonuses. In addition, the Company has a Employee Welfare Committee responsible for promoting and planning various employee welfare measures. All full-time employees are entitled to these benefits. The Company allocates welfare funds monthly and employees contribute to the Welfare Committee's account; these funds are used for various activities or subsidies. The Welfare Committee regularly monitors fund usage and employee feedback to ensure proper utilization of the welfare funds.



- Chin Hsin's Other Benefit Measures



Employee Retirement System

To protect the rights and interests of retired employees, the Company implements an employee retirement system in accordance with “Taiwan’s Labor Standards Act” and “Labor Pension Act”. Employees who joined on or before June 30, 2005 are covered under the old pension scheme, while those who joined on or after July 1, 2005 are covered under the new pension scheme. In 2021, the Company reached agreements with all employees with service under the old pension scheme to settle their old pension entitlements in full, and all payments under the old scheme were completed. All current employees are now covered under the new pension scheme. In accordance with regulations, the Company contributes 6% of employees’ monthly wages to their individual labor pension accounts established with the Bureau of Labor Insurance. In addition, to express sincere gratitude for employees’ years of hard work and contributions, the Company also presents a retirement medal upon their retirement.

Note: For detailed pension contribution amounts, please refer to pages 58 to 59 of this year’s annual report.

5.2.3 Family-friendly Workplace

We are committed to creating a family-friendly workplace. In addition to offering statutory unpaid parental leave, the Company provides childbirth subsidies, childcare-related discounts through corporate partnerships, family care leave that exceeds legal requirements, and flexible working hours. A breastfeeding room equipped with a refrigerator, sofa, and water dispenser has also been set up in the office to ensure that breastfeeding employees can work without concern.

2024 marks the Company's first preparation of a sustainability report. As the reinstatement dates of employees on unpaid parental leave fall outside the reporting period, reinstatement rates are not included in this year's statistics. In addition, due to the lack of comparable data from the previous year, the reinstatement rate of employees returning from unpaid parental leave in the prior year cannot be calculated. Going forward, the Company will continue to monitor employees' unpaid parental leave and reinstatement status, gradually accumulating and tracking relevant data year by year as a basis for future trend analysis and system optimization.

• Personnel Analysis for Parental Leave

	2024		
	Male	Female	Total
Number of employees eligible for unpaid parental leave during the year (A)	15	5	20
Number of employees who actually applied for unpaid parental leave during the year (B)	0	3	3
Number of employees scheduled to return from unpaid parental leave during the year (C)	0	0	0
Number of employees who actually returned from unpaid parental leave during the year (D)	0	0	0
Number of employees who actually returned from unpaid parental leave in the previous year (E)	-	-	-
Number of employees who remained employed for 12 months after returning from unpaid parental leave in the previous year (F)	-	-	-
Unpaid parental leave application rate (%) (= B/A)	0%	60%	15%
Reinstatement rate (%) (=D/C)	-	-	-
Retention rate (%) (=F/E)	-	-	-

Note: As 2024 is the first year of publishing the sustainability report, we only disclose the relevant information for that year.

5.3 Diverse Development

5.3.1 Cultivation and Training

Education and Training Structure

Chin Hsin values employees' professional development and firmly believes that only continuous, up-to-date education and training can lead employees and the Company to grow together. We offer diverse learning channels and training programs that combine both depth and breadth to comprehensively enhance employees' skills and knowledge. For details on learning channels and training programs, please refer to the section below.

Internal education and training

New employee training is conducted upon onboarding to support new hires. In accordance with legal requirements, the Company provides orientation training that includes occupational safety and health education, workplace injury prevention, internal rules and regulations, and employee benefits to help employees better understand the Company.

Regular courses are arranged, including procurement management systems, tax-related regulations, emergency preparedness and response procedures, the Personal Data Protection Act, fire brigade organization and fire safety training, as well as advanced training on relevant laws and regulations, to enhance employees' core competencies and broaden their opportunities for further development. An internal instructor training system has also been established to fulfill the goal of passing down experience within the organization.



External education and training

External training subsidies and certification exam support are provided to help employees obtain professional certifications or licenses. Employees are also encouraged to participate in professional skills training from time to time, thereby promoting their willingness to pursue certifications and enhancing their professional capabilities.



Education and Training Statistics

In 2024, a total of 198 training sessions were conducted, with 661 participants and a cumulative total of 3,422 training hours.

▼ 2024 Training Sessions and Number of Trainees/Training Hours

Course Category	Number of Sessions	Total Participants	Total Hours
New Employee Training	69	91	694.7
Professional Competence Courses	112	247	2,002.5
General Knowledge Courses	10	213	615.0
Others	7	110	110.0
Total	198	661	3,422.2

Our employee training policy does not differ by gender. In 2024, the average training hours were 16.52 hours for male employees and 12.43 hours for female employees.

▼ Average Training Hours by Gender (Unit: hours)

Gender	2024
Male	16.52
Female	12.43

Note: Average training hours = total training hours by gender/number of employees at the end of the year by gender

▼ Average Training Hours by Job Level

Job Level	2024
Senior Executives	27.29
Mid-level Executives	16.06
Junior Executives	15.19
Entry-level Personnel	14.68

Note 1: Average training hours = total training hours for each job level /number of employees at each job level at the end of the year.

Note 2: Senior executives also participate in professional competency courses, with each individual receiving 30 hours of training, resulting in a slightly higher average training hour compared to other job levels.

5.3.2 Performance Evaluation

The Company has established evaluation procedures, including probationary evaluations for new employees and annual performance reviews. Employees conduct self-assessments of their job performance, which are then reviewed by their supervisors. This process aims to accurately reflect employees’ performance, encourage continuous effort and dedication, and provide positive feedback.

