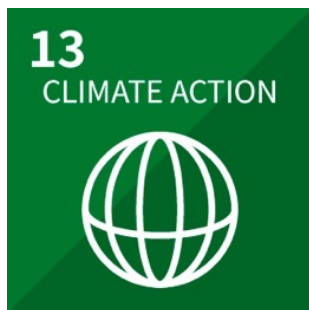
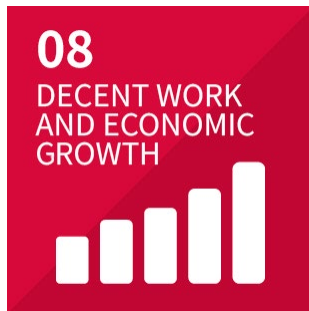


HO YU 2024 Sustainability Report

HO YU TEXTILE CO., LTD.





SUSTAINABLE DEVELOPMENT GOALS

Table of Contents

Preface	4	CH3 Employee Well-being and Social Co-Prosperity	67
About this Report	4	3.1 Employee Well-being	68
Chairman's Message	5	3.2 Occupational Safety and Health	84
		3.3 Human Rights Protection	100
		3.4 Social Co-Prosperity	110
CH1 About Ho Yu	6		
1.1 Company Overview	7	CH4 Environmental Sustainability	115
1.2 Sustainable Governance	13	4.1 Climate change response (TCFD)	116
1.3 Stakeholder Identification and Engagement	16	4.2 Energy Management	125
1.4 Identification of Material Sustainability Topics	19	4.3 Water Resource Management	128
		4.4 Waste Management	135
		4.5 Chemical Substance Management	140
		4.6 Circular Economy	147
CH2 Sustainable Governance	21		
2.1 Corporate Governance Structure	22	Appendix	150
2.2 Risk Management	28	GRI Standards Content Index	151
2.3 Legal Compliance and Ethical Corporate Management	30	SASB Index Table	155
2.4 Supply Chain Management	34		
2.5 Information Security	41		
2.6 Product Responsibility and Safety	46		
2.7 Innovation and R&D	56		
2.8 Customer Relationship Management	61		

Preface

About this Report

Ho Yu Textile Co., Ltd. (hereinafter referred to as “Ho Yu,” “Ho Yu Textile,” or “the Company”) has issued this report as its second Sustainability Report. The primary purpose of this publication is to disclose the Company’s efforts, performance, and future strategies in the areas of Environmental, Social, and Governance (ESG). Ho Yu believes that sustainability is not merely a responsibility, but also the wellspring of innovation. Through innovations in carbon reduction, green manufacturing processes, and collaboration with stakeholders, the Company is proactively building a more resilient and sustainable value chain.

• Reporting Period

This report is compiled and publicly disclosed on an annual basis. The reporting period covered in this report is the year 2024 (from January 1, 2024 to December 31, 2024).

• Boundary and Scope of the Report

The scope of the data disclosed in this report is based on Ho Yu Textile Co., Ltd.’s operations in Taiwan.

• Data Calculation Basis and Report Assurance

The financial figures in this report are based on information audited by certified public accountants and are presented in New Taiwan dollars. Other data are derived from internal statistics and the results of internal and external surveys. All statistical data are expressed in metric units.

• References

This report is prepared in accordance with the 2021 version of the GRI Standards issued by the Global Reporting Initiative (GRI). It also references the framework of the Task Force on Climate-related Financial Disclosures (TCFD) and adopts sustainability indicators from the Sustainability Accounting Standards Board (SASB). For the GRI Standards Content Index and the SASB Correspondence Table, please refer to the appendix.

• Publication Information

Publication Date: August 2025; Next Scheduled Publication Date: 2026

Publication Method: Published on the ESG section of the Company’s official website.

• Feedback

If you have any feedback or comments on this report, please feel free to contact us.

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Preface

Chairman's Message

In 2024, we reached an important milestone for Ho Yu. It not only marked a key stage in our ongoing transformation and growth, but also celebrated the 60th anniversary of the Company. Since our founding in 1964, the Company has progressed step by step from a traditional weaving factory to a professional manufacturer of functional performance fabrics with vertically integrated processes. Over the past six decades, we have navigated industry changes and international market competition while remaining steadfast in our core values of quality and innovative research and development. Today, we recognize that these achievements would not have been possible without the support and trust of our suppliers, processing partners, long-term customers, and all our employees. I would like to extend my most sincere gratitude to each of them.

Faced with challenges such as global inflationary pressures, geopolitical tensions, and supply chain restructuring, we have adopted a strategy of steady progress by flexibly adjusting our order portfolio and focusing on high-value-added products to maintain stable business performance. To accelerate digital transformation and introduce energy-saving processes, we completed the company-wide integration and replacement of our ERP system and expanded our physical testing laboratory in 2024. Through digital management and standardized operating procedures, we have enhanced efficiency and ensured consistent quality.

ESG is the core principle of our operations. On the environmental front, we have strengthened our resource efficiency and carbon reduction initiatives. In 2024, we completed a full-factory greenhouse gas inventory, introduced high-efficiency thermal energy recovery systems and low-water-consumption dyeing and finishing equipment, and actively developed recycled materials, the low-carbon eco-friendly coating XUQA, and recyclable fabric designs, thereby implementing the concept of a circular economy. In terms of social responsibility, we value labor rights, workplace safety, and community engagement. We have long invested in employee training and welfare enhancement, fulfilling our commitment to shared prosperity between the Company and the community. In corporate governance, we have strengthened transparency in internal systems and risk management, ensuring stable operations and consistent, trustworthy external communications, thereby building a reliable corporate image.

Sixty years represent both a culmination of achievements and a fresh beginning. At this new starting point, we will uphold the business philosophy of "Innovation, Professionalism, and Sustainability," continue to strengthen research and development capabilities, advance ESG initiatives, and expand the global market, working with all stakeholders toward a more resilient and valuable future.



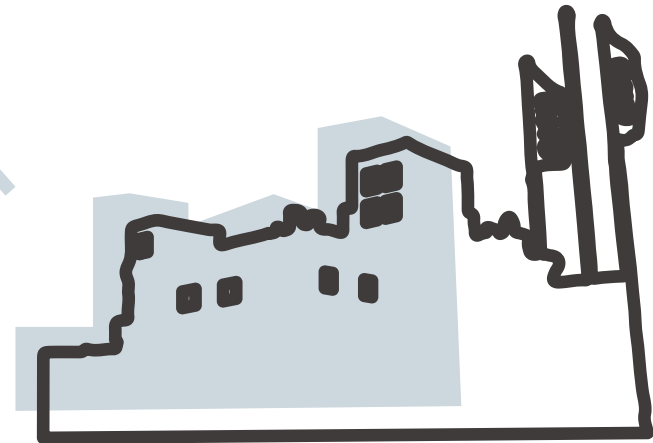
Ho Yu Textile Co., Ltd.
Chairman, Ching-Ming Jwo

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CH1

About Ho Yu

- 1.1 Company Overview
- 1.2 Sustainable Governance
- 1.3 Stakeholder Identification and Engagement
- 1.4 Identification of Material Sustainability Topics





Ho Yu Textile was established in 1964. Over the past 60 years, Ho Yu has been committed to producing the highest quality products, developing the most advanced technologies, and providing the best services to our customers. The Company began as a wholesaler in Taipei’s traditional textile district, later expanding to include dyeing and finishing facilities as well as weaving factories, gradually developing capabilities in various materials and post-processing. We have focused on the development of high value-added functional fabrics. In 2015, with the support of the Ministry of Economic Affairs’ A+ Enterprise Innovation Program, Ho Yu established the “Ho Yu Innovation R&D Center,” dedicated to enhancing core technologies in composite material processing and developing a wide range of products for industrial applications, textile technology, and the circular economy. Ho Yu will continue to uphold the philosophy of innovation and sustainable development, making transformative and innovative decisions in an uncertain business environment. We aim to continuously advance and innovate through continuous learning and innovation.

Basic Information

Name of the Company	Ho Yu Textile Co., Ltd.
Date of establishment	October 27, 1964
Chairman	Ching-Ming Jwo
General Manager	Ching-Lun Jwo
Company Location	No. 161, Xinfu Road, Guanyin District, Taoyuan City.
Paid-in capital	NT\$339,819,000
Industry Category	Weaving industry



Company History

— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —

- 1964** — The Taipei factory (now located at No. 89, Zhongxing North Street, Sanchong District) was completed, specializing in the production, processing, and sales of rayon silk fabrics and lining materials.
- 1977** — An additional weaving factory was established at No. 63, Fuyuan Village, Guanyin Township (renumbered as No. 341, Section 1, Zhongguan Road, Guanyin District), equipped with new machinery, including sizing and weaving machines, to complete an integrated operation of sizing, weaving, and dyeing for fabrics.
- 1987** — The original Taipei factory could not expand to add new dyeing and finishing equipment or wastewater treatment facilities. Therefore, land was purchased for expansion at No. 161, Xinfu Road, Guanyin Township (the current company location). The following year, dyeing and finishing equipment was completed, and additional twisting and ATY processing equipment was installed in the weaving factory.
- 1998** — Officially passed the certification audit arranged by SGS United Kingdom Ltd. and obtained the ISO 9001 International Quality Management System certificate.
- Became the first supplier in Taiwan to produce nylon yarn up to 1680 denier, which became a sought-after fabric for luggage brands. The specifications initially labeled as “Nylon 1680 and 1682” based on denier count have now become standard terms in the industry.
- The product range expanded and diversified into various fields: apparel, home decor, sports, leisure, airbags, luggage, and more.
- 2002** — Officially passed the certification audit arranged by the International Organization for Standardization (ISO) and obtained the ISO 14001 International Environmental Management System certificate.
- 2005** — The company developed and established its own brand of eco-friendly fibers, pioneering the use of sustainable materials.
- 2007** — The company registered the CYCLEPET® trademark for its eco-friendly fibers in Taiwan, completing registration in the U.S. and Japan the following year.
- 2008** — Signed an environmental certification contract and, authorized by the Environmental Protection Administration (EPA) of the Executive Yuan, Ho Yu Textile’s products – 100% recycled PET woven fabric and 100% recycled PET knitted fabric – were granted the right to use the EPA’s Green Mark for both products.
- Became the third company in Taiwan to pass the bluesign® standard environmental process certification by the Swiss Bluesign Technologies AG.
- 2013** — Passed the carbon footprint safety emission certification standards under the Ministry of Economic Affairs’ Industrial Development Bureau’s Manufacturing Industry Product Carbon Footprint Guidance and Promotion Program. This certification meets the strict environmental requirements of major international corporate buyers by implementing carbon reduction and producing low-carbon products.

Company History

— Preface —

— CH1 —

About Ho Yu

— CH2 —

Sustainable
Governance

— CH3 —

Employee
Well-being
and Social Co-
Prosperity

— CH4 —

Environmental
Sustainability

— Appendix —

2014 ———/ Following the achievement of the ISO 50001 Energy Management Certification standard, Ho Yu's energy management process effectively utilizes energy efficiency and reduces energy consumption.

2015 ———/ ISO 14064 certification for the organization to conduct greenhouse gas emissions inventory and planned emission reduction.

Established an Innovation Research and Development Center and set up a TPU lamination processing production line.

Purchased green electricity from Taiwan Power Company.

2016 ———/ Installed R.T.O. equipment to decompose solvents and exhaust gases.

Passed the GRS environmental recycling certification.

2017 ———/ Passed the EU bluesign® standard certification for the adhesive coating process.

Installed solar panels at the first factory site.

2020 ———/ Passed ISO 45001:2018 Occupational Health and Safety Management System certification.

The Innovation Research and Development Center developed the patented formula and process for the eco-friendly, water-based adhesive XQUA®, which is completely solvent free. XQUA® holds trademarks in Taiwan and the United States, and patents in Europe, the U.S., Taiwan, and China.

To serve designers focused on social and environmental sustainability, Ho Yu launched REYU'S, an online platform offering functional fabrics made from recycled materials.

2023 ———/ NEUCYCLE® won the Taiwan Circular Economy Award – Innovation Technology Award, further advancing circular textile technology.

NEUCYCLE® received the TOG Award – Annual Trendsetting Award.

Completed the verification for ISO 14064-3:2006 and met the reasonable assurance level.

2024 ———/ ISO 14067 Product Carbon Footprint verification completed for CYCLEPET® and XQUA® products

Upgraded company and factory systems with the full implementation of a new integrated ERP system

October marks the 60th anniversary of Ho Yu Textile.

Participation in Industry Associations

Ho Yu Textile actively participates in various associations related to dyeing and finishing, textiles, sustainability, and academic institutions. We engage with various industry associations and non-profit organizations to promote the development of industry standards, foster technical exchanges across fields, and expand markets. In addition to the organizations listed below, Ho Yu is also a member of many other groups, such as the Taiwan Handbag Exporters Association, Taiwan Composite Materials Industry Association, and the Taiwan E-commerce Association, among others.

Name	Title	Unit	Title	Service Content
Ching-Ming Jwo	Chairman	Taiwan Silk Printing and Dyeing Finishing Industry Association	President	Led the association in actively advocating for services that benefit the dyeing and finishing industry and recommended that relevant government departments revise regulations that are not applicable to industry players. Assisted manufacturers in participating in domestic and international exhibitions by providing subsidies, expanding product sales, and organizing various seminars and professional talent training sessions.
		Taiwan Silk Weaving Industry Association	Honorary President	Led the association in organizing networking events, seminars, and results presentations for the long-fiber weaving industry, integrating industry opinions with government meetings.
		Taiwan Industrial Textiles Association	Honorary President	Built a platform for industry-academia-research exchange to explore market and technological trends, leading industry investment upgrades. During the tenure as Chairman, led a delegation to the Frankfurt High-Tech Fair for exchanges with representatives from various countries' manufacturers, contributing to the development of Taiwan's industrial textiles industry.

Name	Title	Unit	Title	Service Content
Ching-Ming Jwo	Chairman	National Taiwan University of Science and Technology Alumni Association	Advisor	Increased opportunities for information and technology exchanges among industry players from various fields.
		Textile Industry Development Committee, Taiwan Textile Research Institute	Committee Member	Fostered technical exchanges between academia and industry.
		Engineering and Technology Education Advisory Committee, Department of Materials Science and Engineering, National Taiwan University of Science and Technology	Committee Member	Facilitated information exchanges between schools and the industry
Ching-Lun Jwo	General Manager	Taiwan Silk Weaving Industry Association	Supervisor	Supervised the board's affairs, financial reports, and assets, auditing the final accounts prepared by the board and providing feedback.
		Textile Industry Development Committee, Taiwan Textile Research Institute	Director	Assisted in developing the industry blueprint for the biodegradable and sustainable materials sector, fostering information and technology exchanges between academia and industry

Amount Company contributed to participating associations

Unit	Membership Fee/Year	Sponsorship	Total Contributions
Taiwan Silk Printing and Dyeing Finishing Industry Association	48,000	-	48,000
Taiwan Silk Weaving Industry Association	24,360	20,000	44,360
Taiwan Industrial Textiles Association	8,328	-	8,328
National Taiwan University of Science and Technology Alumni Association	-	100,000	100,000
Taiwan Biodegradable and Sustainable Materials Industry Association	20,000	-	20,000
Textile Research and Development Association International	20,000	24,000	44,000
Taiwan Bags Association	12,000	-	12,000
Taiwan E-Business Association	16,000	-	16,000
Taiwan Composites Association	26,400	-	26,400
Taiwan National Defense Industry Development Association	40,000	-	40,000
Total	215,088	144,000	359,088

— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —



— Preface —

— CH1 —

About Ho Yu

— CH2 —

Sustainable
Governance

— CH3 —

Employee
Well-being
and Social Co-
Prosperity

— CH4 —

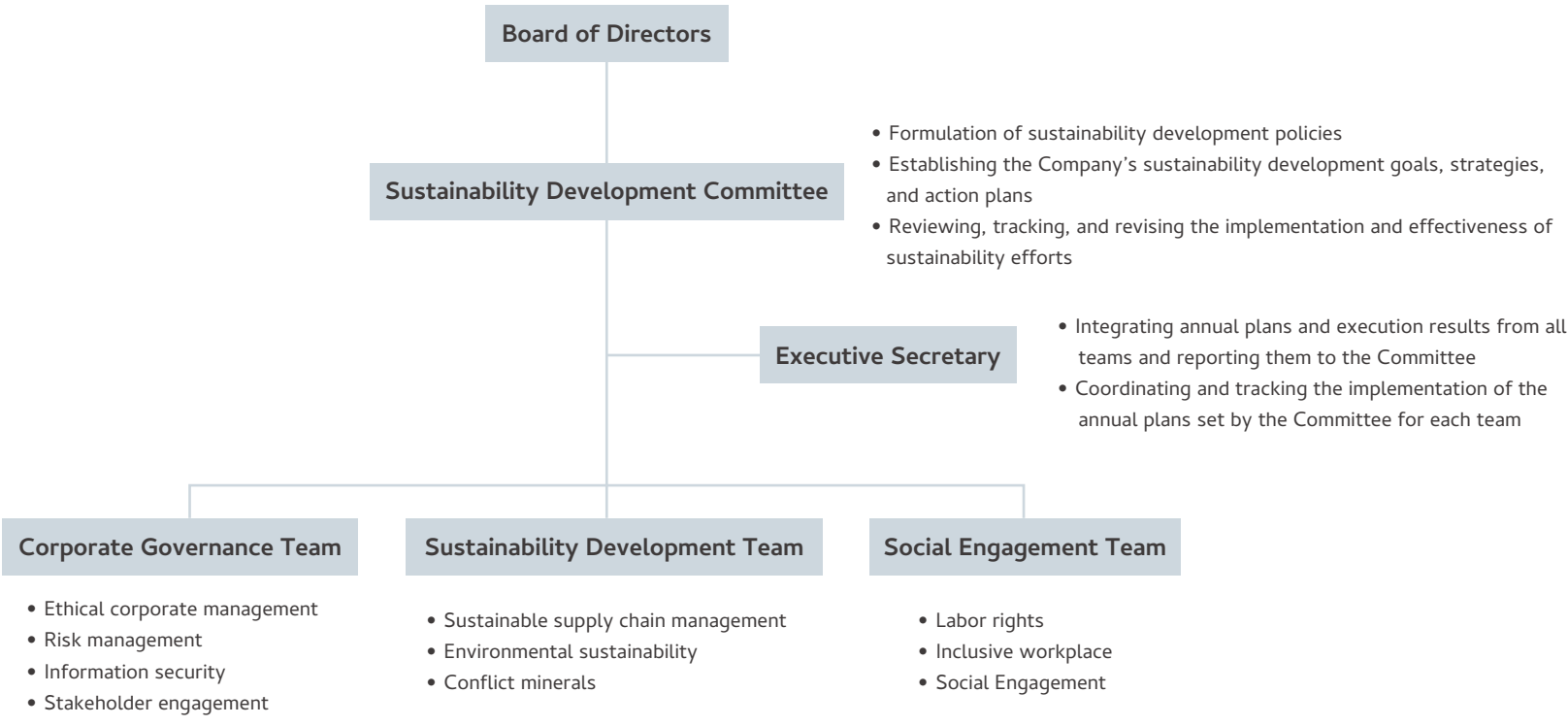
Environmental
Sustainability

— Appendix —

Sustainable Development Committee and Governance Structure

In 2024, the Company established a dedicated unit for promoting sustainability, with each department promoting sustainability initiatives within its scope of responsibilities. The Board of Directors serves as the highest decision-making and supervisory body, responsible for reviewing and approving sustainability strategies, sustainability reporting, and other important issues related to environmental, social, and economic aspects. A promotion team composed of key personnel from each unit is responsible for implementing sustainability policies, systems, and related management guidelines. The promotion team regularly reports to the board on the progress of sustainability initiatives and major events, ensuring that the company meets its sustainability execution and performance goals, as well as having adequate capabilities and resources to address potential economic, environmental, and social impacts.

To strengthen governance and oversight of the progress and effectiveness of sustainability initiatives, the Company approved the establishment of the Sustainability Development Committee in 2024. The Committee is responsible for reviewing corporate governance and risk management, formulating the overall direction of sustainability policies, implementing the Company's sustainability action plans, deliberating on sustainability-related matters, and addressing topics such as social welfare and employee care. Three teams have been formed under the Committee, each focusing on one of the three sustainability aspects, with designated personnel responsible for project execution and data compilation. An executive secretary consolidates the performance results of the teams and reports to the Chief Sustainability Officer, ensuring the promotion and implementation of sustainability-related work and the gradual integration of sustainability concepts into the Company's daily operations. This enables a more comprehensive and systematic approach to sustainability challenges in the future. The Sustainability Development Committee convenes at least once a year and may hold additional meetings as necessary. Depending on the agenda, internal team members may be invited to attend. The Committee reports its implementation results to the Board of Directors on a regular annual basis.



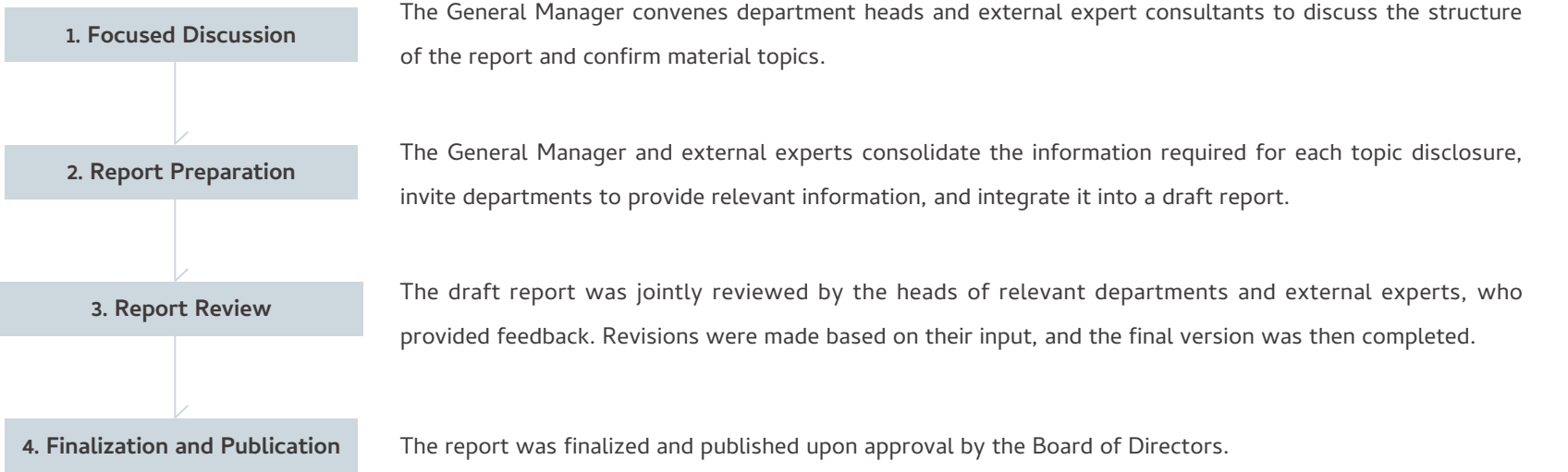
Sustainable Responsibility Management

The Company recognizes that profitability and sustainability are inseparable in the processes of business survival, growth, and long-term success. Achieving profitability is essential for fulfilling our responsibilities to shareholders and investors, while striving for sustainability is vital for honoring our commitments to employees, society, and the environment that supports our operations. Accordingly, while pursuing profitability, and in line with the principle of materiality, we actively embed sustainability as a core corporate value. We are committed to aligning with international trends in balancing environmental, social, and corporate governance considerations, integrating these into our management strategies and business activities as the driving force for corporate growth and the realization of sustainable development.

Communication of Key Significant Events

The Company holds regular board meetings every year to review business performance, discuss important ESG strategy topics, and address key significant events. In the event of an urgent and significant incident, especially one that could have a major impact on the company’s operations or stakeholders, the Company will convene an extraordinary board meeting for discussion. In 2024, three significant events were communicated to the Board of Directors, which included the resolution to prepare the Sustainability Report, the resolution to launch the new ERP system, and the execution of a government “Large to Small” project subsidy.

Sustainability Report Preparation and Approval Process





Through discussions among internal management, Ho Yu identified seven categories of stakeholders: employees, investors, consumers/customers, suppliers, government agencies, media, and local communities/social groups. The Company has established open communication channels for all stakeholders to respond effectively to their needs. To ensure effective engagement and to understand stakeholder views and expectations regarding Ho Yu’s sustainable operations, the Company maintains the following communication channels and frequencies with each stakeholder:

Stakeholder	Key Areas of Concern	Communication Method/Frequency	2024 Communication Outcomes
1. Employee	<ul style="list-style-type: none">Human rights protectionEmployee Well-beingLegal compliance and ethical corporate managementOccupational safety and health	<ul style="list-style-type: none">Factory meeting/weeklyFactory health consultation/monthlyFactory doctor health consultations/once every two monthsInternal communication email: 666@hoyu.com.twInternal complaint hotline: ext. 666/immediateComplaint (physical) mailbox: Security office & employee dormitory/immediate	<ul style="list-style-type: none">Advance notifications via internal email or bulletin boards regarding consultation dates, times, and venues for factory nurse and doctor services; fixed meeting rooms are arranged for consultations; and irregular health education materials are distributed via company email/groups and bulletin boards.No complaint cases were reported in 2024.
2. Investors	<ul style="list-style-type: none">Corporate Governance StructureLegal compliance and ethical corporate managementInnovation, research and developmentProduct quality and safety	<ul style="list-style-type: none">Shareholders’ meeting/regularExternal Email: hoyu@hoyu.com.tw	<ul style="list-style-type: none">In June 2024, the shareholders’ meeting was convened to announce the Company’s operating performance and matters such as invitations to the anniversary celebration.
3. Consumers/ Customers	<ul style="list-style-type: none">Innovation, research and developmentProduct quality and safetyHuman rights protection	<ul style="list-style-type: none">Customer service hotline/immediateSales visit/from time to timeTechnical and business exchange/from time to timeCustomer meeting/from time to timeTrade exhibitions/from time to time	<ul style="list-style-type: none">Over 30 customer visit meetingsOver 20 sales visit meetings12 trade exhibitions

— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —

Stakeholder	Key Areas of Concern	Communication Method/Frequency	2024 Communication Outcomes
4. Supplier	<ul style="list-style-type: none">• Supply chain management• Legal compliance and ethical corporate management	<ul style="list-style-type: none">• Negotiation meetings/from time to time• Supplier visits/from time to time• Supplier guidance/from time to time• Supplier evaluation/from time to time	<ul style="list-style-type: none">• More than 10 supplier visits• Meetings with key suppliers
5. Government Agencies	<ul style="list-style-type: none">• Legal compliance and ethical corporate management• Product quality and safety• Occupational safety and health	<ul style="list-style-type: none">• Official documents/from time to time• Emails/from time to time	<ul style="list-style-type: none">• Disclose and report relevant information in compliance with laws and regulations to meet the supervisory requirements of the competent authorities.
6. Media	<ul style="list-style-type: none">• Product quality and safety• Innovation, research and development• Legal compliance and ethical corporate management	<ul style="list-style-type: none">• Press conferences/as needed• Press releases/from time to time• Interviews/as requested	<ul style="list-style-type: none">• In 2024, a total of two press releases were issued in print and online.
7. Local communities and social organizations	<ul style="list-style-type: none">• Human rights protection• Climate change response	<ul style="list-style-type: none">• Company website/from time to time• Community activities/as needed	<ul style="list-style-type: none">• Organize charitable donation activities and care for the elderly in the community from time to time

Processes to Remediate Negative Impacts

The Company identifies and evaluates any actual or potential negative impacts on the economy, environment, and people (including human rights) through regular assessments, stakeholder engagement, and grievance mechanisms. If actual or potential negative impacts are identified, the Company will implement mitigation or remediation measures for actual impacts and adopt preventive measures to avoid potential impacts. In 2024, the Company did not identify any actual negative impacts, nor were there any complaint cases.

Contact Channel for Each Stakeholder

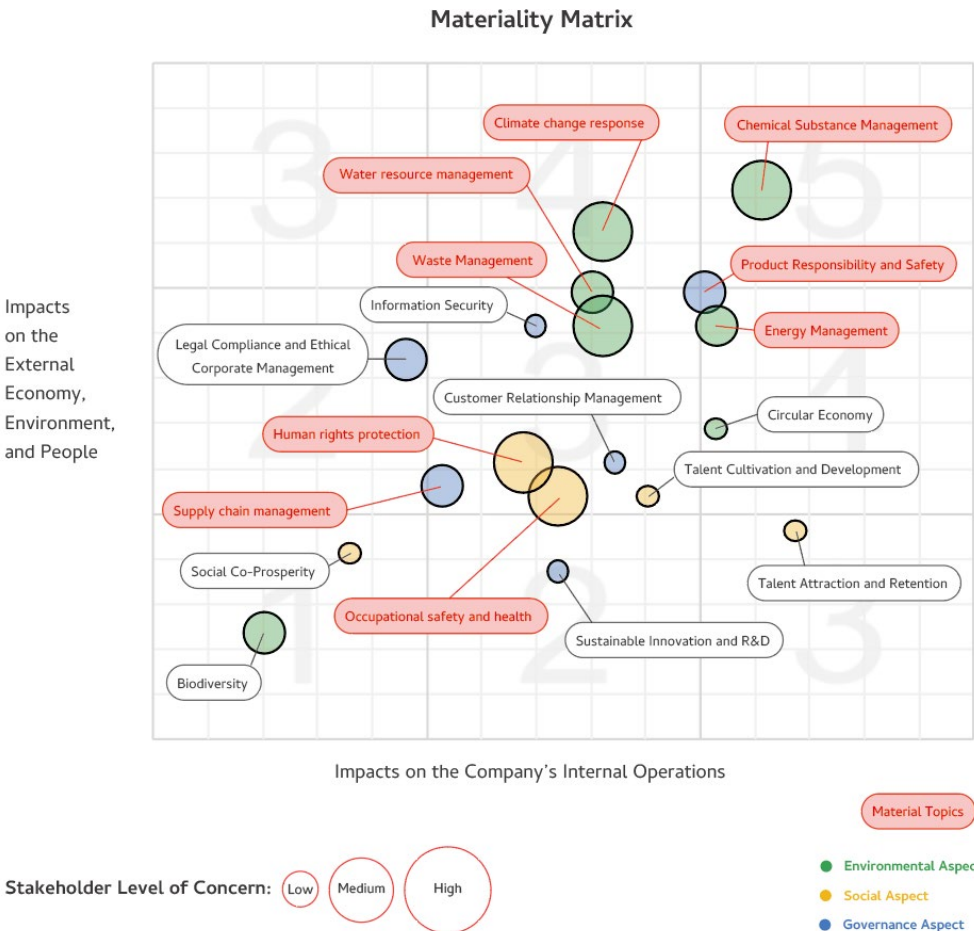
Stakeholder	Contact and Response Method
Investor/Customer/Supplier	<ul style="list-style-type: none">• External Email: hoyu@hoyu.com.tw• Tel: 03-4902506• Fax: 03-4902526
Employee	<ul style="list-style-type: none">• Internal communication email: 666@hoyu.com.tw• Internal complaint hotline: Ext.666



Process for Identifying Material Sustainability Topics

With input from internal discussions and the assistance of external experts, the Company referred to the GRI Standards issued by the Global Reporting Initiative (GRI) as well as major domestic and international industry trends to compile a list of sustainability issues. Using systematic analysis methods such as departmental interviews and questionnaires, we surveyed management in 2023 to assess the impact level of each issue, evaluating their effects on the economy, environment, and people, as well as on the Company’s operations. In addition, questionnaires regarding the level of stakeholder

concern over material topics were distributed to key stakeholders, resulting in a total of 266 valid responses collected. Based on this, the Company identified the sustainability issues of greatest concern to stakeholders and used them to construct the materiality matrix. In the matrix, the X-axis represents the “level of impact on the Company’s operations,” the Y-axis represents the “level of impact on the economy, environment, and society,” and the bubble size represents the “level of stakeholder concern.” Topics were assessed for materiality based on their scores and were categorized as either material or general topics. Following integrated analysis, prioritization, and confirmation by senior management, nine material topics were identified for Ho Yu in 2023: chemical management, energy management, climate change response, water resource management, waste management, human rights protection, occupational health and safety, product responsibility and safety, and supply chain management. As there were no significant changes in the Company’s operational boundaries or product nature in 2024, the nine material topics confirmed in 2023 were retained as the basis for information disclosure in this report, with ongoing efforts to enhance the quality and completeness of those disclosures.