In addition, the Company’s personnel regulations include employee reward and disciplinary procedures. If an employee’s workplace performance or conduct meets the criteria for rewards or violates company rules or legal provisions, the department supervisor shall submit a reward or disciplinary report for approval by the General Manager, after which the decision will be publicly announced. Employee reward and disciplinary records, along with annual performance evaluation results, serve as the basis for promotions, salary adjustments, bonus allocation, or nomination for outstanding employee recognition.

In 2024, all new employees of the Company completed their probationary evaluations, and in the annual performance appraisal all full-time employees underwent the annual evaluation except those who had joined during the year but had not yet completed three months of service, those who had resigned, and those on unpaid leave.

▼ **Percentage of Employees Who Completed Annual Performance Appraisal by Gender**

Gender	Number of employees evaluated	Number of Employees	Percentage
Male	153	153	100%
Female	72	72	100%
Total	225	225	100%

Note 1: Percentage of employees evaluated by gender = number of employees of each gender who were evaluated/number of employees of that gender at the end of the year × 100%.

Note 2: The number of employees evaluated column refers to all individuals with performance evaluation records in 2024, including both current and former employees.

Note 3: The number of employees column refers to all active employees in 2024 and does not include former employees.

▼ **Number and Percentage of Employees Who Completed Annual Performance Appraisal by Job Level (Unit: persons, %)**

Job Level	Number of employees evaluated	Number of Employees	Percentage
Senior Executives	8	7	114%
Mid-level Executives	17	17	100%
Junior Executives	16	16	100%
Entry-level Personnel	184	185	99%
Total	225	225	100%

Note 1: Percentage of employees evaluated by job level = number of employees evaluated at each job level/number of employees at that job level at the end of the year × 100%.

Note 2: The number of employees evaluated column refers to all individuals with performance evaluation records in 2024, including both current and former employees.

Note 3: The number of employees column refers to all active employees in 2024 and does not include former employees.

▼ **Percentage of Employees Who Completed Annual Performance Appraisal by Job Level and Gender (Unit: %)**

Job Level	Male	Female
Senior Executives	117%	100%
Mid-level Executives	100%	100%
Junior Executives	100%	100%
Entry-level Personnel	99%	100%

Note 1: Percentage of employees evaluated by job level and gender = number of employees of each gender evaluated at each job level/number of employees of that gender at that job level at the end of the year × 100%.

Note 2: The number of employees evaluated column refers to all individuals with performance evaluation records in 2024, including both current and former employees.

Note 3: The number of employees column refers to all active employees in 2024 and does not include former employees.

5.4 Workplace Safety

5.4.1 Occupational Safety and Health Management

Workers are an essential part of the Company's operational activities, and any safety or health risks in the workplace may have a significant impact on the Company's financial performance as well as on the health and well-being of employees or external workers. Chin Hsin, in accordance with Taiwan's Occupational Safety and Health Act and the ISO 45001: 2018 Occupational Health and Safety Management System standard, has established an occupational health and safety management system based on the Plan, Do, Check, Act (PDCA) as its management framework. The Company has also established an Occupational Safety and Health Committee to identify potential risks in all working environments, formulate management methods and control procedures, and conduct regular internal audits to effectively prevent accidents and safeguard the health and safety of workers.

Note: External workers refer to individuals other than employees who perform tasks designated by the Company either within or outside the Company's premises, such as raw material suppliers, equipment maintenance contractors, and external consultants.

Chin Hsin's ISO 45001 Occupational Health and Safety Management System has been verified by an external third party. The number and percentage of workers covered by the management system are shown in the table below:

Operating Sites	Occupational Safety and Health Management System Certification Standards	Applicable Sites	Scope of Workers Covered ^{Note 1}				Worker Type Excluded Note 3
			Employees (persons)	Percentage Note 2 (%)	External Workers (persons)	Percentage (%)	
Chin Hsin	ISO 45001: 2018	Chin Hsin Citong Plant	115	100%	0	0	External Workers

Note 1: Chin Hsin calculates the number of workers covered under the ISO 45001: 2018 management system based on the number of employees at the sites included in the system. This number has been verified through internal audits and external verification.

Note 2: Percentage of employees covered = number of employees at sites covered by the ISO 45001 2018 management system/total number of employees at those sites.

Note 3: The Company currently does not compile statistics on the number of external workers.

◆ Occupational Safety and Health Committee

Chin Hsin's Occupational Safety and Health Committee is jointly formed by both labor and management. The committee consists of 13 members, with the General Manager serving as the chairperson. Among them, there are 3 labor representatives, accounting for 23% of the total committee members. The Occupational Safety and Health Committee holds regular meetings once every quarter and is responsible for reviewing the Company's occupational health and safety management policies, the effectiveness of various management procedures, occupational health and safety training plans, and occupational incident investigation reports.

A management team has been established under the Occupational Safety and Health Committee to regularly carry out risk assessment procedures, plan and promote occupational health and safety policies, and arrange annual training programs, occupational health services, and health promotion activities. The Company publishes its occupational health and safety management policies on its website and promotes these policies internally, while also providing multilingual public procedural documents for foreign employees to ensure all staff clearly understand the Company's occupational health and safety policies.

◆ Worker Communication

The Company has established communication and consultation channels and procedures to effectively convey information and strengthen occupational safety awareness. Internal and external consultations are recorded using the Internal and External Consultation and Communication Information Control Form, which is reviewed and responded to by the management representative, who also implements appropriate countermeasures.