Material Topics List

— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —

Aspect	Material Topics	Description of Material Topic	Corresponding Section
Governance	Product Responsibility and Safety	Committed to developing safe, high-quality products that meet customer needs.	2.6 Product Responsibility and Safety
	Supply Chain Management	Coordinate activities among suppliers, manufacturers, and retailers to optimize costs, shorten delivery times, and improve quality.	2.4 Supply Chain Management
Society	Human rights protection	Formulate human rights protection and labor policies, and implement related measures.	3.3 Human Rights Protection
	Occupational Safety and Health	Protecting workers' life safety and health, and providing a quality working environment are the Company's fundamental responsibilities.	3.2 Occupational Safety and Health
Environment	Chemical Substance Management	Achieve environmental friendliness through the selection and management of chemical substances	4.5 Chemical Substance Management
	Energy Management	Enhance all employees' awareness and skills in energy conservation to promote the effective use of overall energy.	4.2 Energy Management
	Waste Management	Monitor the amount of waste to plan its flow and review the possibility of reducing waste annually.	4.4 Waste Management
	Water Resource Management	Understand current water usage, identify water consumption and pollution in each production stage, and better formulate water use policies.	4.3 Water resource management
	Climate Change Response	In response to regulations and international trends, reduce carbon emissions, promote green technologies and products, and actively address the challenges of climate change.	4.1 Climate change response

CH2

CH2 Sustainable Governance

- 2.1 Corporate Governance Structure
- 2.2 Risk Management
- 2.3 Legal Compliance and Ethical Corporate Management
- 2.4 Supply Chain Management
- 2.5 Information Security
- 2.6 Product Responsibility and Safety
- 2.7 Innovation and R&D
- 2.8 Customer Relationship Management



— Preface —

— CH1 —
About Ho Yu

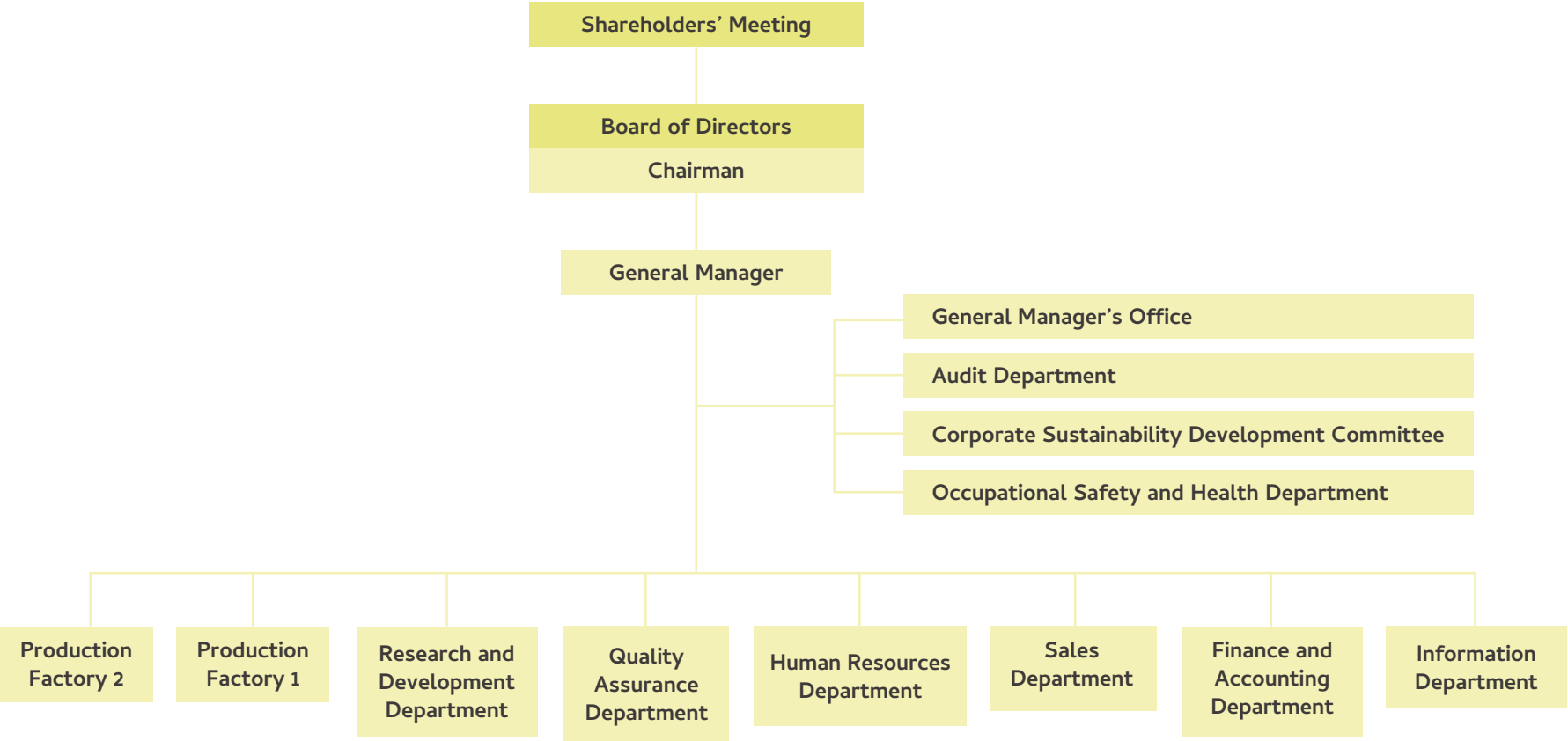
— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —

Ho Yu Textile Organizational Structure Chart



Responsibilities of Each Department

Department	Main Responsibilities
General Manager's Office	<div>1. Formulating future development policies and new business development</div> <div>2. Evaluating external investment regions and targets</div> <div>3. Overseeing the operations and management of the Company's business</div> <div>4. Defining forward-looking research directions</div> <div>5. Managing communication with investors and the media</div>
Audit Department	Audit of the operation of management systems
Corporate Sustainability Development Committee	<div>1. Formulating policy directions for sustainable development.</div> <div>2. Formulating and implementing action plans.</div> <div>3. Reporting regularly to the Board of Directors on the implementation status and results.</div> <div>4. Preparing the Sustainability Report.</div>
Occupational Safety and Health Department	<div>1. Formulating, planning, supervising, and promoting the matters related to factory safety and health management, and guiding relevant department in their implementation.</div> <div>2. Establishing, maintaining, and updating environmental and occupational safety and health management measures.</div> <div>3. Managing the health care of all employees of the Company (serve as the liaison with factory nurses).</div> <div>4. Conducting internal training on occupational safety and health laws and regulations for employees.</div>
Research and Development Department	<div>1. Design and R&D planning for new product.</div> <div>2. Assisting production units in handling technical issues during the manufacturing process.</div> <div>3. Analyzing and providing quotations for customer-supplied samples.</div> <div>4. Developing new samples.</div>
Production Factory 1 (Dyeing Factory)	Fabric dyeing and finishing, and other processing
Production Factory 2 (Weaving Factory)	Greige fabric weaving

Department	Main Responsibilities
Quality Assurance Department	<div>1. Establishing a quality inspection system and procedures that meet quality inspection requirement.</div> <div>2. Implementing various inspection standards (ISO 9000/ISO 14001/ISO 45001/ISO 50001) and ensuring the establishment and enforcement of these systems.</div> <div>3. Customer audits and factory inspections.</div> <div>4. Document management center for all ISO system-related matters.</div>
Human Resources Department	<div>1. Workforce planning</div> <div>2. Employment management</div> <div>3. Attendance management</div> <div>4. Compensation management</div> <div>5. Performance management</div> <div>6. Career development and planning</div> <div>7. Employee relations</div>
Sales Department	<div>1. Domestic and international product marketing and market development</div> <div>2. Maintaining customer relationships</div> <div>3. Handling customer complaints</div>
Finance and Accounting Department	<div>1. Handling accounting and bookkeeping matters</div> <div>2. Handling matters related to tax laws</div> <div>3. Conducting business analysis, preparing and controlling budgets</div> <div>4. Fund planning and allocation</div> <div>5. Coordinating and communicating matters related to important meetings such as Board of Directors meetings and shareholders' meetings</div>
Information Department	<div>1. Planning, promoting, and supervising the integration of information operations</div> <div>2. Planning, promoting, supervising, and managing the audit of cyber security</div> <div>3. Planning, developing, promoting, supervising, and comprehensively managing office automation operations.</div> <div>4. Planning, managing, promoting, and supervising the information equipment and networks</div> <div>5. Monitoring, detecting, and analyzing security threats to networks and systems.</div>

Composition and Operation of Board of Directors

As the Company’s highest governance body and ultimate decision-making authority, the Board of Directors of Ho Yu is chaired by Chairman Ching-Ming Jwo. This arrangement is intended to enhance the Company’s operational efficiency and decision-making capability, ensuring strategic consistency. Chairman Cho, with his extensive management experience and exceptional leadership skills, is able to swiftly integrate resources and adjust strategies, enabling the Company to respond promptly and adapt flexibly when facing market-driven and competitive challenges. This ensures that the Company maintains its competitive advantage and achieves stable development in the market.

In accordance with the Company Act, the Company shall have at least three directors who shall be elected by the shareholders’ meeting from among the persons with disposing capacity. The Chairman of the Board shall be elected by a majority vote of the directors present at a meeting attended by at least two-thirds of all directors. As the Company is not a public company, it does not have independent directors, nor has it established an Audit Committee or a Remuneration Committee. The current Board of Directors consists of three directors and one supervisor. Among the members of the Board, there are three male directors with an average age of 61.

Members of the Board of Directors

Title	Name	Educational Background and Experiences	Gender	Employee Status
Chairman	Ching-Ming Jwo	Institute of Fiber and Polymer Science, National Taiwan University of Science and Technology	Male	Chairman
Director	Ching-Lun Jwo	MBA, St. John’s University, New York, U.S.A.	Male	General Manager
Director	James Jwo	Department of Architecture, Feng Chia University	Male	Deputy General Manager

Professional Competence of the Board Members

Name	Business Experience	Marketing Ability	Industry Expertise	Legal Expertise	Accounting Expertise
Ching-Ming Jwo	V		V	V	
Ching-Lun Jwo	V	V	V		V
James Jwo	V		V		V

Age	Director (including Independent Director)		
	Gender	Number of person(s)	Percentage
30–49 years old	Male	0	0%
	Female	0	0%
50 years old (and above)	Male	3	100%
	Female	0	0%

Board Members' Continuing Education

At present, ESG (Environmental, Social, and Corporate Governance) sustainability issues have received widespread attention and are closely linked to major topics such as environmental protection, corporate sustainability, and corporate social responsibility. The Company's Board members remain committed to sustainability matters.

In addition to sustainability-related topics, the Company encourages Board members to actively participate in continuing education courses on current trends, corporate governance, and risk management. This ongoing education aims to continuously strengthen their capabilities, enhance the knowledge and risk response abilities of the Company's highest governance body across various aspects, maintain stable corporate development, and improve operational efficiency. The training hours of the Company's directors all exceed the annual requirement of six hours set forth in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies."

— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —

The relevant training content in 2024 is summarized as follows:			
Title	Name	Course Title	Total Training Hours in the Year
Chairman	Ching-Ming Jwo	New Perspectives on the Circular Economy: The Path to Green Transformation in the Textile Industry	Over 6 hours
		Textile Digital Passport Platform Discussion and Exchange	
		Courses on Smart Manufacturing and Advanced Process Technologies	
Director	Ching-Lun Jwo	Application of Enzymatic Depolymerization Technology in the Textile Industry	Over 12 hours
		Visits/Seminars at Factories in Germany & Switzerland	
		Circular Economy-Related Courses, NTU Executive, Force and Trend	
Director	James Jwo	Two-Day Workshop on Practical Applications and Solutions for Textile Industry Smart Manufacturing	Over 12 hours

Board of Directors’ Conflict of Interest

The Company’s conflict of interest system for the Board of Directors is implemented in accordance with Article 206 of the Company Act, unless otherwise provided for in this Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. A director who has a personal interest in the matter under discussion at a board meeting shall explain to the board meeting the essential contents of such personal interest.

Where the spouse, a blood relative within the second degree of kinship to a director, or any company that has a controlling or subordinate relationship with a director has interests in the matters under discussion in the meeting referenced in the preceding paragraph, such director shall be deemed to have a personal interest in the matter. In 2024, no significant conflict of interest incidents occurred.



— Preface —

— CH1 —

About Ho Yu

— CH2 —

Sustainable
Governance

— CH3 —

Employee
Well-being
and Social Co-
Prosperity

— CH4 —

Environmental
Sustainability

— Appendix —

Risk Management Organizational Structure

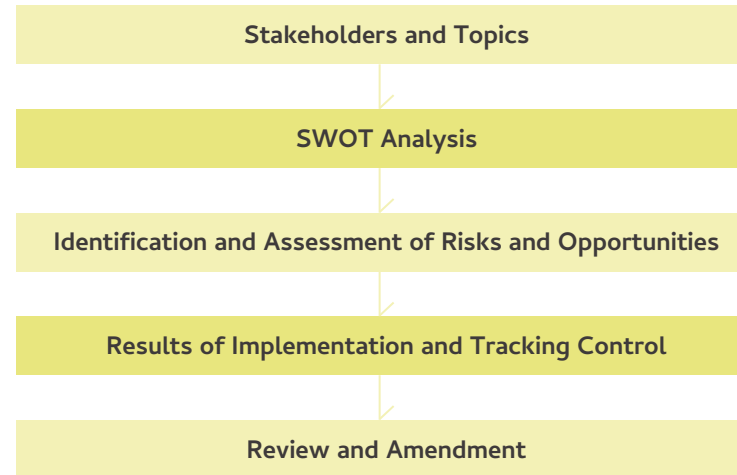
In response to emerging risks arising from changes in the external environment such as fluctuations in raw material prices, increases in marine and land transportation and energy costs, exchange rate volatility, and information security, the Company convenes relevant units to implement control measures with the aim of reducing risks. The Board of Directors is the highest governance body for risk management, bearing overall responsibility for the Company's risk governance. We organize close cooperation among all units, factories, and departments, with the General Manager, managerial personnel, and relevant units responsible for company-level risk management affairs.

Risk Management Policies

Adhering to the principle of sustainable operations, we continuously monitor internal and external issues, keeping potential risks in our operational activities within an acceptable range and preventing possible losses to protect the interests of our shareholders, employees, partners, and customers. The policy also serves as a reference for formulating business strategies.

Risk Management Procedures

All units, factories, and departments of Ho Yu work closely together through the processes of risk identification, assessment, management, response, and monitoring. The responsible departments carefully plan and implement these measures to ensure the continuity and effectiveness of risk control.



Risk Management Culture

At Ho Yu, we emphasize the concept of “full participation and shared responsibility,” requiring managers of all functional units to assume responsibility for risk management and integrate ESG considerations into daily operations. This is not only to ensure the effective implementation of risk control mechanisms and procedures, but also to foster a proactive corporate culture where prevention takes precedence over remediation.

The Board of Directors, the General Manager, and other senior management encourage unit managers to conduct in-depth analysis and monitoring of relevant risks within their respective units, and to communicate regularly with employees to enhance their risk awareness. We also place great importance on transparency and communication. Unit managers and employees may raise and direct their respective departments to conduct risk identification and assessment during management, R&D, and production and sales meetings. The managerial personnel are responsible for promoting the supervision of control measures and major operational decisions to ensure a smooth flow of information and timely responses. The financial statements are audited by external accountants, who continually review internal and external financial changes and recommend appropriate measures, which are then reflected in the financial statements.



Legal Compliance Policy

Ho Yu Textile operates in full compliance with applicable laws and regulations and is committed to actively contributing to maintaining the industry order. To ensure that employees understand and comply with relevant laws, Ho Yu adheres to the requirements of the Labor Standards Act, the Personal Data Protection Act, and the Act of Gender Equality in Employment. The Company has also established clear internal systems such as the Work Rules, Regulations for Employee Benefit Management, and Complaint Mechanism to safeguard employee rights. Continuous training and education are provided to ensure that employees possess sufficient knowledge and skills to comply with the Company's standards, industry requirements, and legal regulations.

The Company periodically reviews the implementation of policies on issues such as child and underage labor, forced labor, sexual harassment, labor-management communication, and freedom of expression, and arranges for all employees to participate in relevant human rights policy training during the year. The Company strictly prohibits any form of forced or compulsory labor and maintains open communication and cooperation with labor unions to achieve a win-win outcome for both labor and management.

If an urgent customer order requires employees to work overtime, the Company calculates overtime pay in accordance with the Labor Standards Act and the internally established Attendance Management Measures. If adjusting overtime hours is still insufficient to meet order delivery requirements, the Company will reassign employees from other departments to assist, thereby minimizing overtime and avoiding any coercion of employees to work.

The Company utilizes its internal control management measures to prevent potential fraud and misconduct risks, reducing them to a minimum. In addition, the Company engages an external accounting firm to conduct periodic audits of financial accounts to ensure compliance.

Regarding changes in domestic and international policies and regulations, the Company consults with advisors, lawyers, accountants, and relevant government authorities. When necessary, it commissions professional firms or experts to assess and plan response measures to ensure the achievement of its compliance objectives.

— Preface —

— CH1 —

About Ho Yu

— CH2 —

Sustainable
Governance

— CH3 —

Employee
Well-being
and Social Co-
Prosperity

— CH4 —

Environmental
Sustainability

— Appendix —

Ethical Corporate Management Policy

Ho Yu Textile has always been committed to integrity, complying with government laws and regulations, practicing corporate governance, and fulfilling corporate social responsibility. To this end, we have established strict internal regulations, including the Corporate Social Responsibility and Ethics Compliance Manual, the Procedure for Control of Regulations and Other Requirements, the Anti-Corruption and Anti-Bribery Policy and Commitment, the Procedures for Subcontractor Management, and the Procedures for Contract Review. We require all employees to strictly comply with these guidelines in all aspects, including business ethics, labor relations, environmental protection, and safety. In 2024, the Company did not have any corruption incidents.

Compliant Channels

The Company has established and announced an internal independent reporting mailbox and hotline on its official website for use by both internal and external parties. A whistleblower shall at least furnish the following information:

1. The whistleblower's name and I.D. number (whistleblowing reports may be submitted anonymously), and an address, telephone number and email address where it can be reached.
2. The informed party's name or other information sufficient to distinguish its identifying features.
3. Specific facts available for investigation.

Complaint mailbox: 666@hoyu.com.tw

Complaint hotline: 03-490-2506, Ext.666

Physical mailbox: Security office & employee dormitory

Complaint Handling Process

Personnel of the Company handling whistleblowing matters shall keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing.

The Company shall observe the following procedure in handling whistleblowing matters:

1. If the reported matter involves a general employee, it shall be submitted to the head of department. If the reported matter involves a director or senior executive, it shall be submitted to the independent director or the supervisor.
2. All types of complaints within the Company shall be investigated and handled by a responsible unit composed of the Human Resources Department and the Administration Department. After the results are approved, the complainant shall be informed in writing or invited to an interview to explain the investigation process and conclusions. If the whistleblower is not satisfied with the investigation results and the content of the reply, an appeal document may be submitted to the Office of the General Manager for review and instructions.
3. Principle of non-retaliation: The Company shall uphold fairness and impartiality in conducting investigations and reporting, and no retaliation against the complainant shall be permitted.
4. Written documentation of the acceptance, investigation process, and results of the report shall be retained for five years, and such records may be stored electronically. If litigation related to the content of the report occurs before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
5. If a reported matter is verified to be true, the relevant units of the Company shall be required to review the related internal control systems and operating procedures and propose improvement measures to prevent the recurrence of the same behavior.

Description of Major Incidents

No significant violations of laws and regulations occurred in 2024.

Measures for Significant Violations of Laws and Regulations

Criteria for evaluating significant violations:

The Company defines a single incident with cumulative fines reaching NT\$1 million or more as a significant violation.

Violations of the following shall be deemed significant incidents:

- Securities and Exchange Act, Company Act, Labor Standards Act, Act of Gender Equality in Employment, Environmental Protection Regulations, and other applicable laws and regulations.
- The severity of the incident's impact on the Company's operations, society, environment, and stakeholders.

In the event of a significant incident, the General Manager will appoint personnel to form a task force to conduct the investigation, report to the General Manager, and arrange a special report. No significant violations occurred in 2024.

Overview of Compliance and Integrity Promotion and Training in 2024

New Employee Orientation

The courses covered company introduction, ISO procedures and policies, internal communication, corporate responsibility and code of ethics, human resources system, and related business items. Special emphasis was placed on the importance of regulatory compliance and ethical business practices to ensure employees understand and comply with relevant laws and regulations, and uphold high standards of business ethics and conduct. These courses aim to help new employees quickly understand company operations, enhance professional capabilities, adapt to the work environment, and promote teamwork and personal career development. In 2024, a total of 53 new employees participated in orientation training.

Regular Internal Education and Training

In 2024, the Company held monthly new employee training sessions organized by the Human Resources Department and the Occupational Safety and Health Department, along with a Chinese language training program for foreign colleagues that all employees participated in. These programs provided education on regulations related to integrity management, the prohibition of dishonest conduct, prevention scope, specific practices, and operational conditions. After each session, the responsible supervisors conveyed the principles and practices of ethics to their subordinates.



Impacts

In 2024, supply chains faced increasingly complex geopolitical risks, extreme climate events, carbon tariffs such as the EU CBAM, and pressures from supply chain digitalization. If not managed properly, the following impacts may occur.

Negative impacts caused by poor management: Improper supply chain control may result in excessive inventory, transportation delays, material shortages, and quality issues, leading to production interruptions, delivery delays, and a decline in customer satisfaction and brand trust. It may also increase additional costs, create financial pressure, and reduce profitability, which in turn weakens innovation capacity and competitiveness. In some cases, it may even trigger legal and compliance risks, while excessive carbon emissions could result in the loss of competitive advantages in low-carbon markets.

Positive impacts of effective management: Well-executed supply chain management ensures stable product quality, reduces inventory and transportation risks, and enables on-time delivery, thereby enhancing customer trust and satisfaction. It also lowers costs, strengthens financial stability, improves market competitiveness, and ensures compliance with regulations and carbon emission requirements, all of which help solidify brand image and create opportunities in low-carbon markets.

Policy Commitment

We are committed to building a compliant, transparent, and resilient supply chain, requiring our partners to comply with regulations relating to labor rights, the environment, product safety, and carbon management. Through supplier evaluations and audits, we strengthen quality and sustainability performance and promote continuous improvement. At the same time, we enhance supply chain digitalization and information transparency to facilitate communication and build trust. Regular risk assessments and contingency mechanisms are implemented to ensure operational stability.

Actions Taken

- 1. Demand Forecasting and Planning:** Utilize historical data and market trends to forecast demand, coordinate sales, production, and finance departments to develop integrated plans, and apply AI technology to predict supply risks and demand fluctuations.
- 2. Supplier Management:** Select suppliers based on quality, cost, delivery time, and compliance standards, establish long-term strategic partnerships, and promote the institutionalization of ESG ratings as part of procurement decisions.
- 3. Production and Quality Control:** Schedule production according to demand and resource availability to ensure efficiency and on-time delivery, and strictly control quality to reduce rework and scrap rates.
- 4. Risk Management:** Conduct regular assessments of supply chain risks, implement geopolitical risk monitoring for events such as floods in Southeast Asia and conflicts in Eastern Europe, and formulate and rehearse contingency plans to ensure uninterrupted operations.
- 5. Technology and Data Applications:** Implement systems such as ERP, MES, and WMS, integrating big data and AI technology to enhance supply chain management efficiency and decision-making capabilities.
- 6. Sustainable Development:** Promote energy conservation, emissions reduction, and environmental protection measures, strengthen labor rights and social responsibility management, require suppliers to submit carbon footprint reports, and set carbon neutrality as a long-term objective.

7. **Continuous Improvement and Innovation:** Establish mechanisms for continuous improvement, optimize processes, and promote innovation in technology and business models to enhance supply chain competitiveness.

Goals

Short-Term Goals:

- 1. Establish supplier capability profiles and select suitable suppliers that can provide products meeting the Company’s requirements over the long term. Ensure full compliance with quality, schedule, and quantity requirements.
- 2. Achieve over 80% completion in supplier ESG rating classification.

Mid- to Long-Term Goals:

- 1. Eliminate suppliers located at excessive distances to achieve local procurement, shorten delivery times, and reduce carbon emissions from transportation. Require all suppliers to provide product carbon emission data and offer guidance to high-carbon-emission suppliers on transitioning to low-carbon processes for producing low-carbon products.
- 2. Achieve more than 70% of suppliers completing the transition to low-carbon processes or presenting concrete carbon reduction plans.
- 3. Achieve more than 50% of suppliers submitting carbon footprint reports

Evaluation Mechanism

- 1. The Quality Assurance unit conducts evaluations using the Supplier Evaluation Form to verify whether each supplier meets the required standards in quality, quantity, and delivery schedule.
- 2. The Quality Assurance Department and the Chief Sustainability Officer jointly lead the Supplier ESG Evaluation system, with an annual list of suppliers identified for improvement.

2024 Performance Evaluation Results

- 1. In our procurement performance evaluation, we achieved the target of a 90% local supplier procurement ratio.
- 2. The evaluation results for 18 key suppliers showed that 14 of them met the ESG standard screening criteria.

Stakeholder Engagement

- In 2024, evaluations were conducted for 60 suppliers and audits were performed for 8 key suppliers.
- In 2024, newly added suppliers passing the ESG standard screening reached 77.8%.

Overview of the Supply Chain

Ho Yu Textile is a company focusing on the production of functional and industrial fabrics, specializing in weaving, dyeing, finishing, and processing. Its main products include fabrics for bags, and industrial textiles, and it provides various processing services such as coating, lamination, and film coating. The upstream raw material suppliers mainly consist of manufacturers or wholesalers of yarn, dyes, auxiliaries, and adhesives. The downstream partners collaborate with coating, lamination, and printing factories.

Ho Yu Textile places great importance on the stability and environmental friendliness of its supply chain. Ninety percent of its suppliers are based in Taiwan to reduce transportation costs and carbon emissions while improving supply chain responsiveness. Each year, the Company evaluates suppliers based on product quality, delivery time, price, service, and human rights, ensuring long-term and stable partnerships. Currently, 90% of suppliers have worked with the Company for more than 10 years. In addition, Ho Yu selects partners that have obtained environmental certifications such as bluesign®, GRS, Oeko-Tex, and RoHS to promote the use of environmentally friendly materials.

In terms of product development, Ho Yu Textile continuously develops new products in response to market demand and holds multiple intellectual property rights. In 2005, the Company pioneered the use of recycled PET bottle yarn to produce rPET fabrics and launched the CYCLEPET brand. In 2020, Ho Yu introduced the solvent-free water-based adhesive XQUA®, further expanding the diversity of environmentally friendly materials. In 2022, the Company developed the NEUCYCLE® series, offering sustainable recycled material product options.

Ho Yu Textile's products have a wide range of applications, covering outdoor, business travel, medical, marine activities, military, and rescue fields. The Company provides tailored fabric solutions based on different application requirements. For example, outdoor products require waterproof and abrasion-resistant functions, so fabrics supplied to outdoor brands are designed with these features. Ho Yu's customers include world-renowned brands such as TUMI, ARCTERYX, GREGORY, Vaude, Patagonia, Longchamp, and Survitec.

As a company with sixty years of history, Ho Yu Textile has built extensive and solid partnerships with both B2B and B2C customers through outstanding product quality and a wide range of services, covering various industries and regions, from clothing, backpacks, and leisure products to medical and military supplies.

— Preface —

— CH1 —

About Ho Yu

— CH2 —

Sustainable
Governance

— CH3 —

Employee
Well-being
and Social Co-
Prosperity

— CH4 —

Environmental
Sustainability

— Appendix —

In 2024, the global market for fabrics used in luggage, bags, and industrial applications faced the following challenges and opportunities:

Challenges	Opportunities	Applications
Fluctuations in raw material prices, increasing demand for customized products from customers, and international ESG pressure such as CBAM.	Rising demand for outdoor functional fabrics, and low-carbon process materials.	Sports and outdoor, travel equipment, and industrial safety and protection.

Supply Chain Management Policy

We have established the Subcontractor Management Procedure and the Contractor Environmental, Safety, and Health Management Procedure, which specify evaluation criteria for subcontractors and contractors, including whether they possess international certifications such as ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, ISO 50001 Energy Management System, and corporate social responsibility certifications. These requirements ensure that the operating procedures and quality of these suppliers meet our standards.

Processing principles also reference international environmental regulations such as RoHS for the restriction of hazardous substances, REACH for chemical substance restrictions, CPSIA for U.S. consumer product controls, and Bluesign standards. Suppliers that fall under the Global Recycled Standard (GRS) are also required to provide proof of their GRS certification. Through these measures, we aim to improve supplier quality and maintain the level of our raw materials and production standards.

In 2024, Ho Yu strengthened its existing supply chain management process by adding ESG evaluation items and incorporating aspects such as carbon emissions, water resources, and social responsibility into on-site audits.

New Supplier Selection

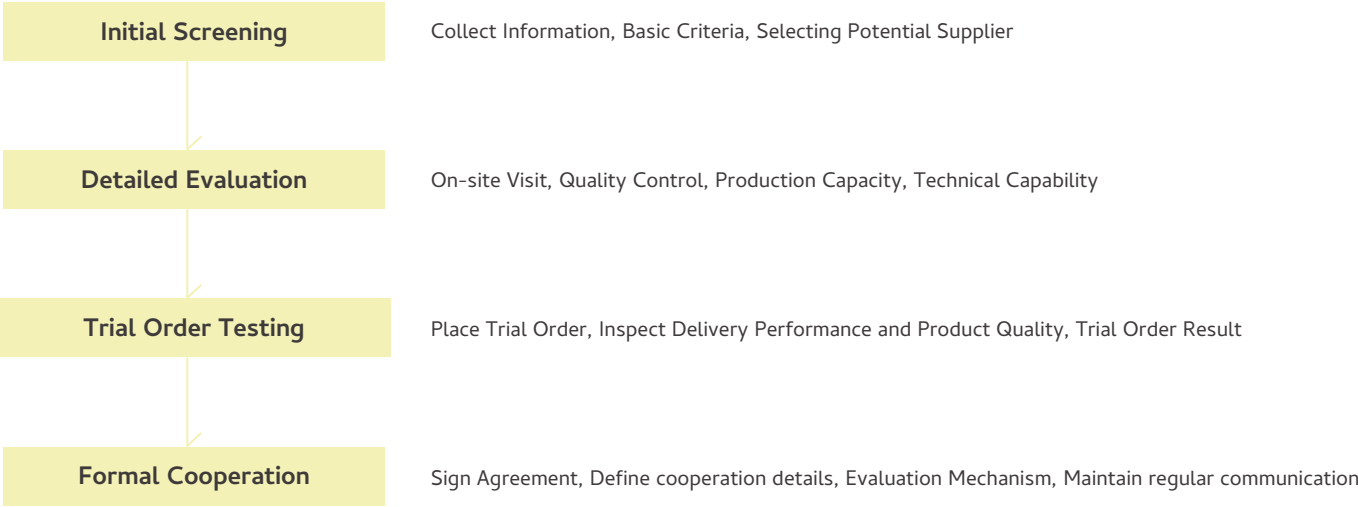
To maintain long-term cooperative relationships with suppliers and ensure supply stability and reliability, Ho Yu has established supplier selection criteria, including quality, cost, delivery time, technical capability, and compliance. Compliance encompasses adherence to relevant laws, environmental

regulations, labor regulations, and trade regulations, as well as the observance of business ethics. Potential suppliers are screened according to these criteria to ensure they meet the basic requirements.

Supplier and contractor management and monitoring are carried out in accordance with the Company’s Corporate Responsibility and Code of Ethics Compliance Manual, to ensure that all suppliers and contractors comply with corporate responsibility requirements while also prioritizing the safety and well-being of their own employees. In addition, all new suppliers must meet the Company’s environmental and social supplier evaluation standards.

New Supplier Selection Process:

- 1. Collect information on potential suppliers and conduct an initial screening according to the basic criteria.
- 2. Visit the supplier’s site to assess their quality control system, production capacity, and technical capability.
- 3. Place a trial order to verify the supplier’s delivery capability and product quality. Assess the supplier based on the results of the trial order.
- 4. Sign a cooperation agreement with suppliers that meet the standards. Define cooperation details and establish a regular evaluation and communication mechanism.



Since 2024, new suppliers have been required to complete the ESG Self-Assessment Form and to meet the basic thresholds for carbon footprint and social responsibility.

Year	Number of New Suppliers	Number of New Suppliers Passing ESG Standard Screening	Pass Rate
2024	18	14	77.8%

Supplier Performance Evaluation

In accordance with Ho Yu’s Subcontractor Management Procedure Manual, the Company conducts annual evaluations of existing suppliers in various aspects including quality, delivery time, service, packaging, and level of cooperation. The evaluation results are classified into three levels based on scores: 85 points and above: Level A, representing excellent suppliers .61 to 84 points: Level B, representing suppliers requiring quality improvement Below 60 points: Level C, representing non-compliant suppliers

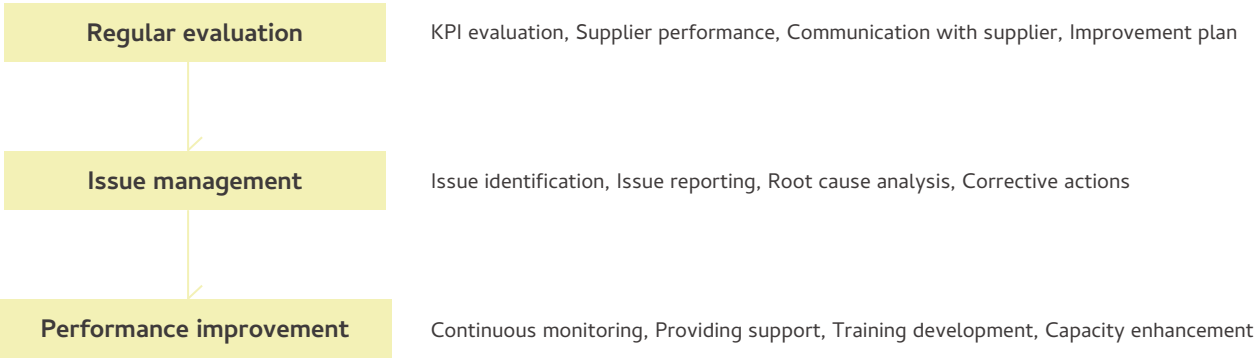
Level	A	B	C
Score	85 and above	61–84	60 and below
Result	Excellent	Needs improvement	Non-compliant

In 2024, Ho Yu conducted evaluations on 13 suppliers, of which 11 were rated A and 2 were rated B. Based on the evaluation results, we will communicate with suppliers and formulate individual improvement plans according to their performance. For suppliers with lower scores, we will assist them in conducting problem analysis and root cause investigations, and we will continue to track the progress of improvements to help enhance their overall operations and management capabilities.

To ensure the quality of the supply chain and protect the Company’s reputation, for Level C non-compliant suppliers, the Company will initiate a special assistance program. If improvements are ineffective, the Company will consider terminating the cooperation.

- In addition, starting from 2024, Ho Yu officially launched the Supplier Identification Mechanism for Significant Environmental Impact, which includes:
- Implementing the Supplier ESG Self-Assessment Questionnaire, covering areas such as greenhouse gas emissions, water footprint, and waste management
 - Introducing a carbon footprint scoring system to strengthen quantitative management of suppliers’ environmental impact
 - Expanding the scope of on-site audits, with a focus on suppliers with high carbon emissions and high water consumption
 - Through these measures, Ho Yu will continue to strengthen supplier management and promote sustainable development of the supply chain.