In addition, in accordance with the Company's Regulations of Occupational Safety and Health Management, employees, suppliers, and contractors are encouraged to proactively report any potential safety and health concerns in the workplace. If there is an imminent risk of danger, workers may, without endangering the safety of others, suspend operations and move to a safe location, while simultaneously reporting the situation to their department supervisor and the occupational safety and health management team. Upon receiving a report, the management team must immediately conduct an investigation to assess the likelihood and severity of the hazard, formulate response measures, and report the findings to the Occupational Safety and Health Committee for review. The investigation and resolution results are then announced to all Company workers. Employees or external workers who proactively report potential occupational health and safety risks may receive performance awards as an incentive, encouraging all workers to report hazards and jointly help prevent the occurrence of dangerous incidents.

◆ Risk Assessment of Occupational Safety and Health

Chin Hsin, in accordance with the occupational health and safety regulations of its operational sites, has established a hazard identification and risk assessment management procedure, which is implemented by the occupational safety and health management team under the Occupational Safety and Health Committee. In 2024, professional training on hazard identification and risk assessment was conducted for the occupational safety and health management team, and members were encouraged to obtain relevant external certifications.

The occupational safety and health management team annually reviews the workplaces of all operational sites and upstream and downstream suppliers. Based on the severity of hazards, the likelihood of occurrence, and existing protective measures, risks are classified into four levels: intolerable high risk, high risk, medium risk, and low risk. The team assesses potential major occupational accidents or diseases and establishes risk reduction control measures for intolerable high risk, high risk, and medium risk categories. External personnel are regularly assigned to audit the effectiveness of these control measures. To ensure the effectiveness of control measure implementation, the Company compares external audit results with original targets. External auditors, who have received professional training in hazard identification and risk assessment and hold relevant certifications, conduct the audits. Regular meetings are held to review deficiencies, track results, and formulate follow-up improvement plans.

In addition to routine risk assessments, the Company conducts additional risk assessments in the event of non-routine incidents such as significant changes to workplace equipment or operating procedures, the occurrence of serious occupational accidents, or receipt of major complaints from workers. The original risk levels and preventive measures are revised accordingly to promptly respond and prevent the occurrence of such incidents.

Risk Level Classification

Severity Probability Weighting	A	B	C	D	E
70~100	1	1	2	3	4
40~69	1	2	3	4	4
20~39	2	3	4	4	5
10~19	3	4	4	5	5
0~9	4	4	5	5	5

Note: Risk level matrix provides description of risk classifications

1: Intolerable high risk

2: High risk

3: Medium risk

4/5: Low risk.

◆ Occupational Safety and Health Education and Training

Occupational health and safety education, training, and awareness are fundamental to enhancing the safety and health awareness of employees and contractors. All employees of Chin Hsin are required to undergo general occupational safety and health training annually. In addition, knowledge and skills training are provided separately for employees and external workers based on the specific work types and environments of different departments to raise safety awareness and prevent accidents.

In 2024, new employee education and training comprised a total of 37 sessions; internal education and training comprised 13 sessions in total; external education and training included 3 participants; the average employee training duration exceeded 3 hours.

Category	Course Contents	Trainees	Total Training Hours/Number of Sessions
General Training	General occupational safety and health training includes an overview of regulations, occupational safety and health concepts and workplace rules, standard operating procedures, emergency response handling, as well as basic fire safety and first aid knowledge.	All Employees	3 hours/sessions
Occupational hazards	Prevention of occupational accidents and diseases.	All Employees	1 hours/sessions
Hazardous Situation Training	Emergency response training for hazardous situations, such as fire drills and emergency response exercises.	All Employees	Fire drill, 4 hours/sessions. Emergency response 1 hour/sessions.

◆ Occupational Health Services and Health Promotion Activities

The Company has assessed noise as a potential major risk factor for employees based on the work environment and nature of tasks. To reduce employees' exposure to excessive hazardous substances during operations, Chin Hsin provides personal protective equipment for employees to wear. In addition, employees working in special environments are scheduled to undergo specialized health examinations annually, and their health status is regularly monitored to enable early intervention and treatment. The Company also collaborates with medical clinics and institutions so that if employees exhibit symptoms related to occupational diseases, they can receive examinations and treatment at the designated medical facilities.

In terms of personal health promotion, Chin Hsin provides general health examination subsidies once a year for employees who frequently come into contact with waste (including sales staff, drivers, and plant personnel), and once every two years for administrative staff. The Company also tracks and manages employees with significant health abnormalities identified in medical examinations. Taking into account employees' age, health examination data from the past three years, and the most common major illnesses identified by the Ministry of Health and Welfare, common personal health risks include lack of exercise, unhealthy diet, and psychological stress. Therefore, Chin Hsin arranges annual health seminars and on-site physician consultations to promote new knowledge on physical care and encourage employees to develop regular exercise habits, thereby enhancing physical and mental well-being.

▼ Health Promotion Activities Held in 2024

Health Promotion Activity Items	Activity Description and Outcomes
Health Seminars	Held health seminars covering topics such as the top ten causes of death in 2022 and the significance of abnormal results in health examinations.

◆ Supplier Occupational Safety and Health Audit

In addition to requiring all its operational sites to strictly comply with local occupational health and safety regulations, Chin Hsin also requires its suppliers to adhere to the Company's Supplier Code of Conduct, which includes occupational health and safety standards. Chin Hsin conducts annual audits of key suppliers to verify whether there have been any violations of the Company's occupational health and safety standards, and investigates the number of occupational injuries and illnesses that occurred during the year to assess deficiencies in suppliers' occupational health and safety management. If the issue is non-severe, the supplier is given a 3-month period for improvement. After the 3 months, a reassessment is conducted to ensure that no major occupational health and safety risks remain in the workplace. All key suppliers passed Chin Hsin's occupational health and safety audit this year.