Existing Supplier Management Process



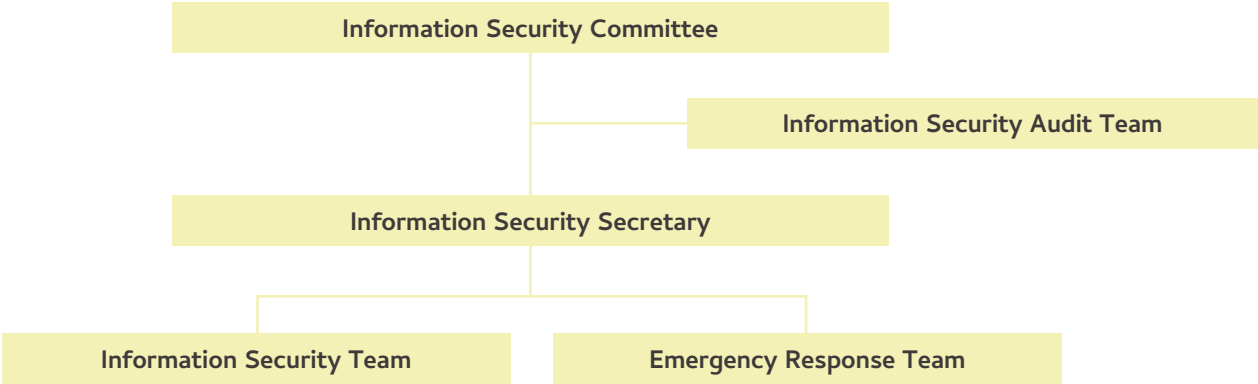
Year		2022	2023	2024
Total suppliers (A)		N/A	13	13
Evaluation Statistics				
A		N/A	11	11
B		N/A	2	2
C		N/A	0	0

Key business locations			2022	2023	2024
Taiwan (NTD)	Yes	Procurement amount from local suppliers	85,000,000	289,229,709.30	309,190,255.90
		Total procurement amount	76,500,000	292,245,712.87	311,327,810.93
		Local procurement ratio	90%	98.97%	99.31%

Information Security Management Structure

To ensure the security of Ho Yu’s information assets, an appropriate management structure shall be established to promote internal information security management. This structure is responsible for reviewing information security policies, assigning security responsibilities, and coordinating the implementation of various information security measures across the Company. The Company has established an Information Security Committee, chaired by the General Manager, with first-level unit heads and section chiefs from each department serving as committee members. The committee is responsible for making decisions on matters related to the information security management system.

Information Security Organizational Structure Chart



Information Security Management Policy

The Company's information security organization shall actively strengthen its information security and confidential information protection mechanisms to safeguard Ho Yu's competitiveness. The Company follows international information security standards and frameworks, clearly defines information security policies, procedures, and regulations, continuously enhances its management systems and technology, and implements comprehensive risk control to achieve Ho Yu's information security management objectives. In the future, the Company will plan to establish an Information and Communication Security Management Regulation, requiring all employees to comply with its provisions to reinforce the Company's information security management.

At present, Ho Yu has not yet obtained ISO 27001 Information Security Management System certification. In 2024, we will undergo ISO 27001 certification guidance and improve our information security management mechanisms in accordance with the ISO 27001 management framework and requirements, with the goal of protecting the information assets of both the Company and its customers. We expect to obtain ISO 27001 certification in 2025, further strengthening the Company's information security management and providing internationally recognized certification as proof of our commitment to and capability in information security.

Information Security Management Mechanism

To enhance the Company's information security management, we will establish a new data center in 2024 to make information security controls more rigorous and effective. In the future, we will also plan social engineering drills and continue to update information security equipment and systems. This will include upgrading firewall hardware, reviewing and updating antivirus software for full coverage, planning an ERP system backup mechanism, conducting vulnerability scans to strengthen protection, and implementing an offsite backup mechanism.

Confidentiality and Integrity Control Measures	
1. Access Management and Personnel Control	Manage and review personnel accounts, control access to information systems, manage remote connections of third-party contractors, and control access to documents to enhance information security and reduce the risk of data leakage.
2. Information Security Protection	Internal Protection: Network segments located within the firewall that are under protection. Install antivirus software and spam filters to enhance defense capabilities. External Protection: Firewalls are installed to filter unreliable data packets, prevent network hacking, and provide audit and access control for network resources.
3. Rapid and Secure Recovery	Conduct regular and effective backups and establish an abnormal event recovery plan to enable disaster recovery in the event of data or equipment damage. The ERP system uses a (High Availability) (HA) mechanism and conducts regular practical recovery drills to ensure effectiveness.
4. Server Virtualization	Virtualize all servers for centralized management. Establish fault-tolerance mechanisms for systems and storage devices to ensure operational safety and accuracy.
5. File Backup and Retention	Perform file backups and data recording for each server and database to enhance the security of file preservation.

Information Security Education and Training

Ho Yu has not yet conducted information security education and training for employees. In the future, we plan to conduct regular information security training for all employees and provide occasional awareness campaigns to help them understand the importance of information protection and strengthen their information security awareness. Future planned training content includes information security policies, relevant information security laws and regulations, and information security operating procedures.

Information Security Incidents

When an information security incident occurs and information equipment malfunctions or data loss prevents a return to normal operations within a short time, manual processing procedures will be adopted. The data on manually processed forms will be properly preserved and used as the basis for data correction after the equipment has been repaired.

When the information unit receives or discovers an information security incident, it records the incident, determines the severity level, and reports it to the Information Security Committee. The Information Security Team and the Emergency Response Team must eliminate and resolve the incident within the target response time and, after the incident is resolved, conduct root cause analysis and take corrective measures to prevent recurrence. Records of responses to information security incidents are compiled periodically and audited by the Information Security Audit Task Force. The Company did not experience any major information security incidents in 2024.

Privacy Protection Policy

In the collection, processing, and use of customer data, Ho Yu complies with the Personal Data Protection Act of the Republic of China and relevant legal regulations. In addition, “strict adherence to customer and supplier contract agreements and confidentiality commitments” is our pledge to customers and suppliers. For information, technical data, and various software and hardware provided by customers and suppliers that may involve their patents or intellectual property rights, a confidentiality agreement is signed in advance with the customer or supplier to ensure the security of confidential corporate client information.

The collection of customer data is primarily for the purpose of improving service quality and enhancing customer service, including providing information on products that are suited to the customer. We guarantee that, without customer consent, customer data will not be disclosed to third parties unrelated to the service or transaction, nor used for purposes other than those stated above. If employees are found to have violated relevant policies and regulations, necessary disciplinary actions will be taken in accordance with the work rules, and legal measures will be adopted as appropriate. In 2024, the Company had no incidents or complaints involving infringement of customer privacy or loss of customer data.

Methods of Collecting and Retaining Personal Data

“Strict adherence to customer and supplier contract agreements and confidentiality commitments” is our pledge to customers and suppliers. For information, technical data, and various software and hardware provided by customers and suppliers that may involve their patents or intellectual property rights, a contract is signed in advance with the customer or supplier to ensure the security of confidential corporate client information.

We maintain rigorous control mechanisms, including signing contracts with key suppliers, to ensure that all internal and external personnel and vendors conduct related business with the highest ethical standards.

In accordance with legal or contractual requirements, we regularly review the necessity of retaining personal data. If the retention period has expired or the purpose of retention no longer exists, we will proactively determine or, upon the request of the data subject, proceed with destruction or deletion. Destruction or deletion will be carried out in a manner that renders the data unidentifiable and irrecoverable.

Regulations on the Processing and Use of Personal Data

In processing and using personal data and privacy information, Ho Yu stipulates that such data may only be processed and used within the scope defined by the purpose of collection and as agreed upon by the user. Except when the data subject has been informed and has given consent, or when required by law, personal data and privacy information shall not be processed or used with any third-party organization or individual.



— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —

Impacts

Poor product quality management can lead to a high defect rate, an increase in customer complaints, and damage to brand reputation. It can also cause customers to lose trust in the Company’s products, resulting in a loss of competitiveness in the market and, in turn, affecting the Company’s operations and creating financial problems.

Policy Commitment

“Quality first and continuous improvement” is the Company’s unwavering belief. We are committed to providing excellent product quality while continuously optimizing production processes and quality management systems to achieve higher standards. This ensures that every product meets or even exceeds customer expectations.

Actions Taken

The Company’s annual quality objectives are reviewed, updated, and issued each year at the management review meeting, with statistical analysis conducted.

Goals

Short-Term Goals:

1. Maintain the validity of the ISO 9001 certification for the quality management system in factories
2. No major violations of the law
3. Achieve a customer satisfaction score of 85 or above

Mid- to Long-Term Goals:

1. Continue to obtain ISO 9001 certification
2. Strictly comply with international and domestic laws, industry standards, and restrictions on prohibited substances in products
3. Ensure products and processes follow the principles of environmental friendliness and personal safety
4. Maintain a customer satisfaction score of 85 or above

Evaluation Mechanism

The Quality Assurance Department uses statistical data to verify the achievement of quality objectives and customer satisfaction levels, and ensures that the quality management system certification remains valid in factories.

The Quality Inspection Section monitors the completeness of continuous improvement.

Performance Results

- Obtained ISO 9001 Quality Management System certification in 2022, with the certificate valid until 2025
- Achieved an average customer satisfaction score of 88

Stakeholder Engagement

In 2024, the Company participated in multiple overseas textile exhibitions to promote its products to both domestic and international customers.

Quality Management Policy

Quality Management

“Quality first and continuous improvement” is Ho Yu Textile’s unwavering belief. The Company is committed to delivering excellent and superior product quality. The inputs and outputs of the quality management system processes, the sequence and interrelation between processes, acceptance criteria and methods, and the responsible personnel for each process are all outlined in the relevant management procedures. These procedures also take into account the corresponding risks and opportunities, as well as the necessary changes and improvements, requiring all quality-related units to comply strictly with the contents of the procedures. This ensures alignment with the ISO 9001 Quality Management System framework and guarantees that the Company’s products meet both standards and customer requirements. To understand the potential environmental impact levels of different raw materials, the Company follows ISO 14001 and applies a systematic approach to quantify the environmental impacts of raw material usage, energy consumption, and greenhouse gas emissions throughout the product life cycle.

Quality Management System Certification



The Company's product research, development, and production have all been certified under an international quality management system. In 2022, we obtained the ISO 9001 Quality Management System certification. The factory's quality management operations are conducted in accordance with the structure and requirements of the ISO system. In the future, we will continue to implement the ISO system and obtain certification to ensure product quality throughout the production process.

ISO 9001 Quality Management System Certificate

Product Carbon Footprint Report

During the year, the Company carried out product carbon footprint verification with guidance from the Industrial Technology Research Institute (ITRI) team. Through the participation of colleagues and supervisors from both the weaving factory and the dyeing and finishing factories, we assessed the relationship between each production stage and its carbon emissions, and calculated the petrochemical carbon emission hotspots in our factory.

- Target Products: Fabric – CYCLEPET® recycled PET bottle fabric, produced in-house through yarn twisting, weaving, dyeing and finishing, and post-processing. Post-processing – XQUA® PU, a 100 percent solvent-free water-based polyurethane coating developed in-house.
- Data Collection Period: January 1, 2023 to December 31, 2023. The scope covered the dyeing, finishing, and post-processing of woven PET fabrics made from recycled PET bottles, primarily supplied to European and American outdoor brand customers for functional backpack fabrics and accessories.
- The 2023 carbon emissions of the target products are shown in the table below. The results demonstrate the following: The XQUA product line, which contains no organic solvents, has significantly reduced carbon emissions during the raw material acquisition stage. Manufacturing hotspots:

During the assessment period, the primary heat source was still supplied by coal-fired boilers. Beginning in 2024, this equipment has been replaced with a low-carbon heat source, which will significantly reduce carbon emissions during the manufacturing stage.

— Preface —

— CH1 —
About Ho Yu

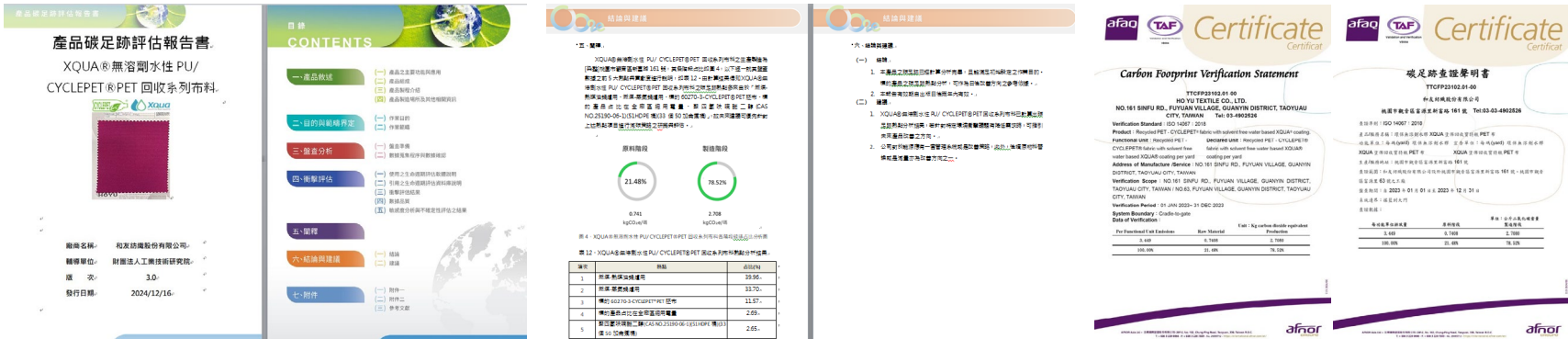
— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —

Lifecycle Stage	Carbon Emissions	Percentage
Raw material acquisition stage	0.7408	21.48%
Manufacturing stage	2.7080	78.52%



Quality Management KPI Indicators

To maintain the high-quality products of Ho Yu Textile, the Company establishes specific KPI indicators and targets to ensure that products maintain high standards of quality and reliability during the production process. Different KPI indicators are set for different units, covering objectives such as material requisition during production, equipment parts, quality abnormalities, and operating procedures. In 2024, there were no violations of health and safety regulations or voluntary codes related to products and services.

KPI Achievement Status

Degree of Achievement of Quality Objectives: Plant 1

In 2024, 14 out of 15 departments in Plant 1 achieved their quality objectives. The Quality Inspection Section did not meet its target, and Corrective Action Form QP114-01 has been issued accordingly.

— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable Governance

— CH3 —
Employee Well-being and Social Co-Prosperity

— CH4 —
Environmental Sustainability

— Appendix —

Factory	NO	Department	Performance Indicator Item	January	February	March	April	May	June	July	August	September	October	November	December	Goals for 2024	2024 Achieved	Goal achieved
Factory 1 (Dyeing Factory)	1	Dyeing Section 1	Quality abnormal rate below	14.49%	18.42%	15.25%	8.88%	13.08%	13.49%	10.36%	8.23%	9.47%	9.46%	9.26%	9.88%	13.5%	11.69%	YES
	2	Dyeing Section 2	Quality abnormal rate below	6.32%	5.87%	4.43%	5.46%	7.21%	5.19%	5.39%	6.38%	7.59%	9.15%	5.27%	3.89%	7.0%	6.01%	YES
	3	Organizing Section	Quality abnormal rate below	1.83%	1.53%	1.32%	1.86%	4.17%	2.00%	1.41%	1.06%	1.08%	1.03%	1.30%	1.04%	2.0%	1.63%	YES
	4-1	Quality Inspection Section	Quality abnormal return rate below	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.15%	0.00%	YES
	4-2	Quality Inspection Section	Customer complaint cases below	10	5	10	3	8	9	8	6	4	7	7	9	80/cases	86	NO
	5	Coating Section	Adhesive production defect rate below	0.85%	1.11%	1.11%	0.46%	0.34%	0.78%	0.14%	0.40%	1.06%	0.79%	1.07%	0.93%	1.8%	0.75%	YES
	6	Laminating Section	Lamination production defect rate below	2.89%	1.87%	2.96%	3.13%	4.20%	3.20%	2.61%	1.59%	2.98%	3.88%	0.05%	0.01%	10.0%	2.45%	YES
	7	Warehouse Section	Zero error rate in raw material storage distribution	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	YES
	8	Printing Section	Digital printing finished product overall target customer complaint cases below	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.32%	0.00%	0.00%	5.0%	0.03%	YES
	9	Technical Section	Color matching rate improvement above	68.29%	65.91%	92.39%	78.57%	84.85%	97.50%	76.92%	73.68%	75.61%	78.02%	92.00%	82.50%	70.0%	80.52%	YES
	10	Research and Development Section	New product development quantity above	2	0	3	3	1	2	3	6	0	2	2	0	22/cases	24	YES
	11	Fabric Development Section	New product development quantity above	32	11	24	14	28	24	20	15	43	9	14	8	200/cases	242	YES
	12	Finished Production Section	Finished product defect rate below	0.90%	0.50%	0.20%	0.30%	0.10%	0.20%	0.20%	0.20%	0.10%	0.10%	0.10%	0.30%	1.0%	0.27%	YES
	13	Production Management Section ^{Note 1}	High-temperature dyeing product delivery on-time rate above	62.5%	100.0%	100.0%	75.0%	90.9%	100.0%	92.3%	58.3%	100.0%	100.0%	94.1%	57.9%	70.0%	85.92%	YES
	14	HR Section	Education and training course completion rate above	100%	100%	100%	92%	92%	89%	100%	71%	100%	57%	100%	75%	70.0%	89.70%	YES
	15	Sales Department	Customer satisfaction overall average score above	88	88	88	88	88	88	88	88	88	88	88	88	75	88	YES

Note:

1. TUMI

Degree of Achievement of Quality Objectives: Plant 2

In 2024, all 7 departments in Plant 2 successfully achieved their quality objectives.

— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —

Factory	NO	Department	Performance Indicator Item	January	February	March	April	May	June	July	August	September	October	November	December	Goals for 2024	2024 Achieved	Goal achieved
Factory 2 (Weaving Factory)	16	Sizing Section	Head end defect rate below	1.27%	0.00%	1.14%	0.68%	1.17%	1.55%	1.25%	1.55%	0.94%	0.57%	1.23%	0.00%	1.0%	0.82%	YES
	17	Weaving Section 1	Warp breakage defect rate below	0.26%	0.40%	0.19%	0.33%	0.21%	0.70%	1.15%	0.70%	0.38%	0.02%	0.09%	0.26%	2.9%	0.34%	YES
	18	Weaving Section 2	Start-up defect rate below	1.44%	1.07%	1.80%	1.21%	1.06%	1.44%	1.22%	1.44%	1.90%	2.04%	1.21%	0.98%	2.8%	1.40%	YES
	19	Spinning Section	Warping abnormality below	0.00%	0.02%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.8%	0.02%	YES
	20	Production Management Section	Delivery achieved rate above	96.7%	100.0%	95.4%	95.7%	94.0%	98.2%	97.6%	90.6%	98.7%	100.0%	100.0%	97.8%	97.0%	97.1%	YES
	21	General Affairs Section	Adhesive production defect rate below	0	0	0	0	0	0	0	0	0	0	0	0	1 bolt	0	YES
	22	Quality Control Section	Lamination production defect rate below	1.34%	0.00%	0.00%	0.39%	0.00%	0.00%	2.42%	0.00%	0.00%	4.36%	0.00%	0.00%	4.6%	0.71%	YES

Product Certification Status

Ho Yu Textile became the first Taiwanese supplier to promote recycled PET fabric at outdoor product exhibitions in Europe and the United States. In 2016, the Company passed the GRS certification, and received the Global Recycled Standard certification. The use of our recycled materials and the quality of our processes are fully traceable, with recycled content ranging from 20% to 100%, and a design priority of achieving 100% recycled content. These materials are applied to outdoor sports apparel and fabrics for luggage and bags.



Since 2007, the Company has been a system partner member of bluesign and has continuously improved our manufacturing, chemical management, product safety, and environmental impact. In 2008, the Company obtained bluesign® standard certification for environmentally friendly product processing from bluesign technologies ag of Switzerland, and later passed the EU bluesign® standard certification for coating process stages. Currently, 80% of the Company's products are bluesign certified.

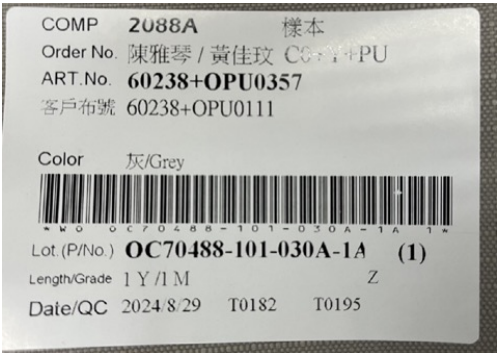


Product Information and Service Labeling

In 2024, there were no incidents of violations related to laws and regulations on product and service information and labeling, nor were there any violations related to marketing and communication regulations. Product label description is as follows:

Labeling Item	Description
Product Composition and Supplie	As all raw material chemicals in the factory have passed bluesign safety certification and comply with customers’ RSL (Restricted Substances List) requirements, product composition and supplier are not additionally indicated on the label.
Product Name Labeling	The product name will be indicated, and an FDS (Fabric Data Sheet) specifying the composition will be provided to the customer.
Product Usage Safety	All chemicals used in production have passed bluesign certification and comply with customer RSL requirements.
Post-use Impact and Disposal	As the Company’s products are intermediate materials rather than final products, this part is not applicable.
GRS Production Control	All recycled materials must comply with GRS procedures. Production orders and internal labels use color coding to avoid confusion.

The following is the product label sample for our factory:



Vendor	Ho Yu Textile Co., Ltd.	Part 1 Placement	Face
Supplier Article Number	42412+A002	Content	100% Thermoplastic Polyurethane
Development Number	D10495	Part 2 Placement	Back
Development Type	Fabric	Part 2 Content	100% Nylon
Season	Fall 2025	Part 3 Placement	
Business Category	Bags	Part 3 Content	
Spec is For		Care Instructions	Nonwashable 1
Spec is Final	True	Cuttable Width (inches)	57
Lot Number	NA	Weight	348
		Weight UOM	g

Domestic and Overseas Exhibitions

— Preface —

— CH1 —

About Ho Yu

— CH2 —

Sustainable
Governance

— CH3 —

Employee
Well-being
and Social Co-
Prosperity

— CH4 —

Environmental
Sustainability

— Appendix —

HOYU
HO YU TEXTILE CO., LTD.

**Hall 4
no. 4-422**

IWA OUTDOOR CLASSICS 29.2.-3.3.2024
Exhibition Centre Nürnberg, Germany

IWA Outdoor Classics 2024, 2/29-3/3

This is the world's leading trade fair for hunting, shooting sports, and outdoor products. Established for nearly half a century, it showcases outdoor clothing and equipment, survival tools, fishing gear, camping supplies, tactical gear, and other outdoor products. It serves as a new platform for the Company to showcase high-performance fabrics such as abrasion-resistant and high-strength materials.

PERFORMANCE DAYS 2024, 3/20-3/21

As the schedule for the PERFORMANCE DAYS Spring Exhibition was close to that of IWA Outdoor Classics, this exhibition was attended in an online format. The physical exhibition was held at IWA, with both online and offline events conducted simultaneously.

PERFORMANCE DAYS
MUNICH | NEW YORK | PORTLAND | SHANGHAI

MARCH 20-21, 2024
MESSE MUNICH C1+C2

the loop

www.performancedays.com

April 17-18, 2024
Oregon Convention Center, Portland

booth.

918

FUNCTIONAL FABRIC FAIR
POWERED BY PERFORMANCE DAYS

HOYU
HO YU TEXTILE CO., LTD.

FUNCTIONAL FABRIC FAIR Portland 2024, 4/17-4/18

As the North American extension of the European PERFORMANCE DAYS, the Functional Fabric Fair (FFF) serves as the Company's primary platform for engaging with customers in the Americas. Each participation allows us to reach more new brands and customers, steadily expanding our client base. This year, our booth was located near the main stage of the event. The promotion of our new NEUCYCLE® and mono-material product series drew significant attention from numerous brands.

UTECH Europe 2024, 4/23-4/25

UTECH Europe is a premier global event for the polyurethane industry, with this year's edition centered on "Sustainability" and focusing on topics such as CO2 reduction, bio based polyols, polyurethane recycling, and the circular economy. This marked Ho Yu's first participation in UTECH Europe. During the concurrent technical conference, we delivered a presentation on our patented solvent-free aqueous polyurethane coating, XQUA, on the first day, marking the first time we introduced XQUA at an international conference. The event provided an excellent opportunity to promote our innovative materials, enhance exposure for our patented products, gain industry insights, and accelerate our integration into the European market and global supply chain.

UTECH Europe

23-25 April
2024
MECC
Maastricht, NL

P45

XQUA
HOYU
HO YU TEXTILE CO., LTD.

Topics

Sustainable Foam Coating:
PU Leather Using Solvent-free,
Bio-based PUD Produced via
Environmental Friendly Methods.

Auditorium One
2:45pm - 3:00pm
Tuesday, 23 April





Techtextil 2024, 4/23-4/26

Techtextil is a major biennial event for high-tech textiles, covering twelve application areas. This year's exhibition highlighted circular economy, digitalization, and functional innovation, offering a forward-looking platform for industry exchanges. It served as a key opportunity for the Company to expand markets, establish partnerships, and track industry trends for our industrial textile and NEUCYCLE® product series.



Outdoor by ISPO 2024, 6/3-6/5

Participation in Outdoor by ISPO 2024 enables textile manufacturers to effectively expand their presence in the global market, particularly within the European high end outdoor goods supply chain. The exhibition gathered leading global brands and buyers, providing an ideal platform to showcase innovative functional fabrics, waterproof and breathable materials, and environmentally friendly recycled textiles. Through physical samples and application displays, we enhanced buyers' understanding and confidence in our product performance, improving our order opportunities. The

introduction of our new ultra-high-strength PE fabrics significantly increased exposure and inquiries, deepened customer relationships, expanded market reach, and guided product upgrades, injecting new momentum into our long-term competitiveness.



TITAS 2024, 10/15-10/17

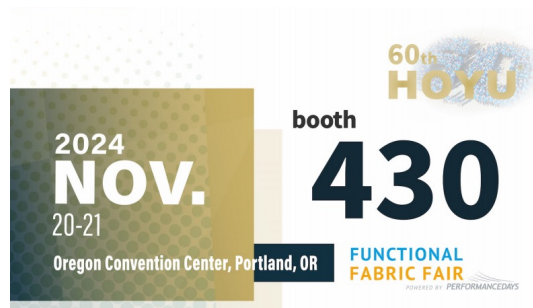
On the third day of this year's Taipei Innovative Textile Application Show, the Company celebrated its 60th anniversary. The exhibition booth was expanded, and on-site games and activities were held. Customers and suppliers from Taiwan and abroad were specially invited to join the celebration. Before attending the anniversary banquet, guests had the opportunity to visit the booth to discuss and explore new products, fostering deeper engagement and interaction.



PERFORMANCE DAYS Fall 2024, 10/23-10/24

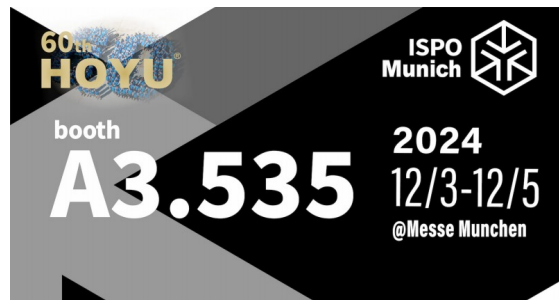
The European functional textiles exhibition in the fall effectively expanded the market for high-performance and sustainable textiles. By showcasing low-carbon circular product lines and engaging in on-site technical exchanges, the event enhanced buyers' understanding of product performance, increasing opportunities for orders and collaboration. Understanding of product performance, enhancing order and collaboration opportunities. The exhibition also featured industry trend seminars on environmental technologies, recycled functional materials, and carbon footprint reduction,

supporting the Company's R&D and brand strategies.



FUNCTIONAL FABRIC FAIR Fall 2024, 11/20-11/21

The autumn edition of the FFF is a leading trade fair in North America focused on high-performance and sustainable textiles. This year's event attracted more suppliers and presented the latest functional fabrics and accessories for the 2025/2026 autumn and winter season. It also drew more sports and outdoor brand buyers, making it an excellent platform for the Company to expand into the North American market and showcase innovative functional and sustainable materials.



ISPO Munich 2024, 12/3-12/5

ISPO is the world's largest sports trade fair, covering outdoor sports, winter sports, sports fashion, fitness, and related textile and accessory manufacturing. For each seasonal trend, ISPO TEXTREND selects representative Best Product, Top 10, and Selection award winners from thousands of product entries across various application categories. The Company's CYCLEPET® + CCU product, 100% TPU product, and MAXXTRA series ultra-high strength UHMWPE + Color PU coating series received one Selection Award and two Top 10 Awards.

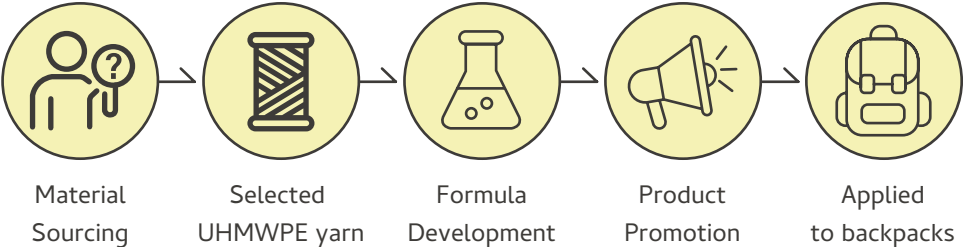
We recognize that material innovation is not only about enhancing product performance but also a key driver in fulfilling our commitment to sustainable development. This year, our team focused on overcoming technical bottlenecks and successfully developed three material technologies that combine functionality with sustainability, demonstrating our innovation capabilities in the high-performance fabric sector and our proactive approach to environmental responsibility.

1. UHMWPE Color-Coated Fabric Technology – Combining Lightness, Strength, and Sustainability

In response to the market’s strong demand for products that are both lightweight and highly durable, we selected ultra-high molecular weight polyethylene (UHMWPE), a yarn renowned for its exceptional strength, as the starting point of our R&D efforts. However, its hydrophobic nature has long posed a major technical barrier, as conventional dyeing and coating methods are ineffective on this material.



After nearly two years of dedicated research, we successfully developed an innovative color coating formula suitable for 100% UHMWPE fabrics. This breakthrough not only resolves the challenges of coloration and waterproofing but also meets the rigorous performance requirements of outdoor and professional gear. The achievement enhances product value and opens new possibilities for the sustainable application of high-performance materials.



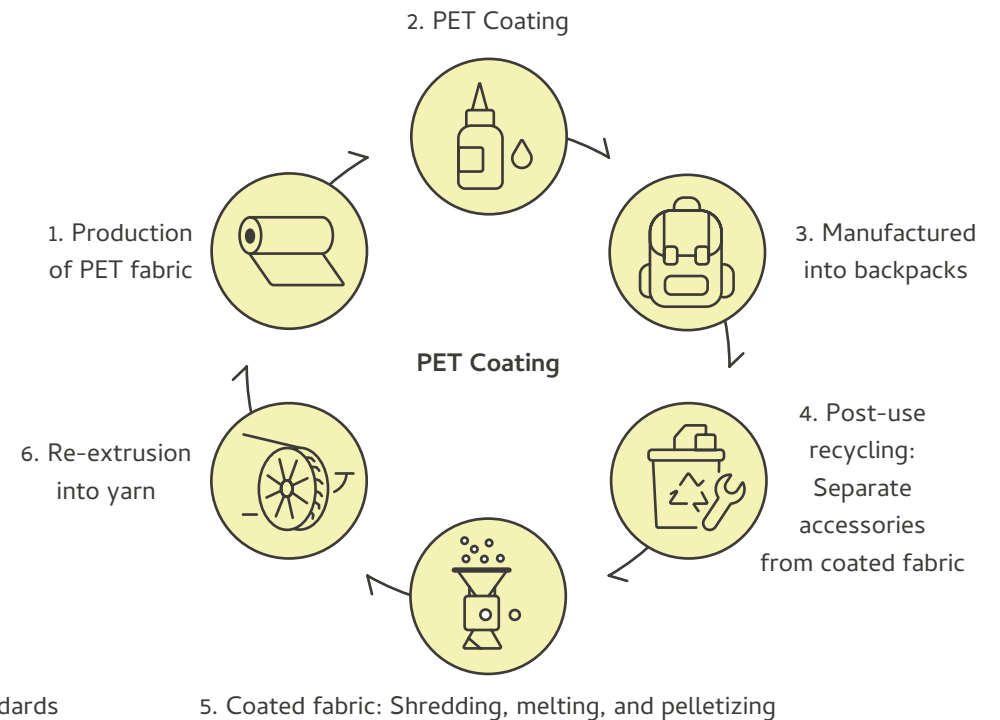
Applications: Mountaineering backpacks, military backpacks, avalanche airbag packs

Awards: Recognized in the 2024 ISPO TEXTREND TOP 10

2. PET Coating Recycled Polyester Coating Technology – From Recycling Challenges to Circular Solutions

In response to the growing global recycling challenge, we re-examined the environmental impact of traditional coating methods. Conventional coatings such as PU, acrylic, and silicone offer waterproof performance but significantly hinder end-of-life recyclability.

We developed an innovative polyester-based waterborne coating solution that effectively addresses whitening of the coated surface, poor adhesion, and stiffness in fabric hand feel. This technology was officially implemented in mid-2024. Since the coating material has the same composition as the polyester base fabric, the entire product can be fully shredded, melted, and re-extruded into PET yarn after use, achieving a truly closed-loop recycling process.



Applications: Eco-friendly bag materials, urban lifestyle bags

Technical Highlight: Complies with mono-material recycling standards

— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

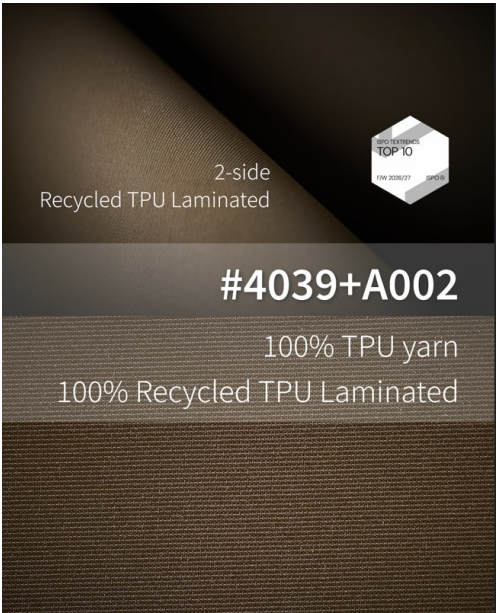
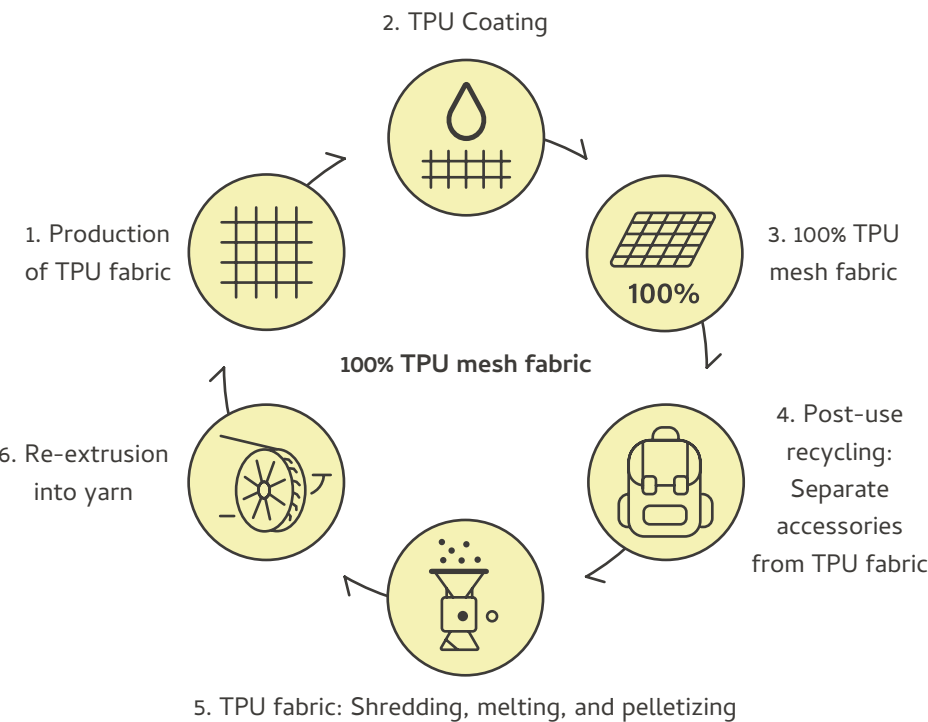
— CH4 —
Environmental
Sustainability

— Appendix —

3. Innovative TPU Mesh Fabric Structure – Enabling Full Recycling for Waterproof Products

Traditional TPU/PVC mesh fabrics offer excellent waterproofing and structural strength, yet the polyester mesh layer sandwiched in the middle makes separation from the double-sided coating for recycling extremely difficult. To address this challenge, we redesigned the structure using a 100% TPU sandwich construction that retains both strength and flexibility, while meeting sustainability requirements for material uniformity and full recyclability.

This innovation not only enhances durability but also ensures that, at the end of its life cycle, the product can be reintegrated into the material reuse system, becoming a vital part of the sustainable industrial chain.



Applications: Outdoor waterproof backpacks, professional functional bags

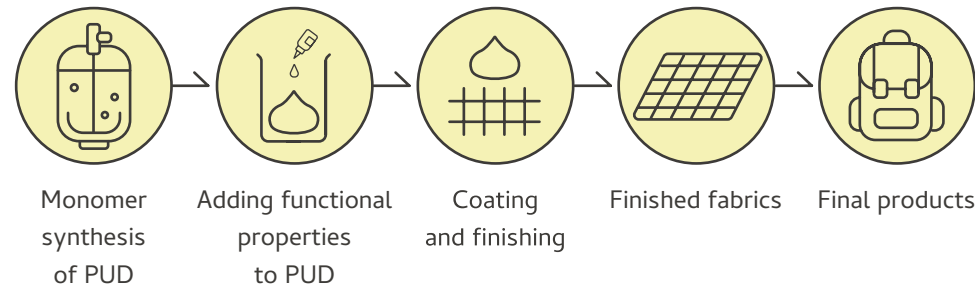
Awards: Recognized in the 2024 ISPO TEXTREND TOP 10

4. Innovative XQUA® Patent Technology – Replacing Traditional High-Carbon Oil-Based Coatings

In response to the growing global attention on environmental protection and sustainability, we developed XQUA®, a solvent-free, water-based PUD with zero organic solvent content and low carbon emissions. This technology significantly reduces air pollution and health risks while meeting increasingly stringent environmental regulations worldwide.

This patented technology outperforms traditional solvent-based PU and water-based PUD in environmental performance by lowering the risks of environmental hazards and pollution. Its low-carbon production and application processes help reduce greenhouse gas emissions and support sustainable development goals.

With scalable mass production capacity, it can be widely applied across various industrial processing fields. As the global focus on environmental protection intensifies, reducing the use of organic solvents has become a key trend, making XQUA® the most environmentally friendly PUD product available.



Applications: Outdoor mountaineering gear, waterproof backpacks

Technical highlight: Low carbon emissions, eco-friendly – 100% free from organic solvents during synthesis

Awards: 8 invention patents (Germany, United States, Taiwan, China), bluesign® certification, and 2025 European Coating Show Poster Top 10

R&D Vision | Designing from the Source, Taking Responsibility for the Future

We believe that true innovation stems from respect for the Earth. Moving forward, our R&D department will continue to focus on developing environmentally friendly materials and advancing technologies in sustainable materials, multi recycling, and low carbon footprints. We are committed to becoming a driving force in leading sustainable transformation within the outdoor and industrial fabric sectors.

5. Product Carbon Footprint Report

During the year, the Company carried out product carbon footprint verification with guidance from the Industrial Technology Research Institute (ITRI) team. Through the participation of colleagues and supervisors from both the weaving factory and the dyeing and finishing factories, we assessed the relationship between each production stage and its carbon emissions, and calculated the petrochemical carbon emission hotspots in our factory.

- Target Products: Fabric – CYCLEPET® recycled PET bottle fabric, produced in-house through yarn twisting, weaving, dyeing and finishing, and post-processing. Post-processing – XQUA® PU, a 100 percent solvent-free water-based polyurethane coating developed in-house.
- Data Collection Period: January 1, 2023 to December 31, 2023. The scope covered the dyeing, finishing, and post-processing of woven PET fabrics made from recycled PET bottles, primarily supplied to European and American outdoor brand customers for functional backpack fabrics and accessories.
- The 2023 carbon emissions of the target products are shown in the table below. The results demonstrate the following: The XQUA product line, which contains no organic solvents, has significantly reduced carbon emissions during the raw material acquisition stage. Manufacturing hotspots: During the assessment period, the primary heat source was still supplied by coal-fired boilers. Beginning in 2024, this equipment has been replaced with a low-carbon heat source, which will significantly reduce carbon emissions during the manufacturing stage.

Lifecycle Stage	Carbon Emissions	Percentage
Raw material acquisition stage	0.7408	21.48%
Manufacturing stage	2.7080	78.52%

Customer Service Strategy

The Company is committed to establishing a comprehensive customer service system and strategy, as well as enhancing internal training to improve employees' service awareness and professional skills. This ensures that customers enjoy the best possible experience when purchasing our products or services. We have established a complete customer complaint handling mechanism to promptly collect, analyze, and resolve customer complaints, actively responding to customer needs and minimizing potential negative impacts on the Company. In addition, we comply with customer requirements by signing various agreements with brand clients, strictly adhering to their labor, ethical, safety, and procurement standards, and continuously driving our own improvement.

Customer Relationship Management Process

Process Stage	Implementation Method
Customer Development	Multi-channel development of potential customer lists, regular analysis of industry trends
Customer Data Management	Introduction of ERP system, centralized management of contact and transaction records
Customer Classification and Maintenance Strategy	Market and product classification, assignment of different professional service personnel
Customer Complaints and After-sales Follow-up	Establishment of customer service center and response mechanism, incorporated into continuous improvement
Customer Satisfaction and Analysis	Annual survey and analysis, key customer interview feedback

Customer Satisfaction Survey Process

To maintain strong cooperative relationships with our customers, the Company places great importance on their opinions and feedback. Each year, our Sales Department conducts a customer satisfaction survey in the form of a questionnaire, covering aspects such as quality, delivery, service, efficiency, and development capability. Based on the survey results, we gain insights into customer needs and continuously improve our products and services in response to their feedback, ensuring customer satisfaction.

- 1. Investigation standards and responsibilities
- 2. Investigation frequency and method
- 3. Investigation subjects and indicators

For customers ranked among the top 20 by transaction amount in the previous year, or those with a single transaction exceeding NT\$2 million, sales personnel must complete the collection and analysis of customer satisfaction surveys by the end of February each year. The survey may be conducted through telephone interviews email or fax. If the satisfaction score of an individual customer falls below 75 points after percentile conversion, sales personnel must proactively contact the customer to understand the reasons for dissatisfaction and present a report at the management review meeting as a basis for continuous improvement.

Satisfaction Goals and Results

In 2024, we received a total of seven responses, with an overall satisfaction score of 4.38 out of 5. The survey results indicate that customer satisfaction with various aspects of the company reached an above average level, showing that we are able to meet customer needs in terms of quality, service, and efficiency. We will continue to make efforts to ensure ongoing improvement in customer satisfaction.

Item / Score (out of 5)	Total score from 7 customers	Average score
1. Are you satisfied with the company’s delivery schedule?	31	4.4
2. Are you satisfied with the company’s delivery quality?	29	4.1
3. Are you satisfied with the service attitude of the company’s staff?	33	4.7
4. Are you satisfied with the company’s after-sales service?	31	4.4
5. What is your overall evaluation of the company?	30	4.3

Customer Communication Channels

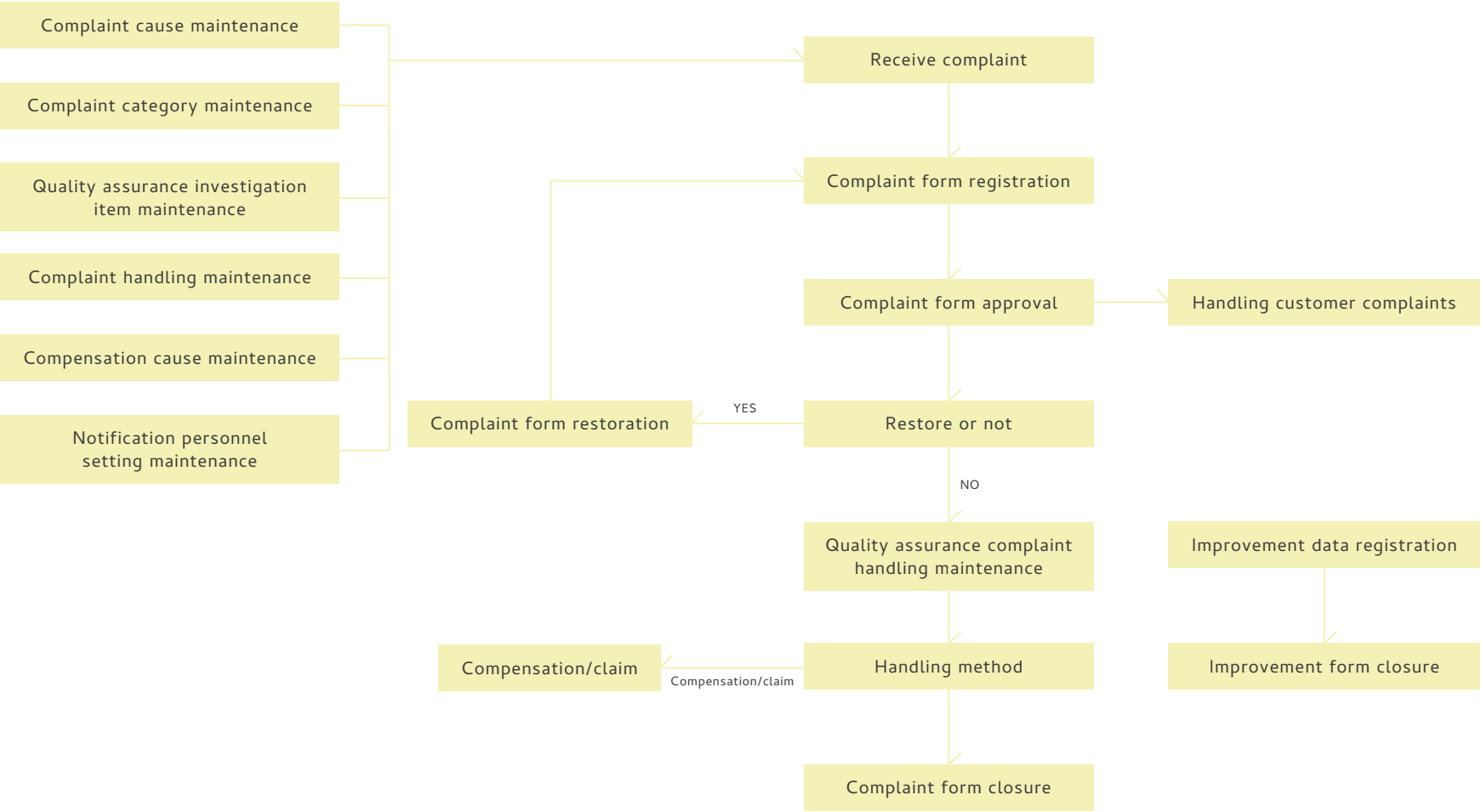
At Ho Yu, we prioritize our customers by establishing a comprehensive customer service system and strategy. Each customer is assigned a dedicated sales representative and a sales assistant, both of whom have their own extension numbers and email addresses. This ensures seamless communication and professional consultation, covering the entire process from order placement to product delivery. Customers can rely on consistent contact points without worrying about changing representatives or losing track of their order progress.

For new customers who are interested in learning more about Ho Yu, the following contact channels are available:

1. Dedicated email: hoyu@hoyu.com.tw
2. Customer service hotline: 03-4902506
3. Customer service fax: 03-4902526

Customer Complaint Handling Process

In accordance with the Company’s established procedures for complaint and satisfaction management to implement related operations. The customer complaint handling process flowchart:



— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —

Handling of Customer Complaints on Products

Nonconforming products discovered by customers shall be handled by the sales unit through consultation with the customer After consultation the following methods shall be executed.

— Preface —

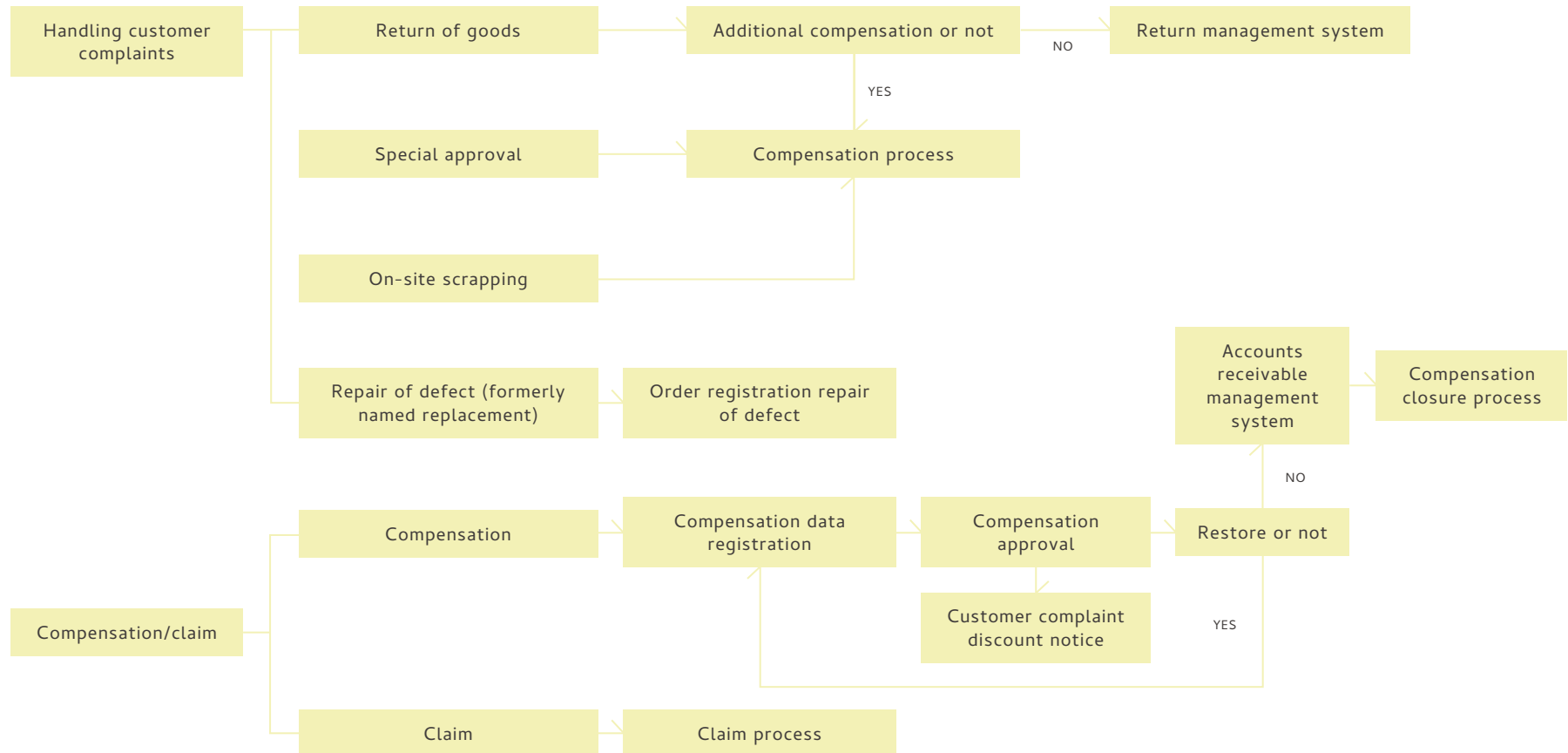
— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —



Operating Procedures:

When a customer lodges a product complaint, the Sales Department must first complete a complaint form and record it in the system, then forward it to the responsible unit for corrective action and root cause analysis. During the handling process, further discussions with the customer are held to negotiate solutions such as returns, replacements, special approvals, or compensation. If compensation is confirmed, a compensation form must be issued and, upon approval, arrangements will be made for execution.

Customer Privacy Protection

For detailed management measures, please refer to 2.5 Information Security Management.

Customer-Oriented Sustainability Engagement

In 2024, we actively deepened sustainable partnerships with our customers by participating in the EcoVadis sustainability assessment system. Through this third-party platform, we jointly reviewed performance in areas such as environmental protection, labor and human rights, business ethics, and sustainable procurement. This assessment not only demonstrated our commitment to supply chain responsibility but also aligned us and our customers with international sustainability standards, further promoting transparent communication and consistency in ESG objectives, while laying the foundation for a more resilient and sustainable supply relationship.

CH3



Employee Well-being and Social Co-Prosperity

- 3.1 Employee Well-being
- 3.2 Occupational Safety and Health
- 3.3 Human Rights Protection
- 3.4 Social Co-Prosperity





— Preface —

— CH1 —

About Ho Yu

— CH2 —

Sustainable
Governance

— CH3 —

Employee
Well-being
and Social Co-
Prosperity

— CH4 —

Environmental
Sustainability

— Appendix —

Workforce Distribution

The Company upholds a “people-oriented” philosophy, actively fostering a safe, healthy, and friendly work environment, and is committed to building a happy workplace where employees can work with peace of mind. We value every employee’s physical and mental well-being as well as their career development by providing comprehensive labor conditions and a sound benefits system, including health examinations, group insurance, employee activities, and various incentive programs. Through transparent communication and feedback mechanisms, we strengthen trust and collaboration between the Company and its employees. In addition, we continuously promote education and training programs to enhance employees’ professional skills and encourage internal promotion and diverse development opportunities. For female employees and migrant workers, the Company has also established supportive measures to foster workplace diversity and inclusion, putting gender equality and cultural respect into practice. As a member of the textile industry, we recognize that employees are at the core of sustainable corporate development. By cultivating a culture of a happy workplace, we not only improve employee satisfaction and retention but also enhance overall operational resilience and strengthen our commitment to social responsibility, thereby advancing our ESG sustainability goals.

As of 2024, the Company had 332 full-time employees (including approximately 97 migrant workers from the Philippines, Indonesia, Vietnam, and Thailand), comprising 75 managerial staff and 257 general staff. All employees were full-time; there were no part-time, temporary, dispatched, or overseas employees. Approximately 65% of employees were between the ages of 30 and 50.

— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —

Category	Gender			Percentage	
	Male	Female	Total	Male	Female
Senior managers	20	9	29	13%	13%
Middle managers	32	15	47	20%	20%
General employees	105	151	256	67%	67%
Total	157	175	332	100%	100%
Permanent Employees ^{Note 1}	157	175	332	100%	100%
Permanent Employees ^{Note 2}	0	0	0	0	0
Total	157	175	332	100%	100%
Full-time Employees ^{Note 3}	157	175	332	100%	100%
Part-time Employees ^{Note 4}	0	0	0	0	0
Employees with No Guaranteed Hours ^{Note 5}	0	0	0	0	0
Total	157	175	332	100%	100%
Under 30 years old	15	14	29	10%	10%
30–50 years old (inclusive)	105	112	217	67%	67%
Above 50 years old	37	49	86	24%	24%
Total	157	175	332	100%	100%
Indigenous people	1	4	5	20%	20%
Persons with Disabilities	3	1	4	60%	60%
New Immigrants	1	18	19	20%	20%
Total	5	23	28	100%	100%

Note:

- 1. Permanent Employees: Full-time or part-time employees who have signed an indefinite (i.e. open-ended) contract.
- 2. Temporary Employees: Employees who have signed a fixed-term contract. Such contracts expire at the end of the specified duration, or upon completion of a particular task or event with an established evaluation time frame (e.g. conclusion of a project or the return of an employee being substituted).
- 3. Full-time Employees: Employees whose weekly, monthly, or annual working hours meet the legal and practical definition of full-time employment under national labor regulations.
- 4. Part-time Employees: Employees whose weekly, monthly, or annual working hours are fewer than those of full-time employees.
- 5. Employees with No Guaranteed Hours: Employees who are not guaranteed a minimum or fixed number of working hours per day, week, or month, but may be required to be available for work on demand.

Diversity Workforce Statistics

Diversity Category	Content	Employee Status
Gender Diversity – Female	Female employees (%)	53%
	Female middle managers (%)	4.5%
	Female senior managers (%)	2.7%
Age Diversity	Under 30 years old (%)	8.7%
	30–50 years old (%)	65.3%
	Above 50 years old (%)	25.9%
Other Diversity	Indigenous employees (%)	1.5%
	Persons with Disabilities	1.2%
	New Immigrants	5.7%

Non-Employee Workers

Ho Yu’s non-employee workers include security staff and catering staff at both plants, who are engaged under fixed-term service contracts.

Work Type	Contract Relationship	Number of person(s)
Security staff	Fixed-term service contract	5
Catering staff	Fixed-term service contract	4

New Hires and Employee Turnover

In 2024, the Company hired a total of 54 new employees, while 45 employees left the Company, reflecting a healthy level of employee mobility and demonstrating the Company’s strong adaptability in talent recruitment and management. Such mobility helps introduce fresh perspectives and skills, thereby enhancing organizational innovation and competitiveness.

Upon onboarding, new employees are provided with orientation training to help them adapt and become familiar with work processes and company regulations. For employees who submit resignation requests, the Company arranges exit interviews with supervisors to gather their genuine feedback and opinions and to explore potential solutions. Where appropriate, the Company also considers internal transfers to identify more suitable positions, aiming to retain talent, improve employee satisfaction and motivation, and reduce turnover. These measures help maintain organizational stability and operational efficiency.

	New Employee		Resigned Employee	
	Male	Female	Male	Female
Age				
Under 30 years old	0	0	0	0
30–50 years old (inclusive)	40	13	30	18
Above 50 years old	0	0	0	0
Total	40	13	30	18
Total New/Resigned Employees	53		48	
Annual New Hire Rate / Turnover Rate(ve)	1.26%		1.10%	

Note:

1. Basis date for annual statistics: December 31, 2024
2. Annual New Hire Rate = Number of new hires during the year ÷ Total number of employees at year-end
3. Annual Turnover Rate = Number of employees who resigned during the year ÷ Total number of employees at year-end

Compensation of Senior Executives

The compensation of the Company's senior executives includes salaries, bonuses, and employee remuneration. It is determined based on the positions held, responsibilities assumed, contributions to the Company's performance, and the Company's operating results. No other significant special welfare policies are provided. Retirement benefit schemes for senior executives are the same as those for general employees and are in compliance with statutory requirements, covering both the old and new pension schemes applicable to their eligibility.

Employee Compensation Policy

The compensation and benefits provided by the Company fully comply with legal requirements and are never lower than the statutory minimum wage. Initial salaries are determined according to employees' professional competencies, positions, and job responsibilities. The Company adopts an equal pay policy, ensuring that compensation is not affected by region, race, ethnicity, social background, social class, lineage, religion, disability, gender, sexual orientation, pregnancy, marital status, or age. The overall compensation framework covers salaries, benefits, bonuses, and employee remuneration. For

sales staff, a performance-based incentive system is in place. For general employees, annual salary adjustments are proposed by the Human Resources Department based on external market conditions, the Company’s operating performance, and individual performance.

The Company’s compensation structure is divided into fixed compensation, such as monthly salaries, and variable compensation, such as year-end bonuses, performance bonuses, and employee remuneration. Annual performance appraisals are conducted, and depending on individual performance and development potential, employees may be promoted, receive salary adjustments, or be awarded bonuses. The Company conducts annual performance evaluations for employees. Based on individual job performance and development potential, employees may be promoted, receive salary adjustments, or be granted bonuses.

Annual total compensation ratio:

FY	Annual Total Compensation of the Highest-Paid Individual in the Organization	Median Annual Total Compensation of All Employees (Excluding the Highest-Paid Individual)	Annual total compensation ratio
2024	Not disclosed due to confidentiality of personal information	NT\$536,498	-
2023	Not disclosed due to confidentiality of personal information	NT\$526,805	-

Annual Percentage Increase of the Highest-Paid Individual’s Total Compensation	Annual Percentage Increase of Median Total Compensation for All Employees (Excluding the Highest-Paid Individual)	Annual change in total compensation ratio
Not disclosed due to confidentiality of personal information	17.98%	-

Ratio of Basic Salary and Compensation by Gender:

Category	Average basic salary		Percentage	
	Female	Male	Female	Male
Senior managers	1	1.15	1	1.26
Middle managers	1	1.01	1	1.02
General employees	1	1.01	1	1.07

Note:

1. Basic Salary: The minimum fixed amount paid to employees for performing their duties. (This excludes any additional remuneration such as overtime pay or bonuses.)
2. Compensation: The basic salary plus additional amounts paid to employees. (including cash and equity such as stocks and shares), benefits, overtime pay, compensatory leave, and other subsidies such as transportation, living, or childcare allowances.)
3. The ratio of average basic salary/compensation for general employees is relatively lower because the majority of migrant workers are compensated based on basic salary.
4. Disclosure Path for Salary Information of Full-Time Non-Manual Employees: Market Observation Post System (MOPS) > Individual Company > Corporate Governance > Corporate ESG > ESG Company Information > Social Dimension – Human Capital Development Indicators

Employee Benefits

The Company upholds a “people-oriented” philosophy, valuing every employee’s working environment, physical and mental well-being. We are committed to providing competitive and diversified benefit programs to create a friendly workplace, enhance employee happiness, and improve retention. Given the labor-intensive nature of the textile industry, the Company designs tailored benefit measures to meet the needs of different positions, thereby demonstrating its commitment to employee care and corporate social responsibility.

In terms of compensation and benefits, in addition to providing market-competitive base salaries and year-end bonuses, the Company also grants incentive bonuses for improvement projects to ensure employees share in the results. Shift allowances are provided to compensate employees working under special conditions. Furthermore, regular health checkups, free overtime meals, employee uniforms, and protective equipment are provided to safeguard employee health and safety.

For daily life benefits, the Company operates an employee cafeteria and dormitories to support non-local employees, and organizes a variety of activities such as team-building events, employee outings, and Christmas parades to strengthen cohesion and increase job satisfaction. For foreign workers, the Company provides translation support, Chinese language training, and labor law education to ensure the protection of their rights.

To promote continuous learning and growth, the Company offers on-the-job training, skills development programs, and career advancement opportunities, encouraging employees to pursue self-improvement. Looking ahead, we will continue to enhance our benefits policies by introducing additional health and wellness resources and family-friendly measures, aiming to create a sustainable and competitive workplace while fulfilling our social responsibility and sustainability objectives.

Employee Benefits Measures:

Category	Benefits
Social Insurances	Labor Insurance, National Health Insurance, Occupational Accident Insurance
	Work injury, unemployment, maternity, and group accident insurance
	Overseas business travel accident insurance
Maternity Care	Maternity leave, parental leave without pay
	Nursing room facilities
	Childbirth allowance (applicable to both parents if employed by the Company, each may apply separately)
Employee Benefits	Holiday bonuses (three major festivals)
	Marriage/childbirth/funeral subsidies
	Departmental gatherings
	Employee trips
	Quarterly meal allowances
	Departmental recreational activity subsidies (e.g. one-day outings)
	Year-end gatherings and spring banquets
Health Management	Annual health checkups
	Organizing health seminars from time to time
	Nursing staff providing health consultation services
Other Benefits	Outstanding employee awards
	Free meals at the company cafeteria
	Free car and motorcycle parking
	External training and transportation subsidies

Related Welfare Photos

— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —



Ho Yu 60th Anniversary Celebration



Ho Yu 60th Anniversary Celebration



Employee trips



Ho Yu Team-Building Activities



Christmas Celebrations



Employee Get Together

Parental leave

Ho Yu recognizes the importance of family to our employees; therefore, the Company provides a range of family-friendly measures, including maternity and parental leave without pay, a comfortable nursing room, and childbirth subsidies. Employees who are pregnant or on parental duties are entitled to prenatal leave, maternity leave, paternity leave, and parental leave without pay, ensuring they can maintain a balance between work and family life. Through these measures, the Company is committed to creating a family-friendly workplace that supports employees in achieving success both at work and at home.

Category	Male	Female
Total number of employees entitled to parental leave in 2024	1	6
Total number of employees who actually took parental leave in 2024	0	6
Total number of employees who should return to work in 2024 after parental leave	0	1
Total number of employees who actually returned to work in 2024 after parental leave	0	1
Total number of employees who returned to work in 2023 after parental leave	0	2
Total number of employees still employed for one year after returning in 2023	0	2
Return-to-work rate	-	16%
Retention rate	-	100%

Note:

1. Employees due to return = Employees scheduled to return from parental leave in the reporting year.
2. Employees retained in 2024 = Employees who returned from parental leave in 2023 and remained employed as of December 31, 2024.
3. Return-to-work rate for the reporting year = Actual number of employees returning from parental leave during the year ÷ Total number of employees due to return during the year (D ÷ C).
4. Retention rate for the reporting year = Number of employees remaining employed for one year after returning from parental leave in the previous year ÷ Number of employees who actually returned in the previous year (F ÷ E).

— Preface —

— CH1 —
About Ho Yu— CH2 —
Sustainable
Governance— CH3 —
Employee
Well-being
and Social Co-
Prosperity— CH4 —
Environmental
Sustainability

— Appendix —

Retirement System

In response to an aging society and the need to pass on industry expertise, the Company actively promotes a post-retirement re-employment program. This initiative extends the value of senior employees, encourages diverse participation in the workforce, and reflects the Company's commitment to corporate sustainability. The program not only enhances flexibility in human resource utilization but also enables employees with professional expertise and extensive experience to continue contributing. This has a positive impact on overall operational efficiency and talent development.

Upon reaching the statutory retirement age, employees are provided with flexible re-employment opportunities based on their personal willingness and physical and mental condition. Following an assessment of their professional competence, health status, and work requirements, and subject to mutual agreement, the Company offers re-employment with reasonable compensation and flexible working hours, while respecting individual life plans and work preferences. During the re-employment period, employees may participate in technical guidance, knowledge transfer, quality audits, and new employee training, serving as mentors and advisors to help stabilize production quality and strengthen internal technical capabilities.

To protect the rights of re-employed staff, the Company provides basic labor conditions equivalent to those of current employees, including group insurance, health examinations, and workplace safety measures. Regular check-ins are conducted to monitor work adaptation and health, reflecting the Company's commitment to building an age-friendly workplace. Since implementation, the program has successfully retained several key technical and equipment maintenance personnel, facilitated cross-generational knowledge transfer, and shortened the learning curve for new employees.

In the future, the Company will continue to optimize the post-retirement re-employment system by establishing transparent and fair evaluation processes and integrating on-the-job training to enhance the workplace competitiveness of senior employees. Through inclusive employment and sustainable workforce development, the program creates mutual benefits for both the Company and society.

Labor Relations

The Company places great importance on sound labor-management relations and the protection of fundamental labor rights. Guided by the principles of respect, equality, and open communication, the Company has established a harmonious and stable mechanism for labor-management interaction. In accordance with relevant labor laws and regulations, the Company fully safeguards employees' freedom to participate in textile union activities and engage in collective bargaining and labor-management meetings. We support employees in expressing their views and asserting their rights through lawful channels, ensuring freedom of association and freedom of speech.

The Company respects and protects employees' autonomy to join or not to join a union and guarantees that no discrimination, dismissal, or unfavorable

treatment will result from employees' exercise of their right of association. The Company responds in good faith to proposals and negotiations raised by union organizations, and through regular labor-management meetings, discusses matters such as working conditions, workplace safety, and welfare systems, while ensuring follow-up and implementation of resolutions.

Given the labor-intensive nature of the textile industry and the prevalence of shift systems, the Company pays particular attention to employees' working hours, leave entitlements, and occupational safety. Representatives in labor-management meetings play a vital role in oversight and advocacy. Employees may raise concerns and suggestions for improvement through formal channels, which effectively reduces labor disputes and enhances employee satisfaction and retention.