In addition, the Company provides operational safety orientations to both new and existing suppliers upon entering the plant, including explanations of occupational health and safety regulations, general safety and health standards, and emergency response measures for high-risk contractors, in order to reduce risks. The Company also shares its management experience in maintaining a safe and healthy workplace, working together with upstream and downstream suppliers to create a safe and healthy working environment.

5.4.2 Occupational Disaster Investigation

Chin Hsin has established the accident reporting and response procedure. In the event of a major occupational health and safety incident, such as a fatality, an accident involving three or more injured persons, or one or more injured persons requiring hospitalization, the injured person, the workplace supervisor, or other on-site personnel shall immediately follow the accident reporting and response procedure. The person involved in the accident must promptly report to the supervisor, the Personnel Office, and the Occupational Safety Office. The department supervisor and the Occupational Safety Office shall assist in requesting external support, implementing emergency response measures, and coordinating medical care. The Occupational Safety Office shall assess the severity of the incident and report it through the occupational incident reporting system, specifying the nature of the incident, the identity of the injured person, the location of the incident, the cause of the incident, and the degree of injury. The department supervisor where the incident occurred shall work with the Occupational Safety Office to investigate whether there were any deficiencies or abnormalities in the working environment, personnel operations, or standard operating procedures at the time of the incident. After identifying the cause of the incident, the department supervisor and the Occupational Safety Office must report the investigation results and improvement plan to the Occupational Safety and Health Committee. Improvement measures for the work environment or standard procedures shall be jointly decided, and the investigation findings, follow-up actions, and improvement results shall be announced to all employees and contractors. Within three months of the incident, training and promotion of the new control measures must be reinforced. No occupational incidents involving employees or external workers occurred during the year, and no near-miss accidents were reported.

◆ Employee Occupational Injury and Disease Statistics Table

Statistical Items (unit)	2024
Total working hours (hours)	355,368
Number of occupational injury fatalities (cases)	0
Occupational injury fatality rate ^{Note 1}	0.0
Number of severe occupational injuries (cases) ^{Note 2}	0
Severe occupational injury rate ^{Note 3}	0.0
Number of recordable incidents (cases) ^{Note 4}	0
Recordable incident rate ^{Note 5}	0.0
Number of occupational disease cases (cases)	0
Occupational disease incidence rate ^{Note 6}	0.0

Note 1: Occupational injury fatality rate = number of occupational injury fatalities/total working hours × 200,000.

Note 2: Severe occupational injuries refer to injuries that prevent an employee from recovering to their pre-injury health condition within six months, excluding fatalities.

Note 3: Severe occupational injury rate = number of severe occupational injuries/total working hours × 200,000.

Note 4: The number of recordable incidents refers to all occupational injury events that occurred during the year, including the number of severe occupational injuries and occupational injury fatalities.

Note 5: Recordable incident rate = number of recordable occupational injuries/total working hours × 200,000.

Note 6: Occupational disease incidence rate = number of occupational disease cases/total working hours × 200,000.

Note 7: The data in this table cover the sites Chin Hsin and Liang Wei.

6 Social Prosperity

6.1 Social Investment

Chin Hsin has cultivated deep roots in Citong Township, Yunlin County, upholding corporate social responsibility, actively giving back to the local community, and promoting shared prosperity through employment opportunities and educational support. Citong Township comprises 14 villages, with a total population of approximately 27,554, and the residents derive their income mainly from agriculture. As a local enterprise, Chin Hsin prioritizes the employment of residents from Citong Township and neighboring areas, providing stable job opportunities, enhancing local identification, and continuously supporting community development in fulfillment of its corporate sustainability responsibilities.

In Citong Township, basic educational resources are relatively limited, with schools facing challenges in securing funding and teaching equipment. Some students are affected in their learning opportunities and development due to constrained family financial conditions. Therefore, Chin Hsin has designated nearby elementary schools as the focus of its social welfare efforts, investing resources to improve the learning environment and provide more diverse educational opportunities. We believe that through improved facilities and innovative learning opportunities, we can not only enhance students' learning outcomes but also inspire their potential and creativity, thereby strengthening the foundation for local talent development.

Since 2023, Chin Hsin has been regularly providing scholarships to support economically underprivileged students in the local area and plans to visit the Social Affairs Section of the township office to better understand and address the potential needs of local children. By supporting local community activities, Chin Hsin builds strong relationships with residents and promotes long-term educational initiatives, putting corporate social responsibility into practice through specific actions.

Sponsor Citong Elementary School's Soft Tennis Athletic Development Program

In 2024, Citong Elementary School's soft tennis team had approximately 35 members. The school actively promoted various athletic development programs and enhanced its teaching equipment to improve instructional quality. Soft tennis is a key strength of the school's athletic teams, and Chin Hsin actively participates as a major driving force behind the program. Through a sponsorship of NTD 30,000, we not only helped the school improve its learning environment but also provided students with more training and competition opportunities, thereby promoting sports development. The Company will continue to invest resources and deepen its collaboration with the school to jointly nurture future athletic talent.