Furthermore, the Company actively promotes communication and participation of migrant workers. In addition to providing interpreters to assist with understanding labor contracts and workplace rules, the Company also ensures their right to participate in labor-management meetings, thereby promoting fair treatment and a workplace culture of diversity and inclusion. Looking ahead, the Company will continue to foster a culture of two-way communication between labor and management, strengthen employee participation mechanisms, and promote a stable and sustainable labor environment that reflects its commitment to human rights and social responsibility.

Minimum Notice Period for Operational Changes

In response to business fluctuations and operational adjustments in the textile industry, the Company handles employee resignations and layoffs with integrity and respect. For employees who voluntarily resign due to career planning, the Company provides a complete resignation process and exit survey, which serve as references for future improvements. In cases where layoffs are required due to business adjustments, the Company strictly complies with the Labor Standards Act by providing advance notice, severance payments, and assistance with job placement services or career counseling to mitigate the impact on employees' lives. The Company is committed to managing organizational changes in a humane manner, safeguarding employees' fundamental rights, and fulfilling its corporate social responsibility. For employees who voluntarily resign, except in cases where early departure is approved by the responsible supervisor and proper handover procedures are completed, the minimum notice period is as follows:

1. Where a worker has worked continuously for more than three months but less than one year, the notice shall be given ten days in advance.
2. Where a worker has worked continuously for more than one year but less than three years, the notice shall be given twenty days in advance.
3. Where a worker has worked continuously for more than three years, the notice shall be given thirty days in advance.

Education and Training

— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —

To enhance employees' professional competencies and ensure production line stability, the Company has established a comprehensive education and training system tailored to the characteristics of the textile industry and the needs of various job categories, with the goal of fostering a continuous learning environment. Upon onboarding, new employees receive an introduction from the Human Resources Department covering company policies, work rules, and benefits to help them quickly adapt to the workplace. In addition, the Occupational Safety and Health unit provides safety and health training, including workplace safety, emergency response, and protective measures, to ensure that new employees acquire basic safety knowledge and reduce occupational risks.



After completing general orientation, employees undergo on-the-job training arranged by their respective departments according to job functions. Training includes machine operation, process specifications, quality standards, and workflow, conducted by supervisors or experienced employees through hands-on instruction and practical exercises to help new employees quickly meet production requirements.

In alignment with ESG policies, training programs also incorporate courses on environmental safety, energy conservation and carbon reduction, workplace ethics, and sustainable development, thereby enhancing employees' awareness of corporate responsibility and sustainability issues. Looking ahead, the Company will continue to strengthen digital learning resources and cross-departmental training, building a dynamic talent development mechanism that enhances organizational resilience and industry competitiveness while fulfilling its commitment to sustainable development. In 2024, the Company organized 50 training sessions across all departments, with a total of 500 participants and 100 cumulative training hours.



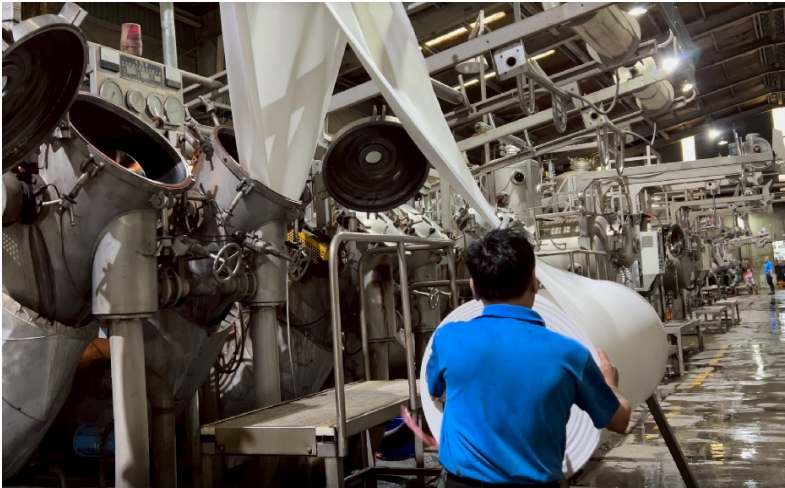
Categories of Education and Training

Type	Course Category	Total Hours	Participants	Expenses
Internal Training	Professional skills training by departments	50	500	\$0
Internal Training	Pre-employment training for new employee	54	54	\$0
Internal Training	Occupational safety and health training for new employee	108	54	\$0
Internal Training	Chinese language training program for migrant workers	24	50	\$20,000
External training	Professional skills and regulatory compliance training for each department	36	120	\$120,000
Total		272	778	\$140,000

Employee Skill Development and Transition Assistance

In response to the trends of automation, digitalization, and sustainability transformation in the textile industry, the Company is committed to enhancing employee competencies and providing transition assistance to ensure that human resources grow in step with industry development. Training programs are designed to meet the needs of different job levels and skill requirements, covering areas such as machine operation upgrades, process optimization, energy conservation and carbon reduction practices, and ESG sustainability courses. These initiatives strengthen employees’ professional knowledge and transformation capabilities.

When the organization undergoes production line adjustments, departmental changes, or shifts in business strategy, the Company assists employees in assessing their career paths through communication, arranges internal job transfers, and ensures smooth transitions to new positions. Through continuous skill development and a human-centered transition support mechanism, the Company not only enhances employees’ adaptability and job stability but also fulfills its commitment to employee care and social responsibility, thereby advancing workforce sustainability and corporate resilience.



Security Personnel Training

In accordance with Article 10-2 of the Private Security Services Act:

“When a security company hires security guards, it shall offer them more than one week pre-service professional training. For serving security guards, it shall provide them with in-service training every month.” All security personnel of the Company fully comply with the above requirements. In addition, training courses also cover human rights-related policies and procedures for human rights considerations. In 2024, 100% of the Company’s security personnel completed the required training. All units are in full compliance with regulations and implement comprehensive training to enhance the effectiveness of safety management.

Performance Evaluation

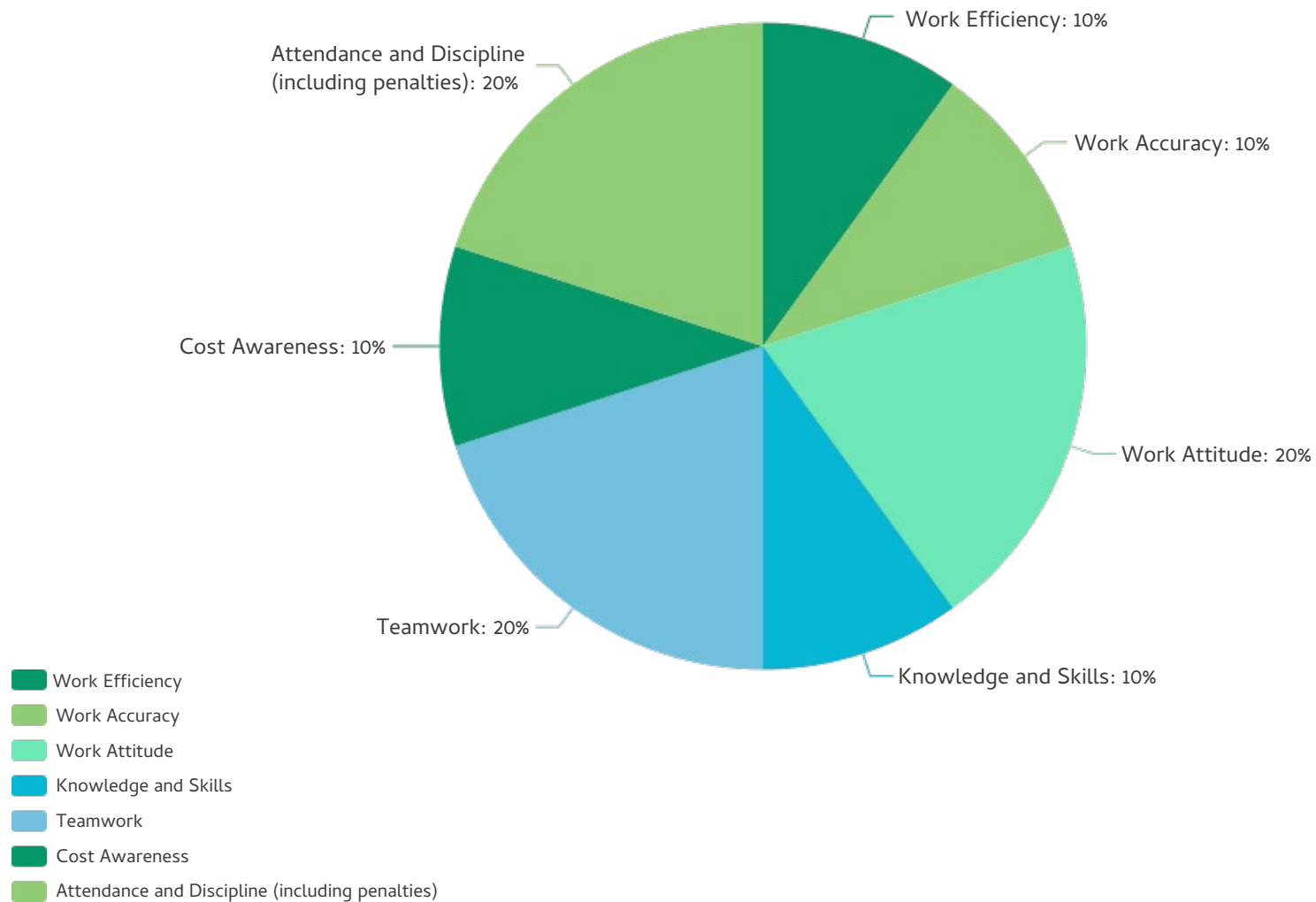
In order to help employees improve their work capabilities and performance, discover growth opportunities, and realize their potential, the Company has established clear performance evaluation procedures. Except for the President and Vice Presidents, all employees undergo annual evaluations in January. The evaluation covers six aspects: work efficiency, work accuracy, work attitude, knowledge and skills, teamwork, and cost awareness. Employees’ annual performance is evaluated comprehensively and classified into five grades: Outstanding, Grade A, Grade B, Grade C, and Grade D. Through self-evaluation by employees and evaluation by supervisors, strengths and areas for improvement are identified. Based on the evaluation results, corresponding rewards or improvement plans are implemented to support employees’ career growth and development.

In 2024, 98.80% of employees completed their annual performance evaluations.

Number of employees receiving regular performance and career development reviews	Male	Female	Total	
			Number of person(s)	Percentage
Senior managers	17	8	25	7.5%
Middle managers	32	15	47	14.2%
General employees	105	151	256	77.1%
Total number of employees receiving regular performance and career development reviews	154	174	328	98.8%

Note: Senior executives (President’s Office: Chairman, President, Vice Presidents, and Managers) four senior executives were not subject to performance evaluations.

Performance Evaluation Criteria and Weighting:





Impacts

Inadequate workplace safety and health management may result in an increase in occupational accidents within the plants or a failure to obtain ISO 45001 Occupational Health and Safety Management System certification. Such shortcomings could negatively affect the Company’s reputation and brand image, leading to unfavorable customer perceptions and a potential loss of orders, thereby impacting the Company’s business performance.

Policy Commitment

Ho Yu is committed to promoting occupational safety and health management by creating and providing a safe, healthy, and comfortable working environment. The aim is to prevent work-related injuries and health impacts, in alignment with the organization's objectives. Through worker participation, consultation, and continuous improvement, the Company seeks to reduce workplace incidents and achieve the sustainable growth of the organization.

1. Comply with applicable occupational safety and health laws, regulations, and other relevant requirements.
2. Effectively assess and eliminate hazards to reduce occupational safety and health risks.
3. Require employee and labor representative participation and consultation in occupational safety and health management activities.
4. Establish occupational safety and health processes and management systems with a focus on continuous improvement.

Actions Taken

Establish continuous improvement processes for safety and health to reduce the risks of occupational accidents and diseases, eliminate workplace hazards, and achieve a zero injury and illness frequency rate (FR=0).

- Conduct regular inspections, monitoring, and evaluations to identify workplace hazards.
- Manage equipment and hazardous substances.
- Formulate standard operating procedures for safety and health practices.
- Advocate and arrange safety and health training related to occupational safety and health for employees and contractors to enhance safety awareness.
- Formulate workplace health and employee wellness promotion plans.

Goals	
Short-Term Goals: <ol style="list-style-type: none">Occupational injuries (excluding commuting accidents):<div>Disabling Injury Frequency Rate (FR) ≤ 1.53</div><div>Disabling Injury Severity Rate (SR) ≤ 204</div><div>Total Injury Index (FSI) ≤ 0.55</div>Zero cases of occupational diseases and workplace safety violations.Continue annual external certification audits of the ISO 45001 Occupational Health and Safety Management System.Implement the annual training plan (including general worker safety and health training, noise operation, hazard communication, workplace unlawful infringement prevention, personal protective equipment, and machine maintenance), with an annual completion rate of 90%.Achieve 100% compliance in workplace environmental monitoring.Achieve 0% abnormality rate at Level 3 or above in special health examination reports for designated personnel.	Mid- to Long-Term Goals: <ol style="list-style-type: none">Achieve zero occupational injuries.Continuously maintain zero occupational diseases and violations.Continue to implement ISO 45001 and TOSHMS occupational safety and health management systems with annual external certification audits for ISO 45001.Conduct regular and ad hoc safety and health awareness campaigns and training programs.Achieve the long-term goals of zero occupational accidents and the prevention of occupational diseases through the implementation of the Annual Occupational Safety and Health Management Plan, the Environmental, Safety and Health Performance Indicator Management Table, and the Employee Health Service Plan.
Evaluation Mechanism	
The Occupational Safety and Health Department verifies the achievement of objectives through relevant record forms.	
Performance Results	
<ul style="list-style-type: none">Training completion rate reached 100%.Zero cases of occupational diseases and workplace safety violations.Passed ISO 45001 and TOSHMS certification.100% compliance in workplace environmental monitoring.0% abnormality rate at Level 3 or above in special health examinations.	

Stakeholder Engagement

- Hold Occupational Safety and Health Committee meetings once per quarter.
- Provide employees with an anonymous complaint mailbox, reviewed and investigated monthly.
- Conduct regular occupational safety and health training programs.

Occupational Safety and Health Policy

Ho Yu places great importance on employees' occupational safety and health in the workplace. To ensure that employees can work in a safe environment free from hazards, the Company has established an Occupational Safety and Health Policy. To enable employees of all nationalities to clearly understand and comply with this policy, it has been translated into four languages, ensuring that its core principles are broadly communicated to all. We expect both management and all employees to comply with and implement this policy, working together to create a safe and healthy workplace.

As a textile dyeing and finishing manufacturer, the Company, guided by the principle of sustainable operations, is committed to advancing technological development, improving processes, and promoting occupational safety and health management. By creating and providing a safe and healthy working environment, we aim to prevent work-related injuries and health impacts in line with our organizational objectives. Through worker participation, consultation, and continuous improvement, the Company strives to reduce incidents and support the sustainable growth of the organization. We are committed to:

1. Comply with applicable occupational safety and health laws, regulations, and other relevant requirements.
2. Effectively assess and eliminate hazards to reduce occupational safety risks.
3. Require employee and labor representative participation and consultation in occupational safety and health management activities.
4. Establishing and continuously improving occupational safety and health processes and management systems.

Occupational Safety and Health Management

To establish a comprehensive occupational safety and health process and management system, and to create a safe and healthy working environment, the Company follows the Occupational Safety and Health Management System (TOSHMS) guidelines issued by the Occupational Safety and Health Administration of the Ministry of Labor. The Company has implemented the occupational safety and health management system and obtained ISO

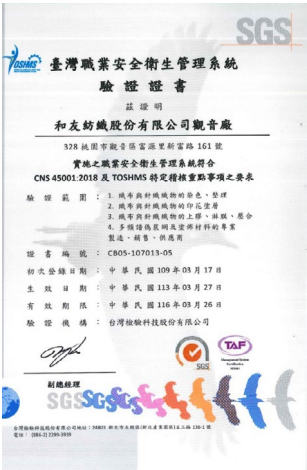
45001 certification in 2020. Annual external ISO 45001 audits are conducted to ensure the reliability and effectiveness of the system’s operation. Each year, the Company issues an Occupational Safety and Health Management Plan, requiring all employees to comply with its implementation. The Occupational Safety and Health Section is the primary responsible unit for execution, while the management representative supervises progress and reports the implementation status to the President as appropriate.

Implementation Method:

- Occupational Safety and Health Management Implementation Plan
- Compile and verify an inventory of hazardous machinery, equipment, and tools.
- Establish a Hazard Communication Program, prepare a hazardous chemicals inventory, safety data sheets (SDS), hazard labeling, and conduct relevant training programs.
- Commission accredited agencies to conduct workplace environmental monitoring (including heat stress index, chemical factors, and physical factors).
- Formulate standard operating procedures (SOPs), review, and revise them regularly.
- Implement checklist audits, conduct irregular on-site inspections, and coordinate with each unit for self-inspections.
- Provide sufficient quantities of personal protective equipment (PPE), check expiration dates, and clean/replace them regularly.

Ho Yu Plant 1 has introduced the TOSHMS occupational safety and health management system and obtained ISO 45001 certification, while Plant 2 follows the structure and requirements of both TOSHMS and ISO 45001 to implement OSH management. The Company’s OSH management system covers a total of 341 individuals, including 332 employees, 5 security personnel, and 4 catering staff, achieving a 100% coverage rate.

Plant	Number of employees	Security guards	Catering staff	Total
Factory 1	246	3	3	252
Factory 2	86	2	1	89
Total	332	5	4	341
Percentage	97.36%	1.47%	1.17%	100%



Worker Communication and Consultation

In accordance with Article 87 of the Regulations for Occupational Safety and Health Management, Ho Yu has established and retained the Roster of the Plant Occupational Safety and Health Committee, with the President serving as the Chairperson. The Committee consists of 21 members, including assistant managers, plant managers, department directors, unit supervisors, and a company nurse. The Occupational Safety and Health Administrator concurrently serves as the Executive Secretary. Eight members serve as labor representatives, accounting for more than one-third of the Committee membership. The Committee convenes quarterly meetings. In 2024, a total of four Occupational Safety and Health Committee meetings were held. Key agenda items included: proposing and coordinating improvements to the Occupational Safety and Health Management Plan, health management and promotion programs, reviewing safety and health proposals and measures, and evaluating on-site management performance.

The Occupational Safety and Health Committee meeting is held on a quarterly basis. Meeting agendas include the following:

1. Provide recommendations on the employer's proposed occupational safety and health policies.
2. Coordinate and advise on occupational safety and health management plans.
3. Review occupational safety and health training plans.
4. Review workplace environmental monitoring plans, monitoring results, and corresponding measures.
5. Review health management, occupational disease prevention, and health promotion initiatives.
6. Review various occupational safety and health proposals.
7. Review self-inspections and occupational safety and health audit matters.
8. Review preventive measures for hazards related to machinery, equipment, raw materials, and substances.
9. Review occupational accident investigation reports.
10. Evaluate on-site occupational safety and health performance.
11. Review occupational safety and health management of contracted operations.
12. Address other matters related to occupational safety and health management.

Hazard Identification, Risk Assessment, and Incident Investigation

The Company has established a Plant Hazard Identification and Risk Assessment Procedure. Each year, in accordance with the requirements of this procedure, safety and health personnel, along with various plant departments (units), conduct on-site identification of workplace hazards and perform risk assessments. Potential occupational safety and health risks are identified, and corresponding measures, such as training, engineering improvements,

and administrative controls, are implemented to eliminate workplace hazards and reduce the likelihood of risks. A comprehensive hazard identification and risk assessment is conducted once every year.

Hazard Identification and Risk Assessment Process

During the hazard identification stage, the Company conducts risk assessments based on the SP-204 Hazard Identification and Risk Assessment Procedure. Each unit supervisor evaluates the occupational safety and health risks associated with processes, equipment, or operations on a regular annual basis. When changes occur in the working environment, such as the introduction of new machinery or chemicals, or when corrective actions are required due to safety and health issues, these factors must also be included in the risk assessment. The risk assessment is calculated using the formula: Risk Value = Severity (S) × Probability (P) × Effectiveness of Risk Control (C). The assessment considers existing control measures (such as training, administrative management, equipment inspection, and PPE), and the results are documented in the Hazard Identification and Risk Assessment Form (Quality Record SP204-03).

For items with a Risk Value exceeding 350 points, or for items categorized as emergency events during assessment, they are listed in the Intolerable and High-Risk Register (Quality Record No. SP204-04) for control. Management plans are then developed based on factors such as the severity of the event, occupational safety and health policies/objectives, performance indicators, and expected effectiveness. Implementation status is recorded in the Environmental, Energy, and Occupational Safety and Health Management Plan Control Form (Quality Record No. EP203-04) to ensure effective reduction of occupational accident rates.

ISO 45001 Hazard Identification, Risk Assessment, and Control Process Flow



To prevent employees from suffering occupational injuries, the Company conducts annual occupational safety and health training for general workers, as well as training on the operation of machinery and equipment (including safety precautions and the proper use of protective equipment during operation). Employees are required to strictly comply with the standards of the Safety Work Rules and operating procedures. The Company organizes emergency response drills twice a year. An emergency response team is established, with safety and health personnel and fire prevention managers assisting all employees in participating in disaster prevention, emergency response training, drills, courses, evacuation exercises, and fire extinguisher training. During training sessions, safety measures are emphasized to ensure that operators comply with equipment operating SOPs and emergency response procedures, thereby minimizing the risk of accidents and disasters.

In the event of an occupational accident at the plant, an Accident Investigation Team is formed by the Plant Manager/Department Director. Following the Abnormal Occupational Safety and Health Incident Investigation Procedure, the team conducts investigations based on the Occupational Accident Investigation Report, analyzing the causes of the incident and identifying measures to prevent recurrence.

Procedures for Handling Occupational Accidents

(Implemented in accordance with the plant's SP-203 Occupational Safety and Health Incident Investigation Procedure)

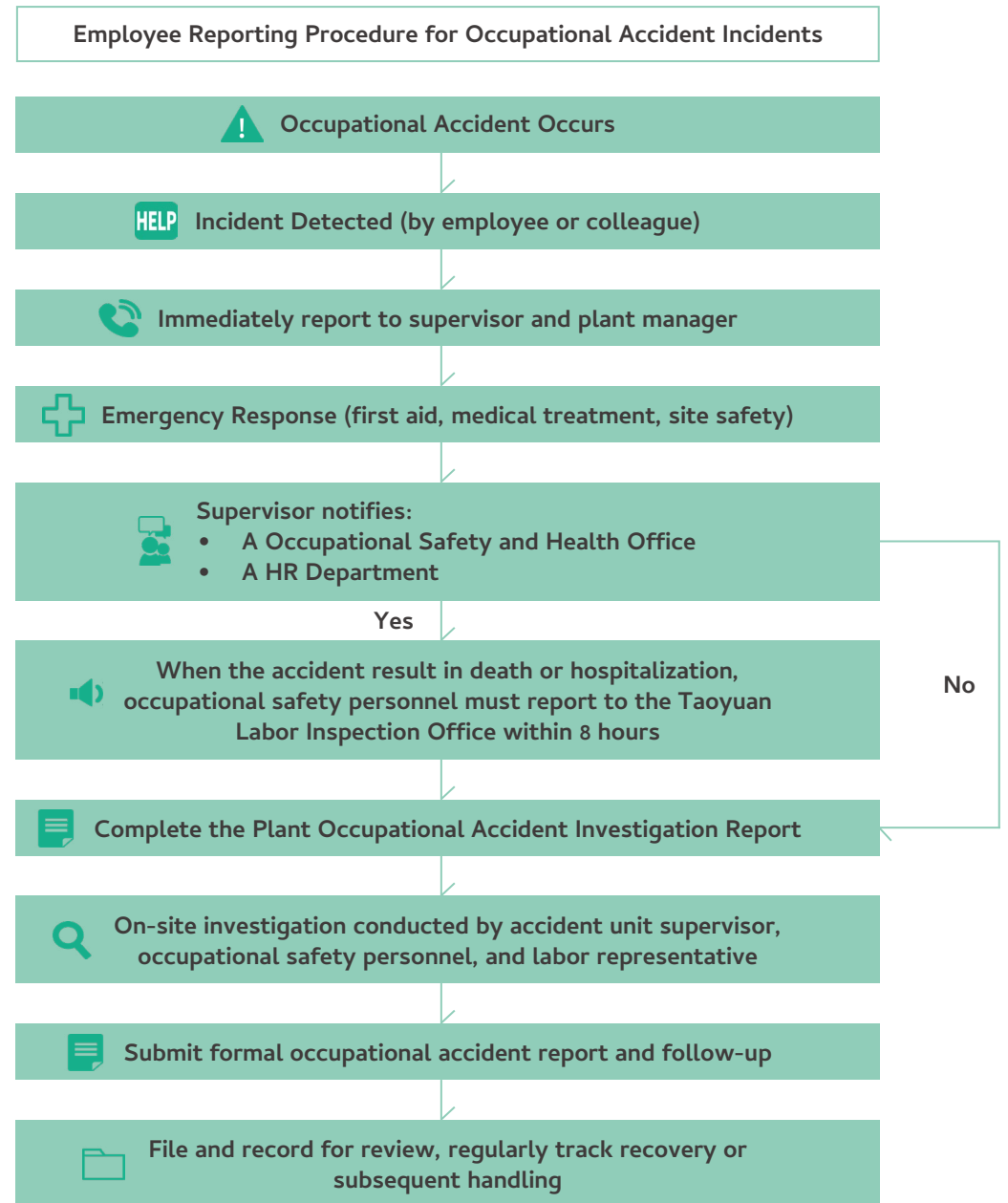
1. Suspend operations and maintain the accident scene in its original state.
2. Confirm the identity and condition of the injured personnel and arrange for medical treatment.
3. In the event of occupational accidents involving death, hospitalization, or three or more casualties, report to the Taoyuan Labor Inspection Authority within 8 hours.
4. Provide care for the injured employee, including medical assistance and original wage compensation.
5. Initiate an accident investigation to analyze the root causes and propose corrective measures.
6. During the employee's recovery period, the company nurse and occupational physician shall provide on-site medical services. For employees with major injuries or illnesses, a return-to-work assessment shall be conducted by the occupational physician prior to the resumption of work. If reassignment is recommended in the assessment, the Plant Manager will adjust the employee's duties to a suitable position.

Accident Investigation Procedures

1. The Accident Investigation Team shall consist of the Plant (Division) Manager, the supervisor of the unit where the accident occurred, occupational safety and health (OSH) personnel, and a workers' representative.
2. Complete the Occupational Accident Investigation Report to conduct the investigation.
3. Analyze the causes of the occupational accident and identify preventive measures to avoid recurrence.
4. For major occupational safety incidents, issue a QP229-01 Corrective Action Form. The department (unit) involved in the accident shall complete the corrective measures, which will then be reviewed and verified by OSH personnel before closure.
5. The occupational accident case shall be incorporated into the annual Hazard Identification and Risk Assessment of the department (unit) where the accident occurred.

Employee Accident Reporting Procedures

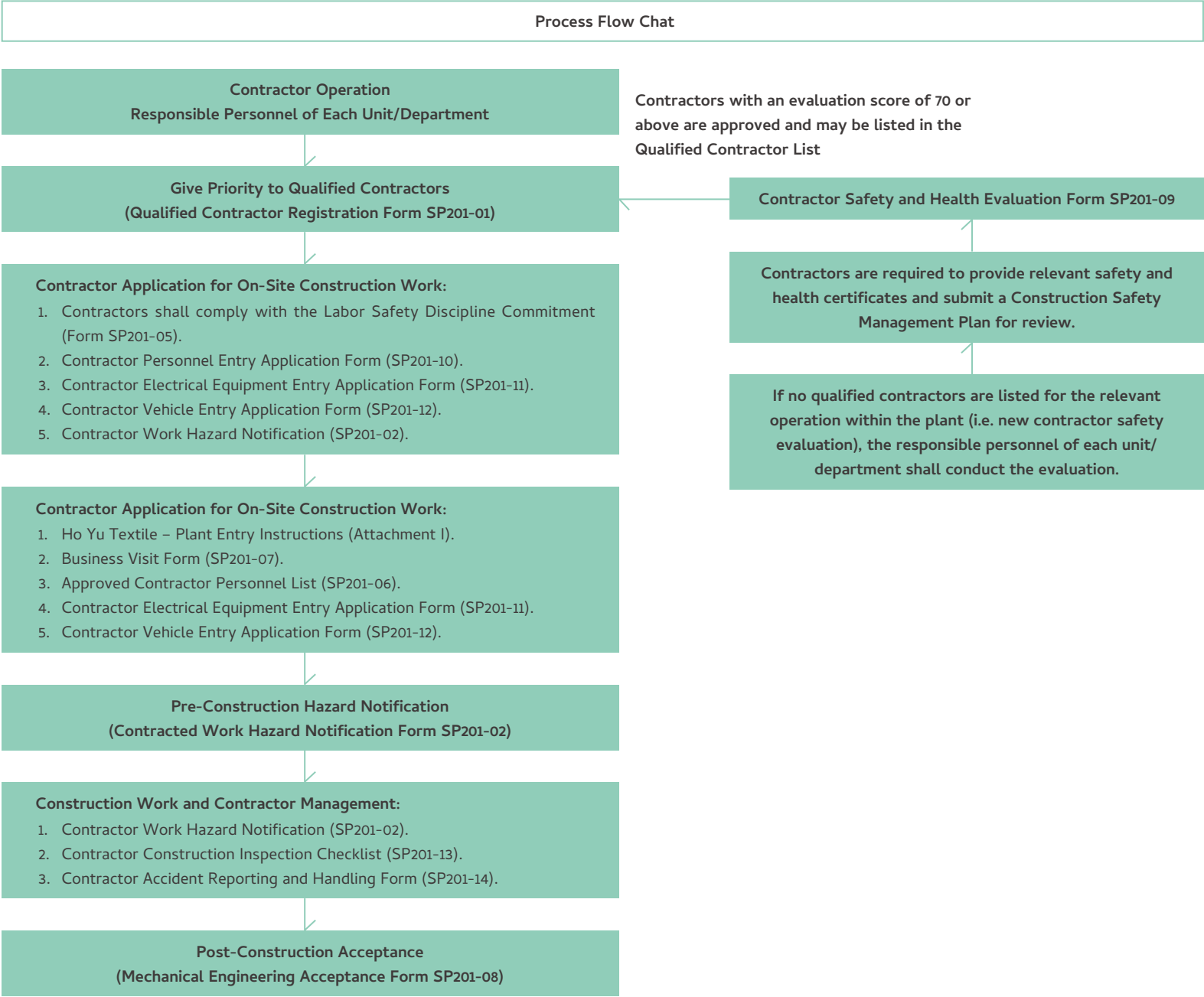
In the event of any accident or unexpected incident, employees shall immediately respond according to their responsibilities and promptly report to the workplace supervisor and the OSH management unit. Upon receiving the report, the OSH management unit, together with the workplace supervisor, shall take appropriate measures as necessary. In addition, if a worker chooses to withdraw from a work situation that is reasonably believed to pose an imminent risk of injury or illness, the Company emphasizes the requirements of Article 18 of the Occupational Safety and Health Act through training provided during on-the-job sessions for equipment operators. Specifically, the Company shall not dismiss, reassign, withhold wages during the suspension of work, or impose any other adverse treatment on the employee. This demonstrates the Company's strong commitment to occupational safety and provides assurance of a safe and secure working environment.



Prevention and Mitigation of Occupational Safety and Health Impacts Related to Business Operations

Ho Yu establishes an annual Procurement and Contractor Management Plan, which stipulates safety standards and procedures for procurement, contracting, and change management. The safety capabilities of contractors are evaluated, and procurement contracts are reviewed to ensure compliance with the Occupational Safety and Health Act. Qualified contractors are registered in the Company's system to prevent and eliminate occupational safety and health impacts arising from equipment or contractors.

To ensure that all construction work within Ho Yu's facilities complies with the relevant requirements of the Occupational Safety and Health Act and to implement the Company's Environmental, Safety, and Health Policy, the Company has established the Procedures for Contractor ESH Management to be followed by both responsible personnel and contractors. Contractors performing work within the facilities are required to submit relevant application forms (including agreements, worker entry application forms, commitments to comply with labor safety regulations, and contractor hazard notification forms). Work may commence only after approval is granted. During construction, appropriate PPE must be worn. The Company also establishes contractor agreements and requires contractor personnel to sign commitments to labor safety discipline. Continuous communication and training are provided to reinforce the policies of zero tolerance for workplace violence and prevention of ergonomic hazards.



Employee Education and Training

In accordance with the annual training plan, the Company provides pre-service occupational safety and health training for new employees, while existing employees receive general worker safety and health training, noise operation training, hazard communication, training on the prevention of unlawful infringement during duty, and training on the management of safety and health protective equipment within the plant. Additional training includes special operation training, irregular in-plant safety and health awareness programs, and contractor training sessions. Each department conducts training in line with the 2024 Occupational Safety and Health Management Plan. The training implementation rate reached 100%, with a total of 1,444 participants in occupational safety and health training, amounting to 2,642 training hours.

Course	Session	Participant(s)	Hours (hour/person)
New Employee			
General Occupational Safety and Health Training	9	14	42
Existing Employee			
General Occupational Safety and Health Training	9	245	735
Noise Operation Safety and Health Training	6	155	465
Hazard Communication Program Training	6	155	232.5
Prevention of Unlawful Infringement During Duty	9	245	367.5
Plant Safety and Health Protective Equipment Management	6	245	155
Lockout-Tagout (LOTO) Education and Training	5	110	55
Chemical Spill Drill	1	120	120
Fire and Disaster Drill	2	225	450
Machine Inspection and Fabric Checking Safety Training	1	20	20
Total	54	1,444	2,642

— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —



Occupational Incidents

In 2024, the Company recorded a total of four occupational injury incidents: one fall, two cases of cuts and abrasions, and one burn injury. We have analyzed the causes of these incidents, arranged for employees to receive equipment operation training, and established preventive measures to avoid recurrence of similar incidents.