▲ Soft Tennis Team Members



▲ Practice Photos



▲ 2024 Regional Tennis Tournament



▲ Practice Photos



▲ 2024 Autumn Magistrate Cup Championship



▲ 2024 National Chunghwa Cup Championship

Sponsorship of Ciao He Elementary School's Diverse Talent Development Program

Ciao He Elementary School is located in the rural area of Citong Township, comprising 6 classes with a total of 91 students. Most students come from farming families, and with the declining birthrate and an increasing proportion of underprivileged families in recent years, the school faces growing resource constraints. To promote students' diverse development, Ciao He Elementary School is advancing a diverse talent development curriculum that includes courses such as Youthful Beats, Energetic Dance, and Ring Rhythms. However, constrained by limited funding, the school must rely on sponsorship from external enterprises. Chin Hsin is not only a sponsor but also an important partner of the program. Upholding the values of social care and educational advancement, we provided a subsidy of NTD 100,000 in 2024 to ensure that students can participate in a wide range of enriching learning activities. We will continue to support and follow the progress of the program, working hand in hand with the school to create a better learning environment and enhance students' interest and abilities in learning.



▲ Youthful Beats



▲ Youthful Beats



▲ Ring Rhythms



▲ Youthful Beats



▲ Youthful Beats



▲ Ring Rhythms

Appendices

GRI Standards Index

Statement of Use: Chin Hsin has reported ESG information for the period from January 1, 2024 to December 31, 2024 in accordance with the GRI Standards

Applicable GRI 1: Foundation 2021

General Disclosure Items

GRI Standards	Disclosure Items	Chapters of the Report	Page No.	Description of Omission	
				Omitted Disclosure Items	Reasons and Interpretation
GRI 2: General Disclosures 2021	2-1 Organizational details	2.1.1 Company Profile	17	NA	
	2-2 Entities included in the organization's sustainability reporting	1.1.3 Boundaries and Scope	3		
	2-3 Reporting period, frequency and contact point	1.1.1 Reporting period	2		
		1.1.6 Contact Information	4		
	2-4 Restatements of information	1.1.4 Restatements of Information	3		
	2-5 External assurance	No external assurance was conducted for this year's sustainability report	-		
	2-6 Activities, value chain and other business relationships	3.1.1 Disposal Services	53		
		3.1.2 Reuse of Medical Waste	56		
		3.1.3 Green Products	58		

GRI Standards	Disclosure Items	Chapters of the Report	Page No.	Description of Omission	
				Omitted Disclosure Items	Reasons and Interpretation
	2-7 Employees	2.1.1 Company Profile	17		
		5.1.2 Talent Hiring	77		
	2-8 Workers who are not employees	5.1.2 Talent Hiring	77		
	2-9 Governance structure and composition	2.2.1 Governance Structure	21		
		2.2.2 Functional Committees and Dedicated Sustainability Units	30		
	2-10 Nomination and selection of the highest governance body	2.2.1 Governance Structure	21		
	2-11 Chair of the highest governance body	2.2.1 Governance Structure	21		
	2-12 Role of the highest governance body in overseeing the management of impacts	1.4.1 Process of Evaluating Material Issues	10		
		1.4.2 Impact Management of Material Issues	13		
	2-13 Delegation of responsibility for managing impacts	1.4.1 Process of Evaluating Material Issues	10		
		1.4.2 Impact Management of Material Issues	13		
	2-14 Role of the highest governance body in sustainability reporting	1.4.1 Process of Evaluating Material Issues	10		
	2-15 Conflicts of interest	2.2.1 Governance Structure	21		

GRI Standards	Disclosure Items	Chapters of the Report	Page No.	Description of Omission	
				Omitted Disclosure Items	Reasons and Interpretation
	2-16 Communication of critical concerns	2.2.2 Functional Committees and Dedicated Sustainability Units	30		
	2-17 Collective knowledge of the highest governance body	2.2.1 Governance Structure	21		
	2-18 Evaluation of the performance of the highest governance body	2.2.1 Governance Structure	21		
	2-19 Remuneration policies	2.2.1 Governance Structure	21		
	2-20 Process to determine remuneration	2.2.1 Governance Structure	21		
	2-21 Annual total compensation ratio	5.2.1 Equal Remuneration	83		
	2-22 Statement on sustainable development strategy	1.2.1 Words from the Chairman	5		
	2-23 Policy commitments	2.4.1 Ethical Corporate Management	35		
		2.4.2 Human Rights Policy	37		
	2-24 Embedding policy commitments	2.4.1 Ethical Corporate Management	35		
		2.4.2 Human Rights Policy	37		
	2-25 Processes to remediate negative impacts	1.4.2 Impact Management of Material Issues	13		
	2-26 Mechanisms for seeking advice and raising concerns	2.4.1 Ethical Corporate Management	35		
		2.4.2 Human Rights Policy	37		

GRI Standards	Disclosure Items	Chapters of the Report	Page No.	Description of Omission	
				Omitted Disclosure Items	Reasons and Interpretation
	2-27 Compliance with laws and regulations	2.4.3 Legal Compliance	39		
	2-28 Membership associations	2.1.1 Company Profile	17		
	2-29 Approach to stakeholder engagement	1.3.1 Stakeholder Identification	7		
		1.3.2 Stakeholder Communication	7		
	2-30 Collective bargaining agreements	-	-	Full	The Company does not have a collective agreement
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.4.1 Process of Evaluating Material Issues	10	NA	
	3-2 List of material topics	1.4.2 Impact Management of Material Issues	13		

Disclosure of Material Issues

GRI Standards	Disclosure Items	Chapters of the Report	Page No.	Description of Omission	
				Omitted Disclosure Items	Reasons and Interpretation
Ethical Corporate Management					
3-3 Management of material issues		1.4.2 Impact Management of Material Issues	13		
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	2.4.1 Ethical Corporate Management	35		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.4.1 Ethical Corporate Management	35		
Economic performance					
3-3 Management of material issues		1.4.2 Impact Management of Material Issues	13		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2.3 Economic Value	32		
	201-4 Financial assistance received from government	2.3 Economic Value	32		