Potential risk factors that may cause employees to develop occupational diseases include: physical hazards (composite heat index, noise), chemical hazards (dust, organic solvents, specific chemical substances), musculoskeletal discomfort, and abnormal overexertion. In response to these risk factors, we provide regular training, PPE, and arrange for on-site physicians and nurses to conduct data analysis based on employee health examination reports to identify personnel at risk of occupational diseases, serving as a basis for employee health consultations. No occupational disease cases occurred in 2024.

Occupational Injury Description	Preventive Measures	Fine Amount
(Plant I) 2/21 A Quality Control employee threw garbage into the waste area and slipped on debris while walking down the stairs, resulting in a fall.	Strengthen 6S management.	None.
(Plant I) 5/2 A Finished Products employee assisting in the Fabric Inspection section was scratched on the neck when fabric edges snapped out due to improper handling.	The assisting employee did not follow the Standard Operating Procedure when operating the equipment. Re-implement employee training (including all fabric inspection employees in the plant).	None.
(Plant I) 7/18 A Printing section employee suffered a steam burn on the finger when adding steam into a dyeing tank during paste preparation, due to unfamiliarity with the valve's direction and opening level.	The employee failed to request supervision from the equipment supervisor during operation. Operators must wear heat-resistant gloves.	None.
(Plant I) 11/22 A Dyeing section employee accidentally cut the left hand with scissors while sampling fabric from the dyeing tank.	Purchase and require employees to wear cut-resistant gloves.	None.
(Plant II) 2/23 A Twisting section employee injured a finger while performing doffing on Twisting Machine 307.	Strengthen employee education and training.	None.
(Plant II) 5/18 A Weaving ZA section employee injured the index finger when mistakenly pressing the weft-finding key, causing the reed to strike back during marking operations.	Strengthen employee education and training.	None.
(Plant II) 6/8 A Weaving ZW section employee injured the left thumb while clearing yarn entangled in a cart wheel using a yarn-cutting knife, accidentally cutting inward.	On-site training and provision of an operating manual for yarn-cutting knife use.	None.

Employee Occupational Injuries/Occupational Disease Statistics

Plant		Factory 1	Factory 2	Total
Occupational Injury	Total Hours Worked (hours)	543,688	173,536	717,224
	General Occupational Injuries (lost workdays ≤ 180 days)	4	3	7
	Severe Occupational Injuries (lost workdays > 180 days)	0	0	0
	Recordable Occupational Injuries	4	3	7
	Fatal Occupational Injuries	0	0	0
	Lost Workdays ^{Note 1}	21	15	36
	Severe Occupational Injury Rate ^{Note 2}	0	0	0
	Recordable Occupational Injury Rate ^{Note 3}	1.47	3.45	1.95
	Fatal Occupational Injury Rate ^{Note 4}	0	0	0
Occupational Diseases	Number of Occupational Disease Cases	0	0	0
	Fatal Occupational Diseases	0	0	0
	Fatal Occupational Disease Rate ^{Note 5}	0	0	0
	Recordable Occupational Disease Cases	0	0	0

Note:

1. From the date of the accident, the total number of lost workdays for a single case after the occurrence of all related injuries. This refers to the days during which the injured employee is temporarily (or permanently) unable to return to work, excluding the day of injury and the day of return to work, but including all intervening days (such as Sundays, holidays, or company shutdown days) and any subsequent days on which the employee cannot work due to the injury after returning to work.
2. Severe Occupational Injury Rate = [Number of Severe Occupational Injuries (excluding fatalities) × 200,000 hours] ÷ Total Hours Worked.
3. Recordable Occupational Injury Rate = (Number of Recordable Occupational Injuries × 200,000 hours) ÷ Total Hours Worked.
4. Fatal Occupational Injury Rate = (Number of Fatal Occupational Injuries × 200,000 hours) ÷ Total Hours Worked.
5. Fatal Occupational Disease Rate = (Number of Fatal Occupational Diseases × 200,000 hours) ÷ Total Hours Worked.

Occupational Injuries/Occupational Disease Statistics for Non-employees

2024			
Non-employee Workers	Daily Working Hours	Monthly Working Days	Total Working Hours
9 persons	8 hours	22 days	1584 hours
For all non-employee workers whose work and/or workplace is controlled by the organization:	Number	Rate (per 200,000 hours worked)	Rate (per 1,000,000 hours worked)
1. Fatal Occupational Injuries and Rate	0	0.00	0.00
2. Severe Occupational Injuries and Rate (excluding fatalities)	0	0.00	0.00
3. Recordable Occupational Injuries and Rate	0	0.00	0.00
4. Major Types of Occupational Injuries	Falls from heights, slips, trips, being struck by objects, falling objects, collapses, being hit, cuts, lacerations, abrasions, crush injuries, entrapment, entanglement, being trampled, drowning, exposure to extreme temperatures, exposure to hazardous substances, electric shock, explosions, ruptures, fires, improper movements, failure to wear protective equipment, burns, and others.		
For all non-employee workers whose work and/or workplace is controlled by the organization:	Number		
1. Number of Deaths Caused by Occupational Diseases	0		
2. Recordable Cases of Occupational Diseases	0		
3. Major Types of Occupational Diseases	No occupational diseases occurred.		

Occupational Health and Health Promotion

Occupational Health

1. In accordance with the “Labor Health Protection Regulations,” the Company employs on-site physicians and assigns occupational nurses on a monthly basis to provide medical consultation services at the workplace.
2. Each year, the plant conducts surveys on musculoskeletal discomfort and excessive workloads among employees. Combined with annual health examination reports and working hours data, the risk of developing ischemic heart disease within ten years is assessed. On-site nurses analyze the data to identify employees at risk of occupationally induced diseases, which serves as the basis for health consultations.
3. Pre-employment health examinations are conducted for new employees, and annual and special health examinations are carried out for existing employees, with follow-up on any abnormal results.
4. For employees engaged in long-term repetitive work, the “Ergonomic Hazard Prevention Program” is implemented.
5. Each unit is required to appoint certified first-aid personnel in accordance with regulations.
6. First-aid kits are managed by designated units, which conduct monthly inspections and replacement of medicines.
7. PPE is provided to employees.

Health Promotion

1. The Company conducts annual employee health examinations and special health examinations for relevant personnel.
2. In accordance with the “Labor Health Protection Regulations,” the Company employs on-site physicians (once every two months) and nurses (six times per month) to provide medical consultation services at the workplace.
3. An on-site occupational physician is invited annually to conduct at least one lecture on occupational safety and health.
4. The plant’s management representatives arrange mental health courses (time management), social health courses (workplace interpersonal relations and communication skills), and psychological health courses (managing emotions and stress).
5. The Company organizes annual employee outings.
6. Various health-related information is distributed to employees via internal email.
7. Promotional materials are posted on bulletin boards throughout the plant.
8. Pregnant employees are protected under the “Workplace Maternal Health Protection Program” and receive physician and nurse consultations and health guidance.



July 16, 2024 – Occupational Safety and Health Lecture on Cardiovascular Disease Prevention.

— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —

Impacts

Enterprises have a responsibility to safeguard employee human rights and ensure that business operations remain compliant and ethical. Any violation of employee rights not only severely damages corporate reputation and public trust, but may also result in lawsuits, fines, and increased employee turnover due to physical and mental harm. This, in turn, raises operational risks and financial pressures, and has profound long-term implications for the sustainable development of the enterprise.

Policy Commitment

Ho Yu Textile values labor rights and is committed to respecting and complying with the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), the United Nations Guiding Principles on Business and Human Rights (UNGPs), International Labour Organization (ILO) Conventions, the International Bill of Human Rights, the SA8000 Social Accountability Standard, and the principles and spirit of the Responsible Business Alliance (RBA).

Actions Taken

- Signing the Human Rights Policy, with leadership providing resources and active support for management to implement human rights protection measures.
- Implementing human resources management systems, establishing human rights policies and objectives, and formulating global human rights due diligence guidelines.
- Working with procurement and production units to establish human rights policy implementation plans, reviewing them during monthly business unit meetings, proposing remedial measures, and conducting investigations and improvements for grievance cases.

Goals

Short-Term Goals:

1. 0 incidents of labor rights violations and human rights violations.
2. 0 employee or stakeholder grievance cases.

Mid- to Long-Term Goals:

1. Maintain 0 incidents of labor rights violations and human rights violations.
2. Maintain 0 employee or stakeholder grievance cases.

Evaluation Mechanism

- The Corporate Governance Officer reports annually to the Board of Directors on the results of human rights due diligence and key human rights objectives.
- Monthly risk management meetings include reporting on human rights-related risks and the tracking of relevant indicators.
- Each business unit reviews the implementation of the human rights policy during its monthly routine meetings.
- Internal employee human rights due diligence is conducted through questionnaires, and based on the results, risk assessments and mitigation measures are carried out.

Performance Results

- 0 human rights violation incidents in 2024.
- No disputes or grievance cases arising from health and safety in 2024.
- At least one CSR (Corporate Social Responsibility) training session conducted annually.
- Human rights (CSR Corporate Social Responsibility) training coverage rate of 43 percent.
- Continued compliance with collective bargaining agreements signed with labor unions at each operating site.

Stakeholder Engagement

- Internal of the Company: Regular morning meetings are held to facilitate internal employee communication and feedback.
- External of the Company: Participation in community meetings and activities on an ad hoc basis to exchange communication and gather feedback on needs.

Performance Highlights

Zero Recruitment Fee Policy for Migrant Workers

Ho Yu adheres to the principles of ethical recruitment, strictly prohibiting the use of forced labor, debt bondage, contract restrictions, and any form of involuntary labor. The Company also explicitly prohibits the employment of prison labor, slaves, or trafficked workers. Ho Yu fully complies with international human rights conventions, relevant labor laws, and the ethical standards of brand partners to ensure that all employment relationships are voluntary. Migrant workers, upon providing reasonable advance notice, have the right to freely terminate employment without penalty and are not required to pay any recruitment-related fees.

To implement responsible recruitment, the Company has established a comprehensive management system for migrant workers, conducting due diligence and ongoing monitoring of labor agencies to ensure adherence to ethical recruitment standards. The recruitment process prohibits deception, bribery, or coercion, and requires transparent and lawful employment terms to safeguard migrant workers’ equal treatment and rights. In addition, the Company regularly provides migrant workers with training and communication opportunities to promote mutual understanding and the protection of rights.

The Company has introduced a “Zero Recruitment Fee” policy, fully covering the costs associated with bringing migrant workers to Taiwan, including agency fees, airfare, and medical examinations. This effectively reduces their financial burden, minimizes risks of debt dependence and exploitation, and enhances job stability and loyalty. This policy not only demonstrates the Company’s commitment to labor and human rights, but it has also gained strong recognition from both domestic and international clients. It aligns with ESG human rights governance trends and contributes to compliance with international sustainable supply chain standards. Since the implementation of this policy, the Company’s turnover rate has significantly decreased, and employee satisfaction has continued to improve, showcasing the Company’s proactive actions and tangible results in safeguarding migrant workers’ rights within the textile industry.

Overview of Employer-Borne Costs under Direct Hiring		
Country	Employer-Borne Costs Before Direct Hiring	Employer-Borne Costs After Direct Hiring
Philippines	0	2,919,000
Indonesia	0	1,198,500

Before direct hiring: employers were not required to bear any recruitment-related costs.
After direct hiring: employers assume full responsibility for all relevant costs.
Costs for Filipino workers are higher (NT\$2,919,000) compared with Indonesian workers (NT\$1,198,500), a difference of NT\$1,720,500, approximately 2.4 times higher.
This discrepancy is related to factors such as the number of employees hired, local wage standards, agency fees, and administrative costs.

Breakdown of Direct Hiring Expenditures			Philippines		Indonesia	
Item	Amount Spent	Number of Workers	Total Amount	Amount Spent	Number of Workers	Total Amount
Passport and Police Criminal Record Certificate, etc.	\$18,500	42	\$777,000	\$19,500	17	\$331,500
Service Fee	\$12,000	42	\$504,000	\$12,000	17	\$204,000
Alien Resident Certificate Fee	\$3,000	42	\$126,000	\$3,000	17	\$51,000
Agency Fee	\$30,000	42	\$1,260,000	\$30,000	17	\$510,000
Medical Exam Fee	\$6,000	42	\$252,000	\$6,000	17	\$102,000
Total			\$2,919,000			\$1,198,500

Commitment to Human Rights Protection

Ho Yu Textile values labor rights and is committed to respecting and complying with the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), the United Nations Guiding Principles on Business and Human Rights (UNGPs), International Labour Organization (ILO) Conventions, the International Bill of Human Rights, the SA8000 Social Accountability Standard, and the principles and spirit of the Responsible Business Alliance (RBA). Efforts under the scope of human rights are as follows:

Ho Yu Textile Human Rights Policy and Implementation Status		
Item	Implementation Directions	2024 Outcomes
Prohibition of Forced Labor	The Company complies with government labor laws and international standards, and does not compel or coerce any individual to perform work against their will. The restriction of personal freedom is strictly prohibited, including the withholding of personal documents.	In accordance with the Corporate Social Responsibility and Ethics Compliance Manual (NO.CSR-100), the Company does not engage in forced labor. No cases of forced labor occurred in 2024.
Prohibition of Child Labor	The Company strictly prohibits the employment of workers under the age of 16 in any operations or supply chain.	In compliance with the Corporate Responsibility and Ethics Compliance Manual (No. CSR-100), no workers under the age of 16 were employed.

Working Hours, Wages, and Benefits	<p>The Company strictly follows international standards and local regulations regarding working hours, overtime, wages, benefits, and living conditions, including:</p> <ol style="list-style-type: none"> 1. Working hours not exceeding legal limits 2. Commitment to providing wages that meet the minimum living standards required by law 3. Transparent payroll practices with no wage deductions as a disciplinary measure 4. Ensuring that provided living conditions meet employees' basic needs 	<ol style="list-style-type: none"> 1. Implemented in accordance with the Labor Standards Act. 2. The Regulations for Attendance Management Measures (HR-03-003) and Employee Benefits Policy (HR-03-005) are published on the KM knowledge platform for employee reference. No cases of forced labor occurred in 2024.
Freedom of Association and Collective Bargaining	The Company respects and supports employees' right to freely choose to establish, join, or decline membership in trade unions or other forms of employee organizations.	In compliance with the Corporate Responsibility and Ethics Compliance Manual (No. CSR-100), freedom of association and collective bargaining rights are fully respected.
Diversity, Equality, and Non-discrimination	The Company enforces policies on diversity and equality. No employee shall face discrimination on the basis of race, class, language, ideology, religion, political affiliation, nationality, birthplace, gender, sexual orientation, age, marital status, appearance, disability, zodiac sign, blood type, or past union membership. The Company ensures that the workplace is free of sexual harassment, psychological harassment, physical harassment, verbal abuse, bullying, intimidation, or any form of discrimination, and is committed to creating a dignified, safe, and equal work environment.	In compliance with the Corporate Responsibility and Ethics Compliance Manual (No. CSR-100), diversity, equality, and non-discrimination are respected. Complaint mechanisms and anonymous channels are provided to allow employees to file grievances with confidence.
Maternity Protection	The Company is committed to establishing a work system and environment that are friendly to both male and female employees.	A dedicated Occupational Safety and Health Committee has been established to promote matters related to maternity protection.
Privacy Protection	The Company complies with applicable local regulations to ensure the security of personal data.	The Company promotes the implementation of the ISO 27001 Information Security Management System to safeguard privacy.
Employment Stability	The Company guarantees that employees are not subject to threats of forced layoffs and provides assistance to employees affected by compulsory layoffs.	In accordance with the Corporate Responsibility and Ethics Compliance Manual (No. CSR-100), the Company ensures employment stability for all employees.
Health and Safety	The Company complies with international standards and local regulations related to occupational health and safety.	A dedicated Occupational Safety and Health Committee has been established to promote matters concerning workplace health and safety.

In addition to local employees, the Company actively promotes the rights of migrant workers by designing dedicated induction training programs. These programs incorporate human rights and labor rights as mandatory topics, helping migrant workers understand their rights and workplace protection mechanisms. The training is delivered in the native languages of migrant workers (such as Indonesian, Vietnamese, and Thai) and supplemented with simplified visuals and multimedia materials to reduce language barriers. The training content covers core topics such as working hours, leave, wage payments, occupational accident handling, and grievance channels, thereby strengthening migrant workers' fundamental awareness of labor rights and their ability to protect themselves.

To further safeguard migrant workers' rights to communication and grievance mechanisms during their employment, the Company provides permanent grievance and support resources, including multilingual descriptions of grievance procedures (such as anonymous mailboxes and external hotlines). Dedicated migrant worker counselors and translation support channels have also been established to ensure that workers can receive immediate assistance when facing workplace issues or language barriers, fostering an inclusive workplace environment that respects cultural diversity.

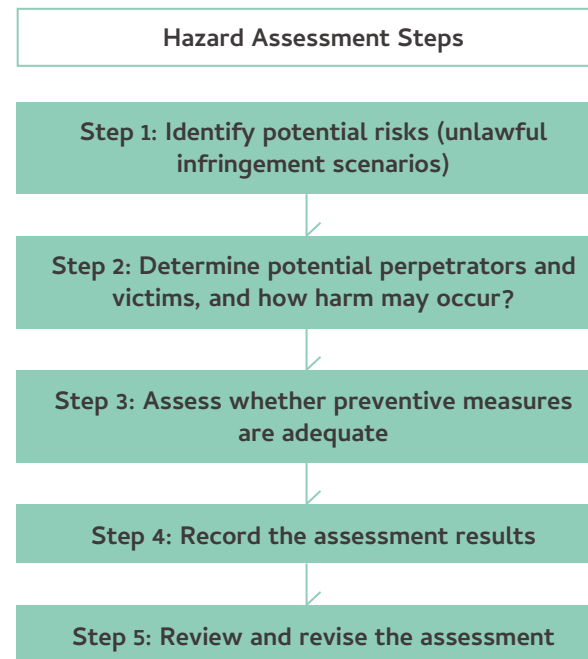
Workplace Unlawful Infringement

In accordance with Article 6, Paragraph 2 of the Occupational Safety and Health Act, Article 3 of the Stalking and Harassment Prevention Act, and Articles 11 and 324-3 of the Enforcement Rules of the Occupational Safety and Health Act, the Company has established the "Prevention Plan for Unlawful Infringement in the Performance of Duties." This plan outlines procedures to prevent and address incidents in which employees, contractors, hired personnel, or other stakeholders experience physical or mental harm due to unlawful acts committed by supervisors at all levels, colleagues, service recipients, or third parties while performing their duties in the workplace.

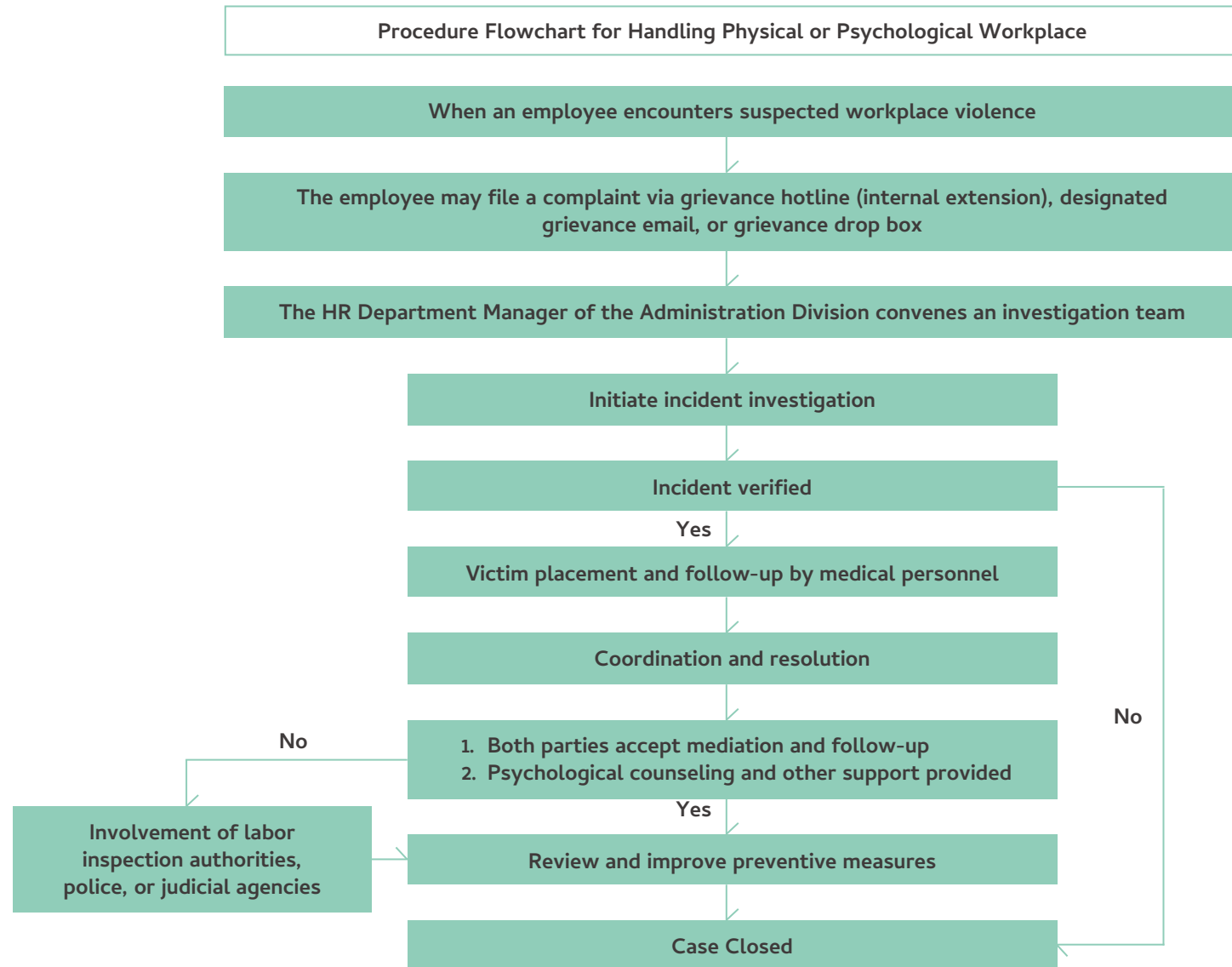
The management representative of the organization publicly declares to all workers the prohibition of workplace violence. Occupational safety and health personnel are assigned as members of the workplace violence prevention and response team. On-site medical staff serve as instructors for related training and provide counseling, health guidance, and other protective recommendations to victims. Department supervisors complete risk assessment forms to enhance workplace planning and provide necessary protective measures for the employees under their supervision. The head of the Human Resources Department is responsible for providing necessary support during personnel transfers or termination notifications.

Implementation of the Plan

1. Identification and Assessment of Hazards



2. Appropriately allocate work areas to reduce or eliminate the risk of unlawful infringements, and adopt effective control measures to mitigate risks.
3. Adjust workforce allocation in line with job suitability. If staffing in a unit is insufficient, excessive workloads may result in employees being unable to perform effectively, which could trigger or exacerbate workplace violence incidents, and even delay treatment for victims.
4. Establish codes of conduct under which all employees share the responsibility of maintaining a workplace free from violence. Any employee who witnesses or becomes aware of a workplace violence incident must immediately inform their supervisor or call the employee grievance hotline. Upon receipt of a complaint, investigations will be conducted confidentially. If the incident is verified, disciplinary actions will be implemented in accordance with company regulations.
5. Provide relevant training for employees in different job roles, and disclose training content as well as workplace violence prevention guidelines to foster communication, reduce stress, and alleviate frustration among all employees.



7. Reports and records of workplace violence incidents occurring within the plant shall be kept confidential to protect employees' privacy. After analyzing and evaluating different types of workplace violence, any residual risks and new risks following the implementation of control measures shall be reviewed annually. The applicability and effectiveness of these measures will be discussed and used as a reference for future training and preventive actions.

Human Rights-Related Compliant Channels

Sexual Harassment Prevention Measures:

Compliant hotline (internal extension): 666

Designated grievance email: 666@hoyu.com.tw

Compliant drop boxes: Security office and migrant worker dormitory

Workplace Violence Grievance Channels:

Compliant hotline (internal extension): 666

Designated grievance email: 666@hoyu.com.tw

Compliant drop boxes: Security office and migrant worker dormitory

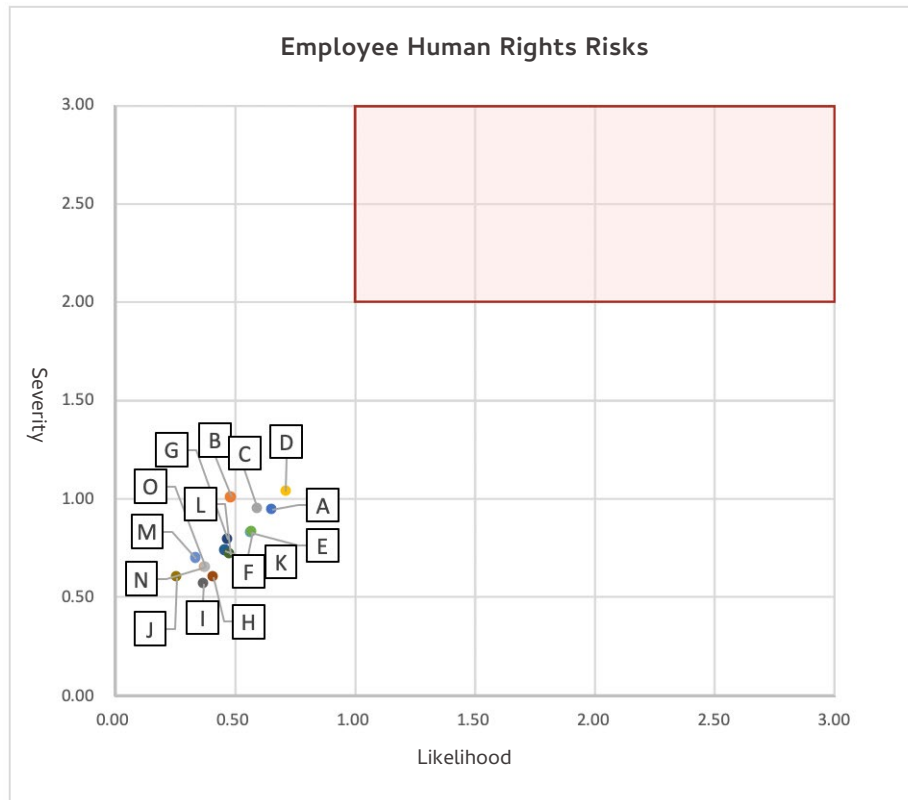
Human Rights Due Diligence Results

Ho Yu referenced international human rights conventions, relevant guidelines, and due diligence reports published by benchmark enterprises. Based on this, the Company consolidated potential human rights risk issues and incorporated them into its human rights risk assessment process. In 2023, a human rights risk assessment was conducted for internal employees through an online questionnaire.

The questionnaire evaluated the “probability of occurrence” and the “severity” of each human rights risk issue. Probability of occurrence: 0 = will not occur, 1 = low probability (1%–30%), 2 = moderate probability (31%–60%), 3 = high probability (above 61%). Severity: 0 = no impact, 1 = minor, 2 = serious, 3 = very serious. Based on the survey results, a Human Rights Risk Matrix was produced, and human rights risks were categorized into three levels:

- High risk: probability above 1 and severity above 2.
- Medium risk: probability above 1 but severity below 2.
- Low risk: probability below 1.

A total of 238 questionnaires were collected. The evaluation results were as follows:



- A. Privacy Protection
- B. Personal Freedom and Security
- C. Protection of Working and Labor Conditions
- D. Right to Health – Provision of Occupational Safety and Health Training
- E. Right to Health – Health Protection Measures
- F. Freedom of Speech and Expression – Provision of Communication Channels
- G. Freedom of Speech and Expression – Protection of Free Expression
- H. Freedom of Association – Establishment of Collective Bargaining Mechanisms
- I. Freedom of Association – Protection of Freedom of Association
- J. Child Protection
- K. Non-discrimination – Recruitment
- L. Non-discrimination – Promotion
- M. Forced Labor
- N. Right to Family Life – Provision of Childcare Support and Benefits
- O. Right to Family Life – Non-violation of Family Rights

According to the results of the 2023 employee human rights due diligence survey, no human rights issues of medium or high risk were identified. Considering that there were no significant changes in the overall operating boundary, business nature, or working environment, the Company continued with the previous assessment results in 2024 and did not conduct a new survey. Nevertheless, the Company continues to monitor potential human rights risks and will initiate a new risk assessment when necessary, along with implementing preventive and mitigation measures to strengthen human rights management.

Ho Yu is committed to community environmental sanitation and safety actions, building trust and security within the community, and promoting harmonious communication among people. Our objective is to enhance skills while fulfilling corporate social responsibility.

1. Caring for Elderly Living Alone: From Monday to Friday, Ho Yu provides free lunches and dinners to elderly residents living alone in the community, ensuring they receive essential nutrition and care, thereby improving their quality of life.
2. Winter Care and Warmth Program: Ho Yu Textile delivers love and care to communities and social welfare organizations by donating and personally delivering warm blankets, conveying compassion and positive energy to society through concrete action.
3. Resource Recycling: The Company actively promotes recycling initiatives, including iron cans and PET bottles, and allocates these resources to disadvantaged groups in the community, helping improve their living conditions and supporting resource reuse.
4. Plant Environmental Management: The Company strictly manages and controls wastewater and exhaust emissions from its plants to prevent pollution. Ho Yu is dedicated to environmental protection and takes proactive measures to avoid any negative impacts on the community and the natural environment.

1. Caring for Elderly Living Alone	Total	
Number of free meals provided per month	40 times	
Number of elderly beneficiaries per month	1 person	
Total number of meals provided per year	524 meals	
2. Resource Recycling	Cans	PET bottles
Monthly cans and pet bottles recycled	120 kg	12.5 kg
Monthly participation in recycling activities	Entire plant	Entire plant
Monthly resources provided to disadvantaged groups	120 kg	12.5 kg
Total annual recycling volume	1,440 kg	150 kg
3. Plant Environmental Management	Total	
Wastewater treated per month (Plant I + Plant II)	53,276.75 liters	
Number of environmental monitoring activities per month	2 times/year	
Annual reduction in pollutant emissions through environmental protection measures (recycled water)	122,000 liters	

— Preface —

— CH1 — About Ho Yu

— CH2 — Sustainable Governance

— CH3 — Employee Well-being and Social Co- Prosperity

— CH4 — Environmental Sustainability

— Appendix —



— Preface —

— CH1 — About Ho Yu

— CH2 — Sustainable Governance

— CH3 — Employee Well-being and Social Co- Prosperity

— CH4 — Environmental Sustainability

— Appendix —

Fude Temple Renovation Project



Enhance the safety and stability of the temple through renovation and improvement, creating a better public space that fosters participation and cohesion among community residents.

Caring for Society and Neighborhood Mutual Support



Build a supportive and inclusive society, assist disadvantaged groups, enhance mutual care and understanding among people, and inspire more individuals to participate in public welfare so that love and compassion can spread throughout society.

Fuyuan Community Development Association – Summer Youth Counseling Camp



Provide opportunities to learn new knowledge and skills, help children develop self-confidence, enhance their self-worth and social abilities, and ensure they have joyful experiences during the summer while encouraging them to pursue a brighter future.

Assisting Community Fire Safety



Enhance public emergency response capabilities and safety awareness while promoting fire safety to effectively prevent disasters.

Fuyuan Village Mid-Autumn Festival Party



Sponsored the Mid-Autumn Festival event and disadvantaged family care services organized by the Fuyuan Community. Ho Yu employees also participated, spreading care and love together, fulfilling the spirit of neighborhood mutual support.

Neighborhood Mutual Support

Public Welfare Contributions in 2024

Activity	Amount (NT\$)
Fuyuan Village Neighborhood Mutual Support & Mid-Autumn Festival Sponsorship	6,000
Fuyuan Village Summer Youth Counseling Camp and Energy-Saving and Carbon-Reduction Promotion	6,000
Fuyuan Community Fude Temple Birthday Celebration & Dragon Boat Festival Sponsorship	5,000
Fuyuan Village Community Development Association Sponsorship	3,000
Silk Weaving Association – Outstanding Migrant Worker Recognition Sponsorship	6,000
Silk Weaving Association – 2024 Hiking Event Sponsorship	20,000
Daxi Zhongzhuang Leisure Agriculture Development Association	100,000
The 13th Cross-Strait Textile Technology Symposium	100,000
Total	246,000

— Preface —

— CH1 —

About Ho Yu

— CH2 —

Sustainable
Governance

— CH3 —

Employee
Well-being
and Social Co-
Prosperity

— CH4 —

Environmental
Sustainability

— Appendix —

Corporate Social Responsibility Philosophy	Service Focus	Service Project	Target	Action Plan	Service Outcomes	Corresponding SDGs
Social Care	 SDG10 Reduce Inequalities	Caring for Elderly Living Alone	Community Elderly Living Alone	Provide healthy and nutritious lunch and dinner for elderly living alone in the community from Monday to Friday.	1. 10 free meals provided weekly. 2. 524 free meals provided in 2024.	
Caring for the Local Community	 SDG10 Reduce Inequalities	Winter Care Program	Community Social Welfare Groups	Provide community and nearby social welfare groups with blankets produced in-house with thermal functionality.	1. A total of 455 blankets were distributed. 2. 4 social welfare groups benefited in addition to local community groups.	
Resource Recycling	 SDG11 Sustainable Cities and Communities	Resource Recycling	Employee Community	Actively promote recycling among employees and provide resources to disadvantaged groups in the community.	Monthly recycling in 2024: 1. 120 kg of cans 2. 12.5 kg of PET bottles	

CH4

Environmental Sustainability



- 4.1 Climate change response (TCFD)
- 4.2 Energy Management
- 4.3 Water Resource Management
- 4.4 Waste Management
- 4.5 Chemical Substance Management
- 4.6 Circular Economy



Governance

To comprehensively manage the risks and opportunities associated with climate change and their potential impacts on the Company, in 2024 the Company established a Sustainability Development Committee. The Committee is responsible for reviewing corporate governance and risk management, formulating the overall direction of sustainability policies, implementing the Company’s sustainability action plans, deliberating on sustainability-related matters, and addressing topics such as social welfare and employee care. Three teams have been formed under the Committee, each focusing on one of the three sustainability aspects, with designated personnel responsible for project execution and data compilation. An executive secretary consolidates the performance results of the teams and reports to the Chief Sustainability Officer, ensuring the effective promotion and implementation of sustainability initiatives. In line with the framework of the Task Force on Climate-related Financial Disclosures (TCFD), the Committee conducts risk and opportunity assessments, identifies material risks and opportunities by analyzing levels of exposure, and classifies risks based on policy and regulatory, market, and production aspects to evaluate potential impacts. This approach fosters climate resilience and progressively integrates sustainability concepts into the Company’s daily operations, ensuring a more comprehensive and systematic response to future sustainability challenges.