GRI Standards	Disclosure Items	Chapters of the Report	Page No.	Description of Omission	
				Omitted Disclosure Items	Reasons and Interpretation
Waste					
3-3 Management of material issues		1.4.2 Impact Management of Material Issues	13		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	4.4.1 Impact Assessment of Wastes	72		
	306-2 Management of significant waste-related impacts	4.4.1 Impact Assessment of Wastes	72		
		4.4.2 Waste Management Policies	73		
	306-3 Waste generated	4.4.3 Waste Clearance and Disposal	75		
	306-4 Waste diverted from disposal	4.4.3 Waste Clearance and Disposal	75		
	306-5 Waste directed to disposal	4.4.3 Waste Clearance and Disposal	75		
Customer Relationship Management					
3-3 Management of material issues		1.4.2 Impact Management of Material Issues	13		
		3.2 Customer Relationship Management	32		

GRI Standards	Disclosure Items	Chapters of the Report	Page No.	Description of Omission	
				Omitted Disclosure Items	Reasons and Interpretation
Occupational Safety and Health					
3-3 Management of material issues		1.4.2 Impact Management of Material Issues	13		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.4.1 Occupational Safety and Health Management	92		
	403-2 Hazard identification, risk assessment, and incident investigation	5.4.1 Occupational Safety and Health Management	92		
	403-3 Occupational health services	5.4.1 Occupational Safety and Health Management	92		
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.4.1 Occupational Safety and Health Management	92		
	403-5 Worker training on occupational health and safety	5.4.1 Occupational Safety and Health Management	92		
	403-6 Promotion of worker health	5.4.1 Occupational Safety and Health Management	92		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4.1 Occupational Safety and Health Management	92		

GRI Standards	Disclosure Items	Chapters of the Report	Page No.	Description of Omission	
				Omitted Disclosure Items	Reasons and Interpretation
	403-8 Workers covered by an occupational health and safety management system	5.4.1 Occupational Safety and Health Management	92		
	403-9 Work-related injuries	5.4.2 Occupational Disaster Investigation	96		
	403-10 Work-related ill health	5.4.2 Occupational Disaster Investigation	96		
Green Products					
3-3 Management of material issues		1.4.2 Impact Management of Material Issues	13		
		3.1.3 Green Products	58		

Disclosure of Other Specific Material Topics

GRI Standards	Disclosure Items	Chapters of the Report	Page No.	Description of Omission	
				Omitted Disclosure Items	Reasons and Interpretation
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	5.1.2 Talent Hiring	77		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.1.2 Energy Consumption	68		
	302-3 Energy intensity	4.1.2 Energy Consumption	68		
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	4.3 Overview of Water Resources	71		
	303-4 Water discharge	4.3 Overview of Water Resources	71		
	303-5 Water consumption	4.3 Overview of Water Resources	71		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.2.1 GHG Inventory	69		
	305-2 Energy indirect (Scope 2) GHG emissions	4.2.1 GHG Inventory	69		
	305-4 GHG emission intensity	4.2.1 GHG Inventory	69		
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions	3.3.2 Supplier Audit	67		

GRI Standards	Disclosure Items	Chapters of the Report	Page No.	Description of Omission	
				Omitted Disclosure Items	Reasons and Interpretation
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	5.1.2 Talent Hiring	77		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2.2 Comprehensive Benefits Measures	85		
	401-3 Parental leave	5.2.3 Family-friendly Workplace	87		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	5.3.1 Cultivation and Training	88		
	404-3 Percentage of employees receiving regular performance and career development reviews	5.3.2 Performance Evaluation	90		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.2.1 Governance Structure	21		
		5.1.2 Talent Hiring	77		
	405-2 Ratio of basic salary and remuneration of women to men	5.2.1 Equal Remuneration	83		
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	3.3.2 Supplier Audit	67		

SASB Standards Index

Statement of Use: Chin Hsin has reported ESG information for the period from January 1, 2024 to December 31, 2024 in accordance with the SASB Standards

SASB Industry Category: IF-WM (Waste Management)

Indicator Type	SASB Indicator No.	Disclosure Topics	Disclosure Items	Nature	Quantity	Units	Chapters of the Report	Page No.	Description of Omission	
									Omitted Disclosure Items	Reasons and Interpretation
Indicator	IF-WM-110a.1	Greenhouse gas emissions	Under emissions limits and reporting regulations: Scope 1 emissions	Quantitative	Subject to emissions limits: 0 Subject to emission reporting regulations: 0	Metric tons of CO ₂ e (tCO ₂ e)	-	-		
			Under emissions limits and reporting regulations: Scope 1 emissions percentage	Quantitative	Subject to emissions limits: 0 Subject to emission reporting regulations: 0	Percentage (%)	-	-		
Indicator	IF-WM-110a.2	Greenhouse gas emissions	(1) Amount of landfill gas generated	Quantitative	-	Million British Thermal Unit (MMBtu)	-	-	110a.2 All Items	The Company's core business is waste disposal; as it does not operate any landfill sites, this disclosure item is not applicable.
			(2) Percentage of biogas fuel	Quantitative	-	Percentage (%)	-	-		
			(3) Percentage of biogas used as energy	Quantitative	-	Percentage (%)	-	-		
Indicator	IF-WM-110a.3	Greenhouse gas emissions	Focusing on Scope 1 (1) Long-term and short-term strategies or management plans for carbon reduction goals	Discussion and Analysis	Plan to replace vehicles more than ten years old, phasing out each year vehicles with lower environmental class (environmental standard).	-	4.2.2 Reduction of GHGs	70		
			Focusing on Scope 1 (2) Performance analysis of related targets	Discussion and Analysis	-	-	-	-	Performance analysis of related targets	The Company has set 2024 as the base year for carbon emissions and plans to assess carbon reduction performance in 2025.