Strategy

Ho Yu evaluates climate risks and opportunities each year on a rolling basis in line with the TCFD framework. Through discussions and consultations among departmental representatives and external advisors, the Company identifies transition and physical risks, as well as related opportunities, with reference to policy and regulatory developments, market dynamics, climate hazards and trends, and internal operating strategies.

Identification of Climate-related Risks and Opportunities

Process for Identifying Climate Risks and Opportunities



Step 4:
Formulate
response
measures

For the key risks and key opportunities identified, propose corresponding response measures.

These measures aim to address potential risks effectively while capitalizing on opportunities to achieve business objectives.

We will also regularly review and evaluate management effectiveness, monitor implementation status and results, and make rolling adjustments as needed.

I. Transition Risks

Risk Aspect	Risk Event and Description	Time frame, Likelihood, and Impact Level	Potential Financial Impact	Countermeasures
Policies and Regulations	<ul style="list-style-type: none">Increase in greenhouse gas emission pricing <p>In 2023, Taiwan passed the Climate Change Response Act. With respect to carbon fee collection, the initial phase will prioritize high carbon emitters and electricity users. Starting in 2026, the Ministry of Environment will impose carbon fees on enterprises with annual carbon emissions exceeding 25,000 metric tons, and the scope of collection will be gradually expanded.</p>	Time frame: Medium Term Likelihood: High Impact Level: High	Increase in operating costs Increase in energy-saving measures costs Increase in renewable energy installation costs	<ol style="list-style-type: none">Conduct regular evaluations and improvements of manufacturing processes and equipment across all plants to gradually reduce manufacturing-related carbon emissions.Continue to optimize the application and performance of biomass fuel.
Technology	<ul style="list-style-type: none">equipment or services with low-carbon equipment or processes <p>The Company adopts energy-saving and high-efficiency production processes, equipment, and auxiliary devices.</p>	Time frame: Medium Term Likelihood: Medium to High Impact Level: High	Increase in operating costs Increase in research and development expenses Increase in raw material, equipment, and procurement costs	<ol style="list-style-type: none">Adopt a phased strategy for equipment replacement and establish annual replacement plans.Introduce production equipment with IoT capabilities to enable energy monitoring and optimization, thereby enhancing overall energy efficiency.

Risk Aspect	Risk Event and Description	Time frame, Likelihood, and Impact Level	Potential Financial Impact	Countermeasures
Market	<ul style="list-style-type: none">Changes in customer behavior <p>The global net-zero trend and national regulatory policies have increased uncertainty in customer supply chain deployment. In addition, customers may prioritize companies with low-carbon production, requiring the Company to invest in the research of emerging green energy technologies.</p>	Time frame: Long Term Likelihood: Medium to High Impact Level: High	Decrease in revenue Increase in operating costs Increase in procurement costs Increase in costs for acquiring green technologies	Prioritize the implementation of immediately available and mature carbon reduction solutions (such as expanded use of biomass energy and energy management systems EMS). Leverage data audits to verify carbon reduction and energy-saving performance and use this to qualify as a sustainable supplier for brand customers.
	<ul style="list-style-type: none">Rising raw material costs <p>Suppliers are required to adopt more energy-efficient processes in response to local government carbon emission standards and regulatory requirements. In addition, global economic instability has resulted in inflation and increased electricity costs.</p>	Time frame: Short Term Likelihood: High Impact Level: High	Increase in operating costs Increase in procurement costs Increase in energy consumption and carbon credit allocation costs	Implement hedging strategies for highly volatile raw materials or collaborate with financial institutions to design price-locking mechanisms. Alternatively, establish a floating pricing mechanism to communicate cost structures with customers and share the risks of price increases.

II. Physical Risk

Ho Yu has identified that extreme climate events such as typhoons, droughts, and heavy rainfall may cause damage to the Company’s plant equipment and create difficulties in logistics and transportation, thereby affecting operations.

Risk Aspect	Risk Event and Description	Time frame, Likelihood, and Impact Level	Potential Financial Impact	Countermeasures
Immediate	<ul style="list-style-type: none">Increased severity of extreme weather events such as typhoons and floods Extreme weather may cause production interruptions, transportation disruptions, and supply chain interruptions, leading to operational damage.	Time frame: Short Term Likelihood: High Impact Level: Low	Increase in operating costs/ capital expenditures Expenditures for plant and equipment adaptation to extreme weather Invest in disaster prevention-related assets	1. Strengthen disaster prevention capacity of plants and equipment. Conduct risk assessments and improvements on existing plant facilities. 2. Review current insurance coverage and assess the need for additional climate-related insurance programs.
	<ul style="list-style-type: none">Extreme rainfall and drought Extreme rainfall and drought events may affect reservoir water storage capacity, leading to production interruptions, transportation disruptions, and supply chain interruptions.			Optimize water removal systems and water recycling and reuse systems to enhance process water efficiency. Proactively assess upstream suppliers’ climate risk management mechanisms and incorporate these into supplier evaluation criteria.

III. Opportunities

Opportunity Aspect	Opportunity Event and Description	Likelihood and Impact Level	Potential Financial Impact	Countermeasures
Energy	Reduce reliance on coal and increase the proportion of low-carbon fuels (such as biomass pellets).	Time frame: Medium Term Likelihood: High Impact Level: High	The initial transition to low-carbon fuels may increase costs in the short term. However, in the long term, low-carbon fuels can reduce Scope 1 emissions and thereby lower future carbon border tax costs.	Seek relevant green financing to ease the financial burden during the initial transition period.
Products	Growing market demand for low-carbon and sustainable textiles and co-development of circular products with brands to enhance competitiveness.	Time frame: Long Term Likelihood: Low Impact Level: Low	Increase in product sales volume and product differentiation in the market.	Strengthen communication with brands in green product development and strategically secure long-term orders.

Short Term (1–2 years)

- Conduct climate scenario analysis to identify the impacts of climate change on business (such as customer demand, raw materials, energy costs).
- Expand the use of biomass energy (such as wood pellets) to reduce Scope 1 emissions.
- Conduct energy audits and lifecycle carbon footprint assessments for core products (such as backpack fabrics).

Medium Term (3–5 years)

- Cooperate with suppliers and brand customers to expand the application of low-carbon products to reduce product carbon emissions (such as switching to recycled nylon/polyester materials).
- Continue to develop sustainable materials with innovative technologies, including chemicals used in processes.
- Incorporate climate risk assessment into product development strategies (such as developing lighter and circular-design products).
- Plan process electrification and assess the installation of rooftop solar or signing of power purchase agreements (PPA) with green electricity providers.

Long Term (5–10 years)

- Establish closed-loop recycling collaboration model with brand customers to promote product recycling and reproducing.
- Achieve 100 percent use of renewable energy in plants.
- Expand product lines to include biodegradable and circular new materials to align with global carbon neutrality and sustainability goals.
- Position the Company as a leading sustainable manufacturer of industrial functional fabrics in the Asia-Pacific region, creating high added value and customer loyalty.

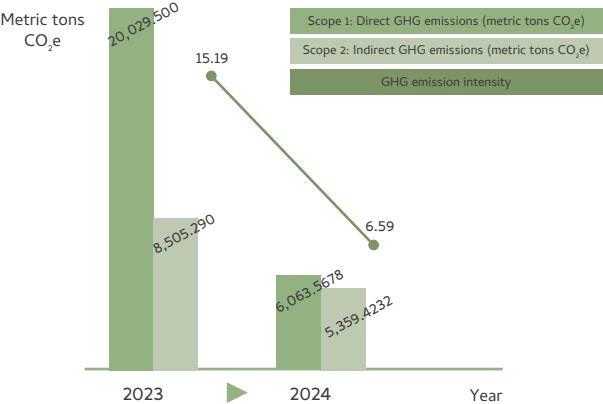
Risks and Management

Ho Yu evaluates climate risks and opportunities each year on a rolling basis in line with the TCFD framework. Through discussions and consultations among departmental representatives and external advisors, the Company identifies transition and physical risks, as well as related opportunities, with reference to policy and regulatory developments, market dynamics, climate hazards and trends, and internal operating strategies.

Metrics and Targets

If certain climate-related issues have a significant impact on the company, the organization should incorporate relevant performance metrics into the assessment standards for departments or responsible persons, such as greenhouse gas (GHG) reduction, energy efficiency improvement, compliance with government ESG requirements, and achievement of green product or sustainability goals. These metrics should serve as the basis for the compensation evaluation of senior management and departmental supervisors, aligning with the company's sustainability objectives to ensure employees actively drive the achievement of climate-related goals, while promoting the company's long-term compliance in the areas of Environmental, Social, and Governance (ESG).

Greenhouse gas emissions are the primary cause of the climate emergency, and corporate GHG management is one of the key issues of concern to stakeholders. In accordance with ISO 14064-1 and the Ministry of Environment's GHG verification guidelines, the company has established a standardized mechanism for GHG inventory, and conducts annual GHG emission audits across all company facilities.



Item	2023	2024
Scope 1: Direct GHG emissions (metric tons CO ₂ e)	20,029.500	6,063.5678
Scope 2: Indirect GHG emissions (metric tons CO ₂ e)	8,505.290	5,359.4232
Total emissions = Scope 1 + Scope 2 (metric tons CO ₂ e)	28,534.790	11,422.9910
GHG emission intensity	15.19	6.59

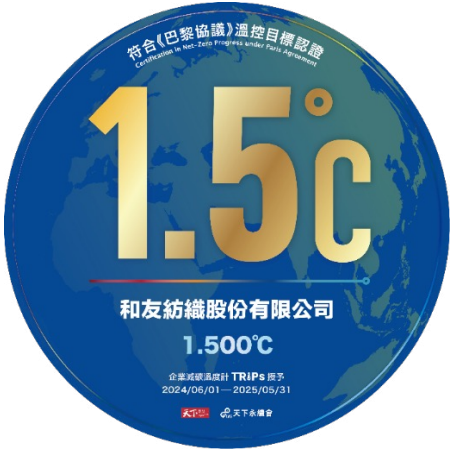
Note:

1. Based on annual emission statistics.
2. The 2024 electricity emission factor is 0.494 kg CO₂ per kWh, with GWP values adopted from the IPCC Fourth Assessment Report. Source: Bureau of Energy, Ministry of Economic Affairs website ([http:// www.moeaboe.gov.tw/](http://www.moeaboe.gov.tw/))
3. GHG emission intensity = total emissions (metric tons CO₂e) ÷ million NTD revenue; the inventory scope covers Ho Yu Guanyin Plant 1 and Plant 2, with revenue figures sourced from the company’s annual consolidated statement of comprehensive income.

Reduction Strategies and Targets

The Company conducts annual greenhouse gas (GHG) inventories to systematically evaluate energy and material usage at each production stage, as well as the associated carbon emissions. In line with the Paris Agreement goal of limiting global temperature rise to within 1.5°C, the Company has set a science-based target (SBT) with 2018 as the base year. The Company is committed to reducing Scope 1 and Scope 2 GHG emissions by 50 percent by 2030. At present, the primary source of the Company’s carbon emissions comes from Scope 1 direct emissions, which account for more than 70 percent of the total (Scopes 1 and 2 combined). To achieve the reduction target, the Company continues to implement its “Sustainable Manufacturing” strategy, which includes improving production efficiency, enhancing energy efficiency, and actively increasing the proportion of renewable energy used across its plants.

In addition, the Company was certified by the “Corporate Carbon Reduction Thermometer” (TRIPs) in 2024, earning the “Aligned with 1.5°C Target” label, demonstrating the Company’s proactive commitment and environmental responsibility in carbon reduction. This label is based on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report and adopts the Absolute Global Temperature change Potential (AGTP) model. Using the



Company’s baseline year, target year, and GHG emission data, it simulates and analyzes long-term reduction pathways and projects end-of-century warming scenarios. This recognition highlights the Company’s alignment with global carbon reduction efforts and its determination to achieve net-zero emissions.

Annual Environmental Expenditures

Item	Amount
Maintenance fees for wastewater treatment equipment	2,494,516
Water pollution control fees	533,715
Waste collection and disposal	5,395,084
Maintenance fees for air pollution control equipment	3,314,850
Air pollution control fees	437,263
Total (NT\$)	12,175,428

Impacts

The Company’s plants are relatively old, and after years of continuous equipment additions and expansions without sufficient systematic planning, this has resulted in energy waste, increased energy consumption, and a higher probability of unplanned shutdowns. These issues may subsequently lead to profit loss and rising costs, negatively affecting the Company’s financial performance.

Policy Commitment

To ensure sustainable operations and fulfill its social responsibility for energy conservation and waste reduction, Ho Yu commits to achieving the following energy goals:

- All employees participating in the energy management system
- Establishment and implementation of annual energy targets
- Continuous process improvements and equipment upgrades, with periodic reviews and updates
- Compliance with regulatory requirements and timely updates
- Planning for green production
- Adherence to energy management-related procurement procedures
- Ensuring access to energy information and necessary resources at all times
- Support for the procurement of energy-efficient products and services

Actions Taken

- Planned installation of sub-meters to analyze electricity consumption hotspots, enabling precise monitoring of energy use and adjustment of operational strategies based on data analysis to achieve optimal energy-saving results
- Gradual replacement of high-efficiency lighting equipment to improve energy efficiency
- Evaluation and replacement of energy-intensive equipment to reduce overall energy consumption

Goals

Short-Term Goals:

- 1. Reduce electricity consumption by 1% annually
- 2. Replacing energy-intensive equipment, improving electricity efficiency, and adopting current energy-saving measures

Mid- to Long-Term Goals:

- 1. Reduce electricity consumption by 4% within four years
- 2. Introducing advanced energy-saving technologies, optimizing automated production processes, and enhancing overall energy efficiency

Evaluation Mechanism

The Company adopts the industry-specific energy audit system as its evaluation mechanism to review annual energy performance.

Performance Results

- Electricity saving rate for 2024: 1.5236%
- Average annual electricity saving rate from 2015 to 2024: 1.5148%, in compliance with industry-specific energy audit standards
- Replacement of three energy-saving dyeing machines resulted in annual electricity savings of approximately 31,122kWh/year (112.0392GJ)

Stakeholder Engagement

Through email, newsletters, display screens, and office postings, the Company shares knowledge on energy conservation and promotes awareness of energy saving, emission reduction, and low-carbon practices, encouraging employees to foster a green and sustainable consciousness.

An annual energy-related meeting is convened to review potential electricity-saving initiatives and to identify opportunities for short-, medium-, and long-term investment improvements.

Energy Management

With the intensifying issue of global warming and adjustments to the domestic power system, energy management and carbon reduction have become critical issues in society today. Ho Yu is committed to improving resource efficiency, actively responding to international carbon reduction trends, strengthening its energy management system, and promoting low-carbon operational strategies. These efforts not only mitigate environmental impacts but also enhance the Company’s sustainable competitiveness. The Company regularly holds review meetings to evaluate the effectiveness of various measures and adjusts energy-saving strategies based on actual conditions, while actively exploring ways to further increase the proportion of renewable energy usage. In 2024, Ho Yu’s energy intensity was 119.93 GJ per million NTD. Total energy consumption for the year reached 204,835.44 GJ, of which purchased electricity accounted for 29.71%, boiler fuel 34.07%, biomass fuel 35.46%, and gasoline/diesel 0.76%.

Energy Type		2022	2023	2024
Scope 1	Gasoline and Diesel	1,308.31	1,371.93	1,560.97
	Boiler Fuel	226,281.15	172,528.85	69,777.54
	Biomass Fuel	0.00	0.00	72,639.65
Scope 2	Purchased Electricity	68,233.74	60,204.19	60,857.28
Total Non-renewable Energy Consumption (a)		295,823.20	234,104.97	132,195.79
Total Renewable Energy Consumption (b)		0.0000	0.0000	72,639.65
Total Energy Consumption (a+b)		295,823.20	234,104.97	204,835.44
Energy Intensity		N/A	124.66	119.93

Energy-saving Measures

Enhancing Energy Efficiency:

- 1. Evaluate the introduction of high-efficiency equipment.
- 2. Promote smart energy management systems to optimize electricity demand.

Production and Processes

- 1. Require R&D units to optimize production processes at the source to reduce energy waste.
- 2. Production units are required to regularly review energy-saving opportunities.

Other Measures

- 1. Promote energy-saving awareness: provide employee training and awareness programs to enhance recognition of the importance of energy conservation.
- 2. Promote the use of renewable energy: reduce reliance on fossil fuels.

Energy Reduction Targets

Short-term Targets (1–3 years):

Focus on energy efficiency improvements, such as replacing lighting with energy-saving alternatives (e.g. LED lamps), and inspecting and repairing leaking pipelines and equipment. Implement basic energy management practices, including energy tracking and recording.

Medium-term Targets (3–5 years):

Prioritize equipment upgrades and energy efficiency enhancements, optimize production processes, and reduce energy waste.

Long-term Targets (more than 5 years):

Further advance and optimize the energy management system by integrating advanced technologies such as the Internet of Things (IoT) and Artificial Intelligence (AI) to enhance energy efficiency.

Impacts

Poor water resource management may lead to water waste and resource shortages, affecting daily life and company production operations. If water pollution occurs, it would damage the environment and impact agricultural ecosystems, thereby adversely affecting the overall economy and social stability.

Policy Commitment

Taiwan experiences relatively dry winters, with past droughts often alleviated by the May plum rain season. In recent years, however, climate change has posed greater threats, with the rainy season being delayed or bringing insufficient rainfall, resulting in severe droughts. Ho Yu has long been committed to process improvements, the construction of water-saving facilities, and the development of recycled water use in production processes. In purchasing dyeing machines, the Company also selects equipment that is low-liquor-ratio, water-saving, and energy-efficient.

Actions Taken

- Install electronic flow meters on key pipelines and build a factory water monitoring system connected to the IoT to monitor water usage.
- Conduct audits of plant water consumption and implement water balance diagrams; conduct regular inspections of water pipelines to prevent leakage.
- Replace faucets and toilets in the factories with water-saving models, and set annual water-saving targets.
- Establish a plan for the phased replacement of water-saving equipment and promote the construction of water conservation facilities.
- Construct water conservation facilities (equipment), including wastewater recycling and rainwater harvesting systems.

Goals	
Short-Term Goals: (Plant 1) 1. Replace all faucets and toilets with water-saving models. 2. Construct reclaimed water storage tanks, increasing reclaimed water reuse efficiency to approximately 70–90%. 3. Replace existing dyeing machines with new low-liquor-ratio dyeing machines (water-saving dye vats), improving water-saving efficiency by approximately 50%. 4. Reuse backwash water from the soft water system, improving water reuse rate by approximately 20%. (Plant 2) 1. Strengthen wastewater recycling, including reuse for the first-stage rinsing in wastewater treatment and recycling wastewater treated with new technology for use in water jet looms. 2. Recycle water for toilet flushing.	Mid- to Long-Term Goals: (Plant 1) 1. Continue the phased replacement of dyeing machines with new low-liquor-ratio water-saving models, improving water-saving efficiency by approximately 50%. 2. Install rainwater harvesting systems in new factory buildings, increasing water reuse by approximately 3–5%. (Plant 2) 1. Gradually replace old water jet looms with new models (saving approximately 10% of water consumption), phasing out 34 old machines and installing 20 new machines, with an additional 20 planned for 2025. 2. Apply advanced wastewater treatment technologies to directly purify wastewater into reusable effluent, thereby saving on chemical consumption.
Evaluation Mechanism	
(Plant 1) Achievement confirmation jointly by the Production Department and the Electromechanical Team.	
(Plant 2) Achievement confirmation jointly by the Production Department and the General Affairs Section.	
Performance Results	
(Plant 1) 1. Replaced faucets and toilets with water-saving models. 2. Constructed reclaimed water storage tanks, achieving a 70–90% reclaimed water reuse rate. 3. Replaced three dyeing machines with new low-liquor-ratio models (water-saving dye vats), achieving approximately 7–10% water savings. 4. Constructed a soft water backwash water recycling system, improving water reuse efficiency by approximately 12–15%.	

Performance Results

(Plant 2)

Installed new water jet looms, with four machines already in operation and 20 more scheduled for installation in February 2025, achieving approximately 10% water savings.

Stakeholder Engagement

Share water conservation concepts via email and factory LINE groups, and post related information on factory bulletin boards to promote water-saving awareness among all employees.

Convene meetings on water-related issues annually to continuously review potential water-saving initiatives and regularly evaluate progress.

Water Resource Policy

In recent years, extreme climate events have caused dramatic changes to water resources, including frequent droughts, extreme flooding, and rising sea levels. These challenges have drawn increasing global attention to water-related issues, making water resource management a critical aspect of Ho Yu’s operations. According to the Aqueduct water risk analysis tool developed by the World Resources Institute (WRI), water risk assessments indicate that the regions covering the Taoyuan headquarters, Plant I, and Plant II are all categorized as low to low-medium risk.

Although the textile industry in which Ho Yu operates is not classified as a highly polluting sector, the Company still places strong emphasis on water use and wastewater management. Each factory is equipped with long-fiber filtration, soft water treatment, and wastewater treatment facilities. In accordance with the Water Pollution Control Act, the Company has designated personnel responsible for wastewater treatment operations and system maintenance. All designated personnel are required by regulation to attend refresher training courses organized by the National Institute of Environmental Research every two years, ensuring continuous updates in operational knowledge and regulatory compliance.

In addition, the Company commissions third-party testing organizations accredited by the Ministry of Environment to conduct quarterly wastewater quality inspections, ensuring that discharge quality consistently meets regulatory standards. The wastewater treatment facilities and operating personnel in each factory have obtained approval under the Water Pollution Control Measures Plan and the Water Pollution Control Permits issued by the Taoyuan City Government. Treated effluent fully complies with regulatory discharge standards, effectively reducing the operational impact on the water environment. In 2024, the total water withdrawal amounted to 660.52 million liters, with groundwater as the primary source, accounting for 95.9%.
Summary of Water Withdrawal, Discharge, and Consumption:

Water Resource Utilization in 2024 (Million Liters)

	Factory 1	Factory 2	Total
Tap Water Withdrawal (million liters)	22.50	4.54	27.04
Ground Water Withdrawal (million liters)	576.18	57.30	633.48
Surface Water Withdrawal (million liters)	0	0	0
Seawater Withdrawal (million liters)	0	0	0
Total Water Withdraw (million liters)	598.68	61.84	660.52
Total Recycled and Reused Water (million liters)	264.00	0.12	264.12
Waste Water Discharge (million liters)	334.68	61.72	396.40
Water Consumption (million liters)	0.00	0.00	0.00

Wastewater Management

The plants comply with the Water Pollution Control Act, the Regulations Governing the Measures and Inspection Reporting of Water Pollution Control, and the Standards for Effluent Discharge of Wastewater and Sewage. Quarterly water quality testing is conducted on raw wastewater and treated effluent. All testing items and results meet the effluent discharge standards stipulated in the Water Pollution Control Measures Plan and the Water Pollution Control Permit issued by the Taoyuan Environmental Protection Bureau. The following table presents the average values of effluent test results from wastewater treatment facilities at Plants I and II for the first to fourth quarters of 2024. All results complied with regulatory requirements. During 2024, routine inspections conducted by the environmental authorities found no violations or non-compliance, demonstrating the Company’s continued commitment to regulatory compliance and environmental management responsibility.

Item	Standard Value	Factory 1	Factory 2
pH	6–9	7.3	7.2
COD (mg/L)	≦ 160 (Plant 1) ≦ 99 (Plant 2)	76.3	79.9
BOD (mg/L)	≦ 30 (Plant 1) ≦ 25 (Plant 2)	18	16.1
Suspended Solids (mg/L)	≦ 30 (Plant 1) ≦ 26 (Plant 2)	21.7	14.4
Anionic Surfactants (mg/L)	≦ 9	0.78	0.35
True Color (ADMI)	≦ 400 (Plant 1) ≦ 197 (Plant 2)	39	37
Water Temperature (°C)	25–38 (Plant 1) 20–30 (Plant 2)	29.8	24.2

Water resource management

Ho Yu Textile identifies water resources as a key management priority and has implemented proactive measures to enhance the importance of water-related issues. Its management strategy is divided into three main dimensions: governance, strategy, and technology.

Governance: Enhancing water governance by setting annual water-saving targets for each plant to ensure the effective implementation of water resource management. Measures include installing electronic flow meters on critical pipelines, establishing an IoT-based water monitoring system, auditing plant water usage, introducing water balance diagrams, and conducting regular inspections of plant pipelines to prevent leakage and unnecessary water waste.

Strategy: Continuously increasing the amount of water recycled within the plants through various measures such as process condensate recovery and reclaimed water reuse. Improving production processes and implementing the Environmental Management System (ISO 14001) to enhance wastewater treatment efficiency. Installing water-saving hardware, including new water jet looms and low-liquor-ratio dyeing machines, to reduce water consumption during production.

Technology: Collaborating with external partners to introduce reclaimed water projects, thereby enhancing the sustainable utilization of water resources.

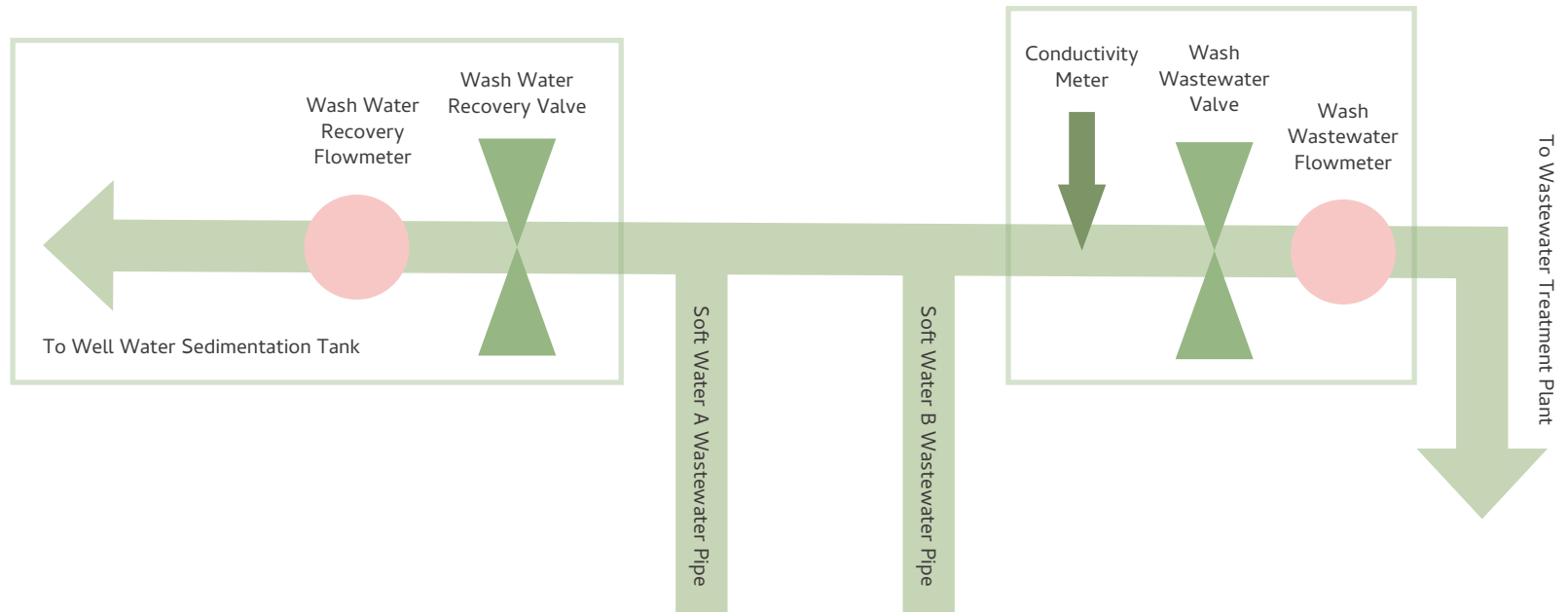
Water-Saving Measures and Results

Backwash Water Recycling of the Soft Water System (Ho Yu Textile Plant 1):

To improve water use efficiency, Plant I introduced a backwash water recycling mechanism in its soft water treatment system, reducing process water consumption and enhancing water recycling. The primary function of the soft water system is to reduce the iron content and water hardness of groundwater. The system requires at least one backwash operation per day, lasting about 60 minutes and generating approximately 40 to 45 tons of backwash water.

Through conductivity and pH monitoring, water with a conductivity below 1,400 $\mu\text{S}/\text{m}$ and a pH value between 6 and 8 is classified as recyclable. In each backwash cycle, approximately 10 tons of water can be recycled and redirected to the well water sedimentation tank for reuse. As illustrated in the system diagram, the recovery process is supported by flow meters, conductivity meters, and valve controls to regulate flow direction.

After implementing this measure, the overall water reuse rate of the soft water system increased by approximately 20%, effectively reducing groundwater extraction and enhancing the performance of plant water resource management. This demonstrates the Company's active efforts in water conservation, emission reduction, and process optimization.



— Preface —

— CH1 —

About Ho Yu

— CH2 —

Sustainable
Governance

— CH3 —

Employee
Well-being
and Social Co-
Prosperity

— CH4 —

Environmental
Sustainability

— Appendix —

Water Conservation and Efficiency Improvements

Introduction of Water-Saving Technologies and Equipment:

To effectively reduce water consumption, the Company has adopted advanced low-liquor-ratio dyeing machines and water recycling systems. These measures not only help decrease the amount of water required per unit of product but also further improve water utilization efficiency in the production process, achieving water-saving goals and reducing environmental impact.

Optimization of Production Processes:

By continuously improving dyeing and finishing processes, the Company has significantly reduced the number of rinsing steps, thereby greatly enhancing water efficiency and minimizing water waste during production. These optimizations not only improve production efficiency but also reduce environmental pollution and support sustainable development.

Establishment of Water Monitoring Systems:

To achieve precise management of water usage, the Company has installed automated monitoring systems to track and record water consumption in real time. When abnormal usage is detected, the system issues alerts, enabling timely corrective actions to prevent waste and effectively lower water resource costs.

Wastewater Treatment and Reuse

Enhancement of Wastewater Treatment Facilities:

The Company continuously upgrades and improves its wastewater treatment facilities to ensure all treatment processes comply with environmental regulations, while reducing the impact of wastewater on water bodies. This not only safeguards ecological sustainability but also reflects the Company's commitment to environmental responsibility.

Promotion of Reclaimed Water Reuse:

A dedicated reclaimed water treatment system has been established to recycle treated water for non-contact purposes such as cooling and cleaning. This approach effectively reduces the use of fresh water and maximizes the resource value of recycled water, ensuring optimal utilization of water resources.

Selection of Environmentally Friendly Dyes and Auxiliaries:

In the production process, the Company prioritizes the use of low-pollution and biodegradable dyes and auxiliaries. This practice reduces the pollutant load of wastewater and eases the complexity of wastewater treatment, making the process more efficient and environmentally sustainable, while mitigating long-term environmental impacts.

Impacts

If waste disposal is improperly managed or not carried out in compliance with relevant regulations, it may result in negative environmental impacts such as soil contamination, water pollution, and air pollution, while also damaging the Company’s reputation.

Policy Commitment

The Company is committed to effective waste management within its facilities (classification and temporary storage) and to implementing waste removal in accordance with environmental regulations. The Company also requires contracted waste disposal vendors to ensure proper downstream control of waste flows, jointly fulfilling its commitment to environmental responsibility.

Actions Taken

- Temporary Waste Storage: Waste is classified within the facilities and temporarily stored at designated locations in accordance with the “Waste Disposal Plan.”
- Waste Disposal: Qualified vendors (under signed contracts) are engaged to remove and dispose of waste offsite in compliance with regulations, and the Company files reports through the official online Industrial Waste Reporting and Management System.
- Education and Training: Waste management training sessions are conducted for employees.

Goals

Short-Term Goals:

1. Continue implementing 6S management and proper waste management (classification and temporary storage) within the facilities.
2. Ensure an annual training completion rate of at least 90% for waste management (including recycling, temporary storage, and disposal).
3. Implement ISO 14001 environmental management system requirements and address findings and recommendations from audits.

Mid- to Long-Term Goals:

1. Strengthen vendor audits, and incorporate regulatory compliance performance into vendor selection criteria.
2. Seek green product alternatives based on waste material characteristics, increase reuse rates, promote resource recycling, and reduce overall waste generation.

Evaluation Mechanism

Monthly 6S audits and evaluations are conducted by the Quality Assurance Department, with self-assessments and cross-audits performed by each unit. This ensures performance management, a clean and organized workplace, and the fostering of a strong corporate culture.

Performance Results

- In 2024, the main deficiency identified during 6S audits was the disorderly arrangement in the temporary storage area for recyclable waste. Following discussion in the Facility Management Supervisors’ Meeting, corrective actions were taken by re-labeling the storage areas (in four languages) and reinforcing proper storage requirements through supervisor communication. As a result, the site has remained orderly with no further occurrences of misplacement or disorder.
- The 2024 external ISO 14001 environmental management system audit reported no major nonconformities. Observations included the need to re-label the storage area for waste adhesive generated in the lamination process and to remove obstructions in front of the emergency response vehicle; both issues were promptly corrected.
- In 2024, site inspections and audits of waste fabric and sludge disposal vendors, including vehicle tracking and facility visits, confirmed full compliance with the Waste Disposal Act requirements for transport and treatment.
- In 2024, new employee training included a one-hour session on the Environmental and Energy Policy, and in July, all facility personnel received one-hour training on waste management (including recycling, temporary storage, and disposal). The training completion rate achieved 100%.