Indicator Type	SASB Indicator No.	Disclosure Topics	Disclosure Items	Nature	Quantity	Units	Chapters of the Report	Page No.	Description of Omission	
									Omitted Disclosure Items	Reasons and Interpretation
Indicator	IF-WM-110b.1	Fleet Fuel Management	(1) Fuel consumption	Quantitative	39,792.180	Gigajoules (GJ)	-	-		
			(2) Percentage of natural gas consumption	Quantitative	0	Percentage (%)	-			
			(3) Percentage of renewable energy consumption	Quantitative	0	Percentage (%)	-	-		
Indicator	IF-WM-110b.2	Fleet Fuel Management	Percentage of vehicles using alternative fuels	Quantitative	0	Percentage (%)	-	-	-	-
Indicator	IF-WM-120a.1	Air Quality	(1) Emissions of nitrogen oxides, excluding nitrous oxide	Quantitative	-	Metric tons (t)	-	-	120a.1 All Items	The Company's core business is waste disposal; therefore, this disclosure item is not applicable.
			(2) Emissions of sulfur oxides	Quantitative	-	Metric tons (t)	-	-		
			(3) Emissions of volatile organic compounds	Quantitative	-	Metric tons (t)	-	-		
			(4) Emissions of hazardous air pollutants	Quantitative	-	Metric tons (t)	-	-		
Indicator	IF-WM-120a.2	Air Quality	Number of plants located in or near densely populated areas	Quantitative	-	Quantity	-	-	120a.2 All Items	The Company's core business is waste disposal; therefore, this disclosure item is not applicable.
Indicator	IF-WM-120a.3	Air Quality	Number of incidents of noncompliance with air quality permits, standards, and regulations	Quantitative	0	Quantity	-	-		

Indicator Type	SASB Indicator No.	Disclosure Topics	Disclosure Items	Nature	Quantity	Units	Chapters of the Report	Page No.	Description of Omission	
									Omitted Disclosure Items	Reasons and Interpretation
Indicator	IF-WM-150a.1	Leachate and hazardous waste management	(1) Releases of substances listed on the Toxic Release Inventory	Quantitative	-	Metric tons (t)	-	-	150a.1 All Items	The Company's core business is waste disposal; therefore, this disclosure item is not applicable.
			(2) Percentage of those discharged into water	Quantitative	-	Percentage (%)	-	-		
Indicator	IF-WM-150a.2	Leachate and hazardous waste management	Number of improvement measures for substances released from landfills	Quantitative	-	Quantity	-	-	150a.2 All Items	The Company's core business is waste disposal; therefore, this disclosure item is not applicable.
Indicator	IF-WM-150a.3	Leachate and hazardous waste management	Number of violations related to environmental impacts	Quantitative	1	Quantity	2.4.3 Legal Compliance	39		
Indicator	IF-WM-310a.1	Labor Practices	Percentage of active employees covered by labor-management agreements	Quantitative	-	Percentage (%)	-	-	310a.1 All Items	The Company has no labor-management agreements, and this disclosure item is not applicable.
Indicator	IF-WM-310a.2	Labor Practices	(1) Number of work stoppages	Quantitative	0	Quantity	-	-		
			(2) Number of days idle due to work stoppages	Number of days idle	0	Days idle	-	-		
Indicator	IF-WM-320a.1	Workers' health and safety	Direct employees and outsourced/contractor employees (1) Recordable incident rate	Quantitative	0	Ratio	5.4.2 Occupational Disaster Investigation	96		
			Direct employees and outsourced/contractor employees (2) Mortality rate	Quantitative	0	Ratio	5.4.2 Occupational Disaster Investigation	96		
			Direct employees and outsourced/contractor employees (3) Near-miss incident rate	Quantitative	0	Ratio	5.4.2 Occupational Disaster Investigation	96		

Indicator Type	SASB Indicator No.	Disclosure Topics	Disclosure Items	Nature	Quantity	Units	Chapters of the Report	Page No.	Description of Omission	
									Omitted Disclosure Items	Reasons and Interpretation
Indicator	IF-WM-320a.3	Workers' health and safety	Number of road traffic accidents	Quantitative	0	Quantity	-	-		
Indicator	IF-WM-420a.1	Resource Recycling	(1) Amount of waste incinerated	Quantitative	-	Metric tons (t)	-	-	420a.1 All Items	The Company's core business is waste disposal; therefore, this disclosure item is not applicable.
			(2) Percentage of hazardous substances	Quantitative	-	Percentage (%)	-	-		
			(3) Percentage of energy recycled	Quantitative	-	Percentage (%)	-	-		
Indicator	IF-WM-420a.2	Resource Recycling	By customer type: (1) Percentage of customers accepting recycling	Quantitative	-	Percentage (%)	-	-	420a.2 All Items	The Company's core business is waste disposal; therefore, this disclosure item is not applicable.
			By customer type: (2) Percentage of customers accepting composting services	Quantitative	-	Percentage (%)	-	-		
Indicator	IF-WM-420a.3	Resource Recycling	Amounts of the following types: (1) Recycled	Quantitative	-	Metric tons (t)	-	-	420a.3 All Items	The Company's primary business is waste disposal, and items (2) and (3) are not applicable; however, the Company also offers certain recycling services, and because data for the reporting year have not yet been compiled, item (1) is not disclosed at this time.
			Amounts of the following types: (2) Composting	Quantitative	-	Metric tons (t)	-	-		
			Amounts of the following types: (3) Covert waste into energy	Quantitative	-	Metric tons (t)	-	-		
Indicator	IF-WM-420a.4	Resource Recycling	Weight of electronic waste collected	Quantitative	-	Metric tons (t)	-	-	420a.4 All Items	The Company's core business is waste disposal; therefore, this disclosure item is not applicable.
			Percentage of electronic waste recycled	Quantitative	-	Percentage (%)	-	-		

Indicator Type	SASB Indicator No.	Disclosure Topics	Disclosure Items	Nature	Quantity	Units	Chapters of the Report	Page No.	Description of Omission	
									Omitted Disclosure Items	Reasons and Interpretation
Activity Indicator	IF-WM-000.A		Number of customers by category: (1) Municipal	Quantitative	0	Quantity	-	-		
			Number of customers by category: (2) Commercial	Quantitative	0	Quantity	-	-		
			Number of customers by category: (3) Industrial	Quantitative	781	Quantity	-	-		
			Number of customers by category: (4) Residential	Quantitative	0	Quantity	-	-		
			Number of customers by category: (5) Others	Quantitative	11,407 (Medical Institution)	Quantity	-	-		
Activity Indicator	IF-WM-000.B		Scale of Transportation Fleet	Quantitative	137	Quantity	-	-		

Indicator Type	SASB Indicator No.	Disclosure Topics	Disclosure Items	Nature	Quantity	Units	Chapters of the Report	Page No.	Description of Omission	
									Omitted Disclosure Items	Reasons and Interpretation
Activity Indicator	IF-WM-000.C		Number of facilities by type: (1) Landfill plants	Quantitative	0	Quantity	-	-		
			Number of facilities by type: (2) Waste transfer stations	Quantitative	0	Quantity	-	-		
			Number of facilities by type: (3) Recycling centers	Quantitative	1	Quantity	-	-		
			Number of facilities by type: (4) Composting centers	Quantitative	1	Quantity	-	-		
			Number of facilities by type: (5) Incinerators	Quantitative	0	Quantity	-	-		
			Number of facilities by type: (6) Other facilities	Quantitative	1 (Plastic-wood Manufacturing Plant)	Quantity	-	-		
Activity Indicator	IF-WM-000.D		Volume managed by customer category: (1) Municipal	Quantitative	0	Metric tons (t)	-	-		
			Volume managed by customer category: (2) Commercial	Quantitative	0	Metric tons (t)	-	-		
			Volume managed by customer category: (3) Industrial	Quantitative	64,587	Metric tons (t)	-	-		
			Volume managed by customer category: (4) Residential	Quantitative	0	Metric tons (t)	-	-		
			Volume managed by customer category: (5) Others	Quantitative	18,084 (Medical Institution)	Metric tons (t)	-	-		

Climate-related Information

Climate-related Information of TWSE/TPEX Listed Companies

Risks and Opportunities Posed to the Company by Climate Change and the Related Countermeasures Adopted by the Company

Items	Implementation	Page No.
1. Describe board and management supervision and governance of climate-related risks and opportunities.	See section 2.6.1 Climate Governance.	43
2. Describe how the identified climate risks and opportunities will affect the Company's business, strategy and finances (short-, mid-, and long-term).	See section 2.6.3 Impact Assessment of Climate Risks.	46
3. Describe the financial impact caused by extreme climate events and transformation actions.	See section 2.6.3 Impact Assessment of Climate Risks.	46
4. Describe how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.	See sections 2.6.1 Climate Governance and 2.6.2 Identification and Assessment of Climate Risks and Opportunities	43.44
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions and analysis factors used and significant financial impacts should be explained.	The Company has not yet used scenario analysis to assess the Company's resilience to climate change risks.	-
6. If there is a transition plan to manage climate-related risks, explain the content of the plan and the indicators and goals used to identify and manage physical risks and transition risks.	There is no transformation plan in response to the management of climate-related risks.	-
7. The basis for setting the price should be explained if internal carbon pricing is used as a planning tool.	Internal carbon pricing has not yet been used as a planning tool.	-
8. If climate-related goals are set, the activities, scope of greenhouse gas emissions, planning schedule, annual progress and other information should be explained. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of carbon reduction credits to be exchanged or the quantity of renewable energy certificates (RECs) should be explained.	Climate-related targets have not yet been set.	-
9. Status of GHG inventory and assurance and the reduction goals, strategy and specific action plans are to be filled in 9-1 and 9-2 separately.	Please refer to the following table	-

9-1 Status of GHG Inventory and Assurance in the Past Two Years

9-1-1 GHG Inventory Information

Describe the greenhouse gas emissions in the last two years (metric tons CO₂e), intensity (metric tons CO₂e/NTD millions) and data coverage.

See section 4.2.1 GHG Inventory.

9-1-2 GHG Assurance Information

Describe the status of assurance for the past two years, including the assurance scope, the assurance institution, the assurance criteria, and the assurance opinions.

The Company has not yet conducted GHG assurance procedures and plans to carry out inventory and verification according to the schedule of the FSC's Sustainable Development Roadmap.

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

Describe the base year and its data for GHG reduction, the reduction targets, strategies and specific action plans, and the status of achieving the reduction targets.

Not applicable.



**CHIN HSIN ENVIRON ENGINEERING
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2024

**SUSTAINABILITY
REPORT**