Stakeholder Engagement

- Regular internal meetings and workshops are held to gather employee feedback on environmental management, with suggestions incorporated into improvement plans.
- Ongoing training programs are provided to facility personnel to ensure compliance with waste reduction and classification practices.
- The Company engages in sustainability dialogues with suppliers and customers, promoting waste reduction and circular economy initiatives, and sharing environmental achievements to enhance corporate reputation.

Waste Management Policy

The Company follows the ISO 14001 Environmental Management System and has established a dedicated unit to ensure proper handling of waste from generation to disposal. The Company’s waste primarily originates from office activities and production processes. Waste generated from office activities does not pose significant impacts on the environment, society, or health. In terms of output, the Company’s total waste includes both general and hazardous waste. These wastes may potentially impact the environment, particularly hazardous waste, such as adhesives generated in dyeing and textile processes. Such impacts are not only related to the Company’s own operations but are also closely connected to waste management practices within the value chain of upstream suppliers. To address these challenges, the Company has established and strictly implemented the “WI-LA-22 Waste Management Operating Procedure,” with the objective of maximizing resource recycling efficiency, reducing reliance on natural resources, and continuously optimizing waste management processes to minimize environmental impacts and improve resource utilization efficiency. Since its establishment, the Company has never experienced any significant leakage incidents involving waste or other hazardous substances.

Implementation of the “WI-LA-22 Waste Management Operating Procedure” at plant sites.

1. Compliance with the ISO 14001 Environmental Management System.
2. Source reduction of waste through process optimization, precise chemical dosing, and introduction of water- and energy-saving equipment.
3. Waste classification and grading, with recycling and reuse.
4. Sale of valuable waste to external vendors for recycling and reuse.
5. Engagement of qualified contractors for the removal and treatment of non-valuable waste.
6. Sizing process: N-type waste: recycled into pellets; T-type

Waste Management Flowchart

Waste Generation

Waste Classification (general / hazardous / recyclable)

Temporary Storage (categorized by type, clearly labeled, with measures to prevent leakage)

Recording and Reporting (registration of waste types and quantities, with mandatory reporting when required)

External Removal or Internal Handling

- Removal by qualified waste contractors
- Treatment by certified organizations (incineration, landfill, recycling, etc.)

Inspection and Audit (retention of treatment records for environmental audits)

Waste is processed legally and in compliance with environmental regulations.

— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —

waste: recycled into cotton batting or filler; NT-type sizing yarn waste: recycled into cotton batting

7. Weaving process: N-type waste: recycled into pellets; T-type waste: recycled into cotton batting or filler; Mixed-colored yarn: recycled into cotton batting or filler

Waste Treatment

1. Temporary Storage:

- The plant implements a strict waste segregation system, classifying waste according to its type (general employee household waste / non-hazardous waste / hazardous waste / recyclable waste). Each unit is required to perform proper waste classification, enhance waste reduction and resource recycling efforts, and ensure that all waste is sorted in compliance with regulations.
- Waste storage and management within the plant are carried out at designated locations specified in the Ho Yu Textile Co., Ltd. Industrial Waste Disposal Plan. For hazardous waste storage, strict requirements are enforced: lids of waste oil and adhesive containers must be tightly sealed to prevent odor leakage and spillage; storage areas must be designated as fire-free zones, and hot work operations are strictly prohibited. These measures ensure orderly waste management and plant safety.

2. Waste Disposal:

- All plant waste is disposed of in accordance with the waste disposal codes outlined in the Industrial Waste Disposal Plan and is outsourced to qualified environmental disposal contractors for removal and treatment.
- Contracted environmental disposal service providers must comply with government environmental regulations and hold valid waste collection and treatment licenses before contracts can be signed, to ensure that all plant waste is legally treated.
- In compliance with regulatory requirements, the Company reports through the Industrial Waste Reporting and Management System to ensure transparency and traceability in waste treatment processes.



Ho Yu Three-Year Waste Data

Unit: Tons

Plant		Factory 1			Factory 2		
Waste Classification Methods	Waste/Year	2022	2023	2024	2022	2023	2024
General Industrial Waste	Household Waste	22.1	24.72	19.27	18.9	19.9	20.04
	Fabric Scraps/Fibers	22.94	20.64	41.36	16.97	14.24	9.16
	Coal Ash ^{Note 1}	799.6	909.83	99.44	0	0	0
	Biomass Pellet Residue ^{Note 1}	0	0	78.25	0	0	0
Recycling or reuse	Sludge	566.43	800.55	596.41	4.03	3.48	3.46
	Aluminum & Iron	50.16	53.25	47.85	7.2	6.9	8.9
	Paper	1.70	1.10	1.27	175.23	170	181.65
	Plastic Barrels	12.52	11.58	10.54	0	0	0
Hazardous Industrial Waste	Waste Adhesives / Waste Organic Solvents	9.44	45.68	25.16	0	0	0
Total		1474.89	1867.35	919.55	222.33	214.52	223.21

Note:

1. In response to the 2025 net-zero emissions target, beginning mid-February 2024, Plant 1 boilers switched from coal to biomass fuel pellets or natural gas.

Waste Management Education and Training

To ensure safety and effectiveness in the waste management process, the Company regularly conducts waste management training programs to enhance employees’ emergency response capabilities and review the effectiveness of related contingency mechanisms. These training programs not only strengthen employees’ safety awareness but also ensure that the Company can respond promptly and effectively to various potential risks, thereby minimizing potential harm to both the environment and personnel. The main objectives of the training and drills include enhancing employees’ familiarity with emergency response procedures, strengthening the command capabilities of on-site supervisors, reinforcing the response team’s training in handling various situations, testing the contingency capacity of the command center, and preventing disasters from causing harm to the environment and personnel. Additionally, these objectives aim to ensure the smooth operation of the disaster response system and minimize disaster-related risks.



— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —

Impacts

If the chemicals used in the production process (such as dyes, auxiliaries, and other hazardous substances) are not properly managed, the wastewater and gas emissions may cause severe environmental pollution and pose significant health risks to employees, consumers, and nearby residents. Such mismanagement not only exposes the Company to potential lawsuits and fines, resulting in substantial economic losses, but also seriously damages its brand reputation. Furthermore, relationships with surrounding community residents may be strained, increasing the risk of disputes and conflicts, and thereby undermining the Company's long-term development and social image.

Policy Commitment

Ho Yu Textile complies with a range of regulations and certifications, including the "Toxic and Concerned Chemical Substances Control Act," bluesign® system bluefinder standard list (BSSL), Global Recycled Standard (GRS), Zero Discharge of Hazardous Chemicals (ZDHC), Registration, Evaluation, Authorization and Restriction of Chemicals – Substances of Very High Concern (REACH SVHC), Higg Index for Sustainable Apparel, and ISO 45001:2018 Occupational Health and Safety Management System. On this basis, the Company has established its Chemical Management Procedure to ensure that the use of chemicals complies with the strictest standards and requirements.

Actions Taken

- Comply with environmental and safety laws and standards, in alignment with social responsibility.
- Procure certified products (e.g. bluesign®, GRS) to ensure sustainable and environmentally friendly production that guarantees both quality and safety.
- Establish comprehensive chemical usage procedures and safe operating protocols, provide employee training, and ensure access to PPE to mitigate risks.
- Conduct regular monitoring and testing of chemical usage and emissions, adopting necessary control measures to minimize impacts on the environment and employees.
- Actively participate in relevant certifications and standards to continuously enhance management performance and maintain compliance with the highest industry standards.

Goals	
Short-Term Goals: <ol style="list-style-type: none">1. Implement training programs on chemical (including toxic substances) spill prevention and the use of PPE, ensuring employee awareness and capability in chemical safety management.2. Enforce a chemical batch number tracking system to maintain transparency and traceability throughout the production process.3. Strengthen chemical inventory management, including wastewater treatment agents, plant maintenance chemicals, and machine maintenance chemicals, ensuring chemical safety and compliance with Higg Index standards.4. Enhance the approval process for new chemical substances, requiring joint review by the requesting department and the Environmental Safety Department to assess whether they are hazardous or toxic substances, and establish preventive measures accordingly.5. Conduct semi-annual ZDHC wastewater testing to verify compliance with zero-discharge pollution standards.	Mid- to Long-Term Goals: <ol style="list-style-type: none">1. Reduce chemical inventory levels, particularly minimizing obsolete chemical stock, ensuring effective utilization.2. Promote the development of solvent-free, water-based coating technologies to gradually replace solvent-based coating products, thereby reducing environmental impact.3. Continue sourcing bluesign-compliant low-carbon materials, including yarns, dyes, finishing auxiliaries, adhesives, and plastics, to support sustainable production.4. Establish product production traceability, enabling precise tracking of chemical batch numbers to ensure product safety and compliance.
Evaluation Mechanism	
<p>Internal audits and inspections:</p> <ul style="list-style-type: none">• Use only bluesign-compliant chemicals, reviewed and approved by R&D staff and chemical managers.• On-site inspections: Conducted regularly by the Quality Assurance Department and occupational safety specialists to identify and correct issues.• External audits: Undergo bluesign review every three years, GRS review annually, as well as inspections by ISO and brand auditors, with immediate corrective action taken for any findings.	

Performance Results

- 1. Obtained bluesign recertification in 2023, valid until 2026.
- 2. Passed annual GRS review and audit, maintaining certification validity.
- 3. Successfully passed audits by brands including lululemon, Patagonia, and VF.
- 4. Reduced the use of fluorinated water-repellent agents by 85%.
- 5. Achieved 81% compliance rate in the use of bluesign-certified chemicals.

*Calculation principle: excludes military, lifesaving, medical, airbags, small-order dyes, samples, and industrial-specified materials.

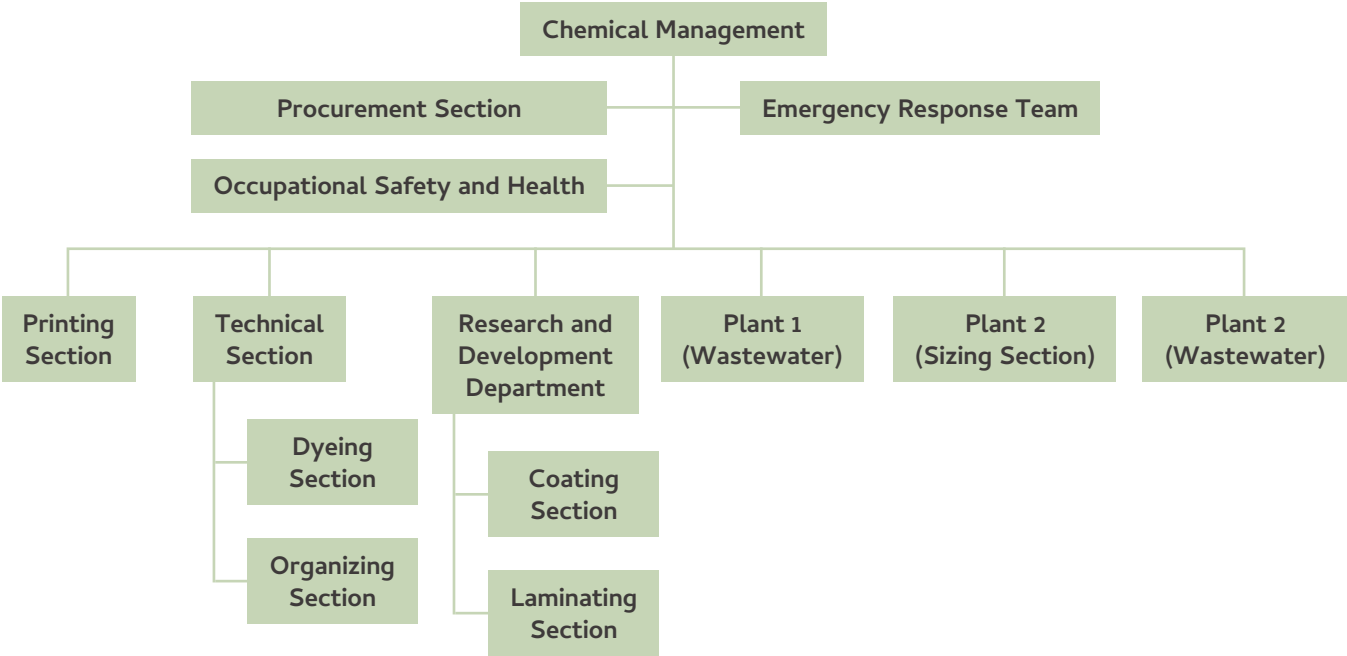
Stakeholder Engagement

- 1. Conducted six sessions of safety equipment management training, covering usage and management of protective equipment.
- 2. Conducted six sessions of hazard communication training, enabling employees to understand labeling, health hazards, and safe handling of hazardous chemicals.
- 3. Conducted one chemical spill drill, educating employees on proper handling and emergency response to chemical spills.

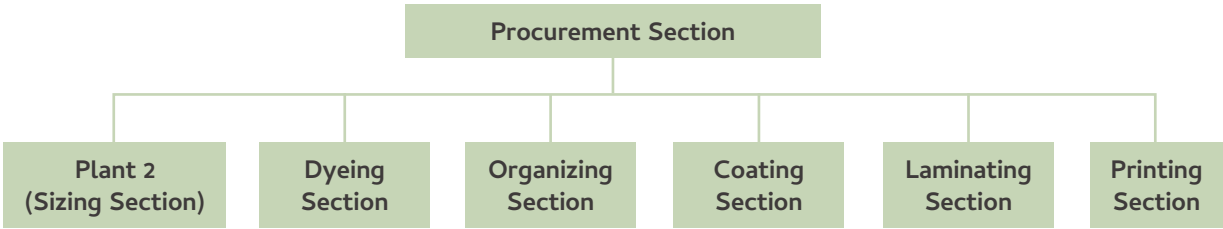
Ho Yu places great importance on the potential risks posed by chemicals to employees and the environment. Since 2008, the Company has actively pursued relevant certifications to ensure that its production processes meet the highest environmental standards.

We are proud to state that our environmental efforts have been formally recognized and acknowledged. In 2008, obtained the bluesign® standard certification for environmentally responsible production processes. In 2016, obtained Global Recycled Standard (GRS) certification and installed RTO equipment to control air pollution. In addition, we conduct annual inspections to ensure that our processes consistently meet high standards. Since 2017, obtained EU bluesign® standard certification for coating processes, further demonstrating commitment to environmental responsibility.

Chemical Management Organization Chart



Chemical Procurement Organization Chart



Chemical Management Procedures and Measures

In terms of chemical management, we have established a chemical inventory and formulated an internal “Chemical Management Procedure” that strictly requires employees to follow its guidelines, understand the chemical assessment and classification system, and actively procure chemicals that comply with bluesign and GRS certification standards. At the same time, we firmly support the ZDHC concept of zero discharge of hazardous chemicals and conduct regular annual wastewater testing to ensure that our production processes do not negatively impact the environment.

The unit responsible for chemical procurement must, when purchasing new chemicals, require suppliers to comply with the requirements of the Regulations for Labeling and General Rules of Hazardous Chemicals. Suppliers must ensure that Safety Data Sheets (SDS) and storage containers bear GHS terminology, and that the products comply with the Taiwan Toxic and Concerned Chemical Substances Control Act (TCCSCA) and the United States Toxic Substances Control Act (TSCA). Each year, chemical suppliers are required to provide certification documents that comply with relevant regulations, such as Oeko-tex 100, bluesign, and REACH certification, to ensure that our chemical sources comply with applicable standards.

In terms of occupational safety and health management, we follow the ISO 45001 Occupational Safety and Health Management System standards and ensure employee safety and health through regular chemical training, chemical spill emergency drills, and training on the proper use of PPE. In addition, we conduct regular environmental testing for VOC emissions and DMF solvent emissions to ensure that our production processes do not negatively impact the surrounding environment. We will continue our efforts to create an environmentally friendly workplace and promote the development of our company through sustainable textile technology.

Training and Emergency Response Measures

In accordance with Article 17 of the “Regulations for Labeling and General Rules of Hazardous Chemicals,” the Company has formulated the “Hazard Communication Program” to ensure compliance with the requirements of the Regulations for Hazardous and Concerned Chemicals, and to enhance employees’ awareness of potential hazards through hazard communication activities in order to jointly prevent the occurrence of hazards. The Occupational Safety and Health unit regularly conducts chemical training, including identifying GHS symbols, interpreting chemical SDS documents, and combining fire drills with emergency response training for chemical spill prevention, as well as training on the use of PPE. These measures ensure that our employees are familiar with and able to respond to any potential chemical-related incidents, thereby protecting their safety and health. In 2024, a total of 13 training sessions were held, with 507.5 training hours and 430 participants.

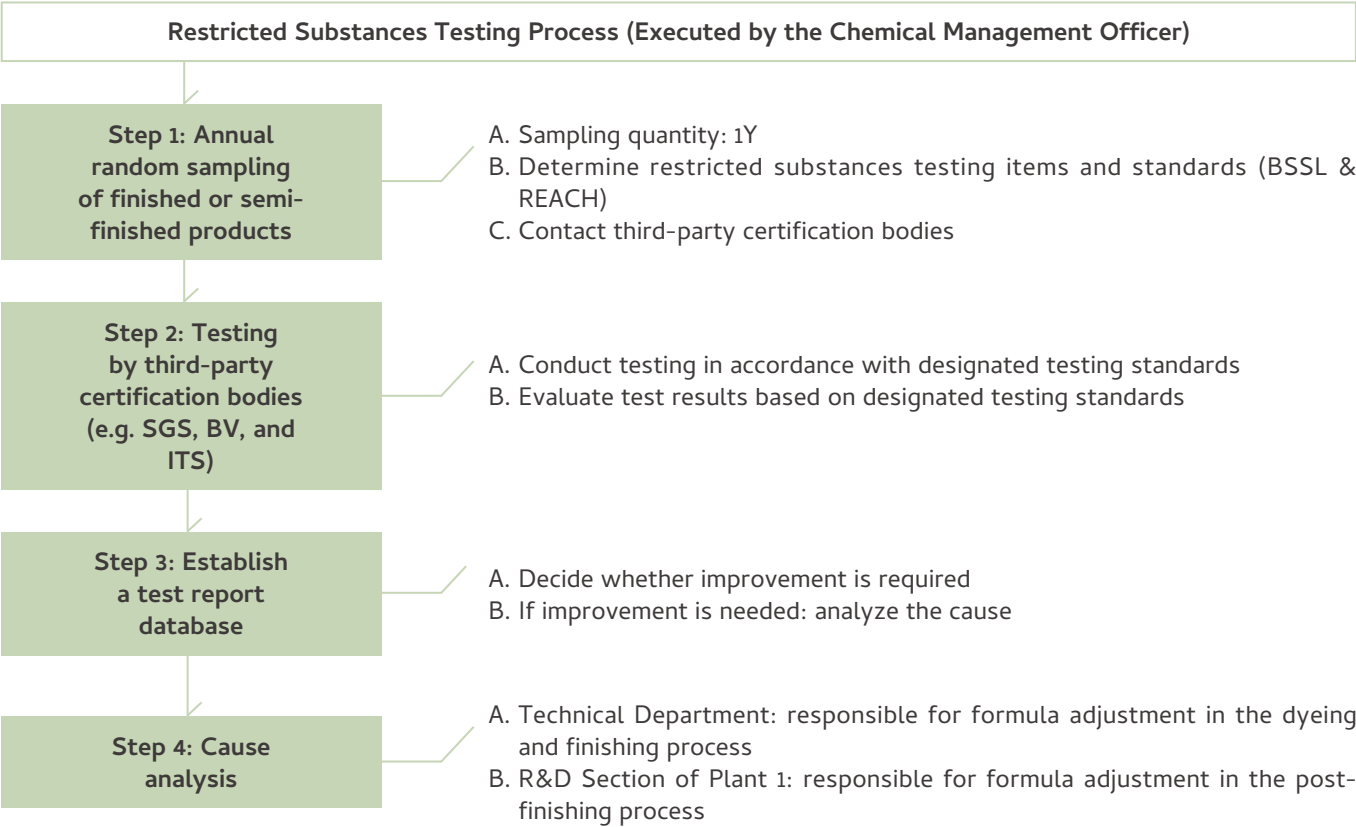
Item	Session	Number of person(s)	Hours (per person)
Hazard Communication Training	6	155 persons	1.5 hours
Chemical Spill Drill	1	120 persons	1 hours
Plant Safety and Health Protective Equipment Management	6	155 persons	1 hours

November 2024 Chemical Spill Emergency Response Drill



Restricted Substances Testing Process

The restricted substances testing process is conducted annually by the Company through random sampling, mainly targeting finished or semi-finished products. The sampling quantity is usually 1Y, and the testing items and standards are determined in accordance with BSSL and REACH requirements. Subsequently, a third-party certification body (such as SGS, BV, ITS, etc.) is contacted to conduct chemical substance testing based on the designated testing standards. The results are then evaluated. All test results are compiled into a test report database and analyzed to determine whether improvements are necessary. If the results indicate that improvements are required, the Technical Department will be responsible for formula adjustments in the dyeing and finishing processes, while the R&D Section of Plant 1 will handle formula adjustments in the post-finishing process, ensuring that products comply with relevant environmental and safety standards.



— Preface —

— CH1 —
About Ho Yu— CH2 —
Sustainable
Governance— CH3 —
Employee
Well-being
and Social Co-
Prosperity— CH4 —
Environmental
Sustainability

— Appendix —

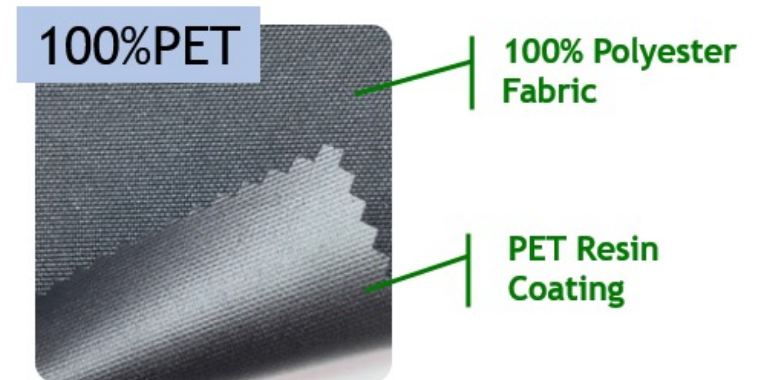
Ho Yu Textile is committed to circular sustainability, fully implementing the concept of circularity from product design to operational activities. We integrate circular economy principles with mono-material development, which not only reduces the consumption of virgin resources and the generation of waste but also enhances our eco-friendly image, aligns with ESG standards, and meets future regulatory trends. For the textile industry, this is not only an environmental responsibility but also a key strategy to achieve green competitiveness. At the same time, we emphasize sustainable practices in marketing activities. Exhibition booth designs are centered on reuse and waste reduction, balancing aesthetics with environmental responsibility, and showcasing Ho Yu's commitment to environmental stewardship and resource conservation.

1. Product Design Perspective

The large volume of textile waste and the challenges of recycling have long been a critical issue; addressing this pain point has always been our R&D focus. For composite-processed textiles, our NEUCYCLE Circular System provides a recycling solution. With regard to post-processing materials, this year we developed two product series, offering brand designers more material choices.

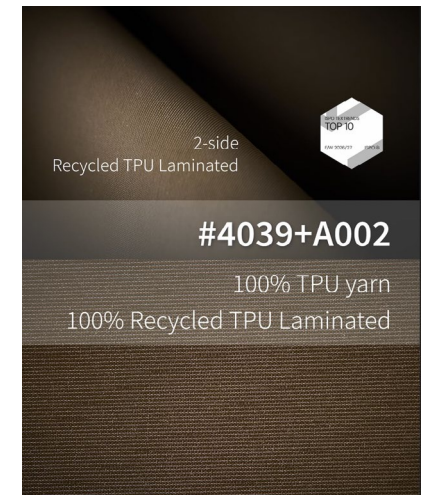
Mono Material: Polyester-Based Waterborne Coating

Since the coating material is of the same composition as the polyester base fabric, the entire product can be fully shredded, melted, and re-extruded into PET yarn after use, achieving a truly closed-loop recycling process.



Mono Material: 100% TPU

Constructed entirely with 100% TPU sandwich construction that retains both strength and flexibility, while meeting sustainability requirements for material uniformity and full recyclability. Recognized in the 2024 ISPO TEXTREND TOP 10



2. Booth Design

TITAS Booth

Since the inception of the Taipei Innovative Textile Application Show (TITAS), Ho Yu Textile has participated annually. With the core design concept of “Taiwan is My Home,” we have created a cozy cabin-style booth design that embodies emotional ties to the land and local spirit. Since 2016, we have aimed for circular reuse by gradually building and optimizing the wooden cabin structure and exhibition layout to align with each year’s theme and requirements.

Except for the necessary structural materials that must comply with safety regulations and are non-recyclable, most booth elements are designed in accordance with circular economy and waste reduction principles. For example, reception tables, bar counters, and fabric display racks are designed for disassembly and reuse, while bookshelves, lighting fixtures, and chairs are repurposed items, combining both aesthetics and sustainability. This approach not only extends the service life of exhibition materials but also significantly reduces single-use waste, demonstrating that exhibition design can embody both beauty and environmental responsibility.

Such practice is not only a concrete action of Ho Yu Textile’s sustainability efforts but also a way to convey the values of environmental friendliness and resource conservation through every detail of the booth, co-creating new green value with visitors.

Photos of Achievements from the Past Three Years:



2022



2023



2024

3. 60th Anniversary Decoration

At this year's 60th anniversary banquet, we extend our sincere gratitude to the associations and business partners whose generous sponsorship made the floral arrangements more vibrant and festive, adding a warm atmosphere to the event. In collaboration with a professional floral design company, the venue was not only carefully curated for visual appeal but also infused with the concepts of circular economy and sustainability. After the banquet began, all floral decorations were thoughtfully repurposed into small bouquets, personally arranged by the floral designers, and presented as gifts to colleagues and distinguished guests.

Guests were able to bring these bouquets home or place them in their offices, extending the life cycle of the flowers while keeping the memory of the celebration alive. This initiative embodied the spirit of “no waste, beauty extended,” transforming appreciation into a tangible commitment to environmental responsibility.





Appendix



GRI Standards Content Index
SASB Index Table

GRI Standards Content Index

— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —

Statement of Use		Ho Yu Textile Co., Ltd. has reported the information for the period from January 1, 2024 to December 31, 2024 in accordance with the GRI Standards.	
GRI 1 Used		GRI 1: Foundation 2021	
Applicable GRI Sector Standards		No applicable GRI Sector Standards	

GRI Standard	Disclosure Item	Section / Notes	Page No.
GRI 2: General Disclosures 2021			
Organizational Profile & Reporting Practices			
GRI 2: General Disclosures 2021	2-1 Organizational details	1.1 Company Overview	7
	2-2 Entities included in the organization's sustainability reporting	About this Report	4
	2-3 Reporting period, frequency, and contact point		
	2-4 Restatements of information	N/A	N/A
	2-5 External assurance	This Report has not been externally assured	N/A
Activities and Workers			
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	1.1 Company Overview	7
		2.4 Supply Chain Management	36
	2-7 Employees	3.1 Employee Well-being	68
2-8 Workers who are not employees			
Governance			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	2.1 Corporate Governance Structure	25
	2-10 Nomination and selection of the highest governance body		N/A
	2-11 Chair of the highest governance body		25
	2-12 Role of the highest governance body in overseeing the management of impacts	1.2 Sustainable Governance	26
	2-13 Responsibility for managing impacts		
	2-14 Role of the highest governance body in sustainability reporting	2.1 Corporate Governance Structure	27
	2-15 Conflicts of interest		
	2-16 Communication of critical concerns	1.2 Sustainable Governance	19
	2-17 Collective knowledge of the highest governance body	2.1 Corporate Governance Structure	25
	2-18 Evaluation of the highest governance body's performance	The Company has not yet conducted board performance evaluation	N/A
	2-19 Remuneration policies	3.1 Employee Well-being	72
2-20 Process to determine remuneration			
	2-21 Annual total compensation ratio	Not disclosed due to confidentiality considerations	N/A

— Preface —

— CH1 — About Ho Yu

— CH2 — Sustainable Governance

— CH3 — Employee Well-being and Social Co- Prosperity

— CH4 — Environmental Sustainability

— Appendix —

GRI Standard	Disclosure Item	Section / Notes	Page No.
Strategy, Policies & Practices			
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Chairman's Message	5
	2-23 Policy commitments	3.3 Human Rights Protection	103
	2-24 Embedding policy commitments		
	2-25 Processes to remediate negative impacts	1.3 Stakeholder Identification and Engagement	18
	2-26 Mechanisms for seeking advice and raising concerns		
	2-27 Compliance with laws and regulations	2.3 Legal Compliance and Ethical Corporate Management	30
	2-28 Membership of associations	1.1 Company Overview	10
Stakeholder Engagement			
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	1.3 Stakeholder Identification and Engagement	16
	2-30 Collective bargaining agreements	The Company has not signed collective agreements	N/A
GRI 3: Material Topics 2021			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.4 Identification of Material Sustainability Topics	19
	3-2 Material topics list		20
Supply chain management			
GRI 3: Material Topics 2021	3-3 Material topics management		34
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		N/A
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	2.4 Supply Chain Management	37
	308-2 Negative environmental impacts in the supply chain and actions taken		39
GRI 414: Supplier Environmental Assessment 2016	414-1 New suppliers that were screened using social criteria		37
	414-2 Negative social impacts in the supply chain and actions taken		
Product Responsibility and Safety			
GRI 3: Material Topics 2021	3-3 Material topics management		46
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	2.6 Product Responsibility and Safety	52
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling		
	417-2 Incidents of non-compliance concerning product and service information and labeling		
	417-3 Incidents of non-compliance concerning marketing communications		

— Preface —

— CH1 —

About Ho Yu

— CH2 —

Sustainable
Governance

— CH3 —

Employee
Well-being
and Social Co-
Prosperity

— CH4 —

Environmental
Sustainability

— Appendix —

GRI Standard	Disclosure Item	Section / Notes	Page No.
Occupational safety and health			
GRI 3: Material Topics 2021	3-3 Material topics management		84
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	3.2 Occupational Safety and Health	86
	403-2 Hazard identification, risk assessment, and incident investigation		89
	403-3 Occupational health services		99
	403-4 Worker participation, consultation, and communication on occupational health and safety		88
	403-5 Worker training on occupational health and safety		94
	403-6 Promotion of worker health		99
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		92
	403-8 Workers covered by an occupational health and safety management system		87
	403-9 Work-related injuries		97
	403-10 Work-related ill health		
Human rights protection			
GRI 3: Material Topics 2021	3-3 Material topics management		100
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	3.3 Human Rights Protection	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		103
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		
Climate change response			
GRI 3: Material Topics 2021	3-3 Material topics management	4.1 Climate change response	116
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change		118
Energy Management			
GRI 3: Material Topics 2021	3-3 Material topics management	4.2 Energy Management	125
GRI 302: Energy 2016	302-1 Energy consumption within the organization		
	302-3 Energy intensity		126
	302-4 Reduction of energy consumption		
	302-5 Reductions in energy requirements of products and services		N/A

— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable
Governance

— CH3 —
Employee
Well-being
and Social Co-
Prosperity

— CH4 —
Environmental
Sustainability

— Appendix —

GRI Standard	Disclosure Item	Section / Notes	Page No.	
Water resource management				
GRI 3: Material Topics 2021	3-3 Material topics management	4.3 Water resource management	128	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		130	
	303-2 Management of water discharge-related impacts			
	303-3 Water withdrawal			
	303-4 Water discharge			
	303-5 Water consumption			
Waste Management				
GRI 3: Material Topics 2021	3-3 Material topics management	4.4 Waste Management	135	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		137	
	306-2 Management of significant waste-related impacts			
	306-3 Waste generated			
	306-4 Waste diverted from disposal			139
	306-5 Waste directed to disposal			
Chemical Substance Management				
GRI 3: Material Topics 2021	3-3 Material topics management	4.5 Chemical Substance Management	140	
General Disclosures				
Customer Relationship Management				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.8 Customer Relationship Management	44	
Employee Well-being				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	3.1 Employee Well-being	71	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		74	
	401-3 Parental leave		77	
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		79	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		80	
	404-2 Programs for upgrading employee skills and transition assistance programs		81	
	404-3 Percentage of employees receiving regular performance and career development reviews		82	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.1 Corporate Governance Structure/ 3.1 Employee Well-being	25 70	
	405-2 Ratio of basic salary and remuneration of women to men	3.1 Employee Well-being	74	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		82	

SASB Index Table

Industry: Apparel, Accessories & Footwear

Disclosure Topic	Code	Corresponding Metric	Corresponding Section	Page No.
Chemical Product Management	CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	4.5 Chemical Substance Management	145
	CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products		
Supply Chain Environmental Impacts	CG-AA-430a.1	Percentage of (1) Tier 1 suppliers and (2) beyond Tier 1 suppliers in compliance with wastewater discharge permits and/or contractual agreements	The Company has not yet requested Higg information from its supply chain. The Company conducts Higg Index audits annually, but results are only available to Higg member clients for review.	N/A
	CG-AA-430a.2	Percentage of (1) Tier 1 suppliers and (2) beyond Tier 1 suppliers that have completed the Sustainable Apparel Coalition's Higg FEM assessment or an equivalent environmental data assessment		
Supply Chain Labor Conditions	CG-AA-430b.1	Percentage of (1) Tier 1 suppliers and (2) beyond Tier 1 suppliers that have been audited to a labor code of conduct, and percentage conducted by a third party	The Company has not yet conducted comprehensive statistics; therefore, no accurate data is available.	N/A
	CG-AA-430b.2	Non-conformance rate with the labor code of conduct audits and associated corrective action rate for suppliers		
	CG-AA-430b.3	Description of the greatest labor, environmental, health, and safety risks in the supply chain		
Raw Material Sourcing	CG-AA-440a.3	(1) List of priority raw materials; for each: (2) discussion of environmental or social factors that pose a risk to sourcing, (3) business risks or opportunities associated with environmental or social factors, and (4) management strategies to address these risks and opportunities	The Company has not yet conducted comprehensive statistics; therefore, no accurate data is available.	N/A
	CG-AA-440a.4	(1) The amount of priority raw materials purchased, listed by material; and (2) within each priority raw material, the amount certified to third-party environmental or social standards, listed by standard.		

Code	Activity Metrics	Corresponding Section	Page No.
CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) beyond Tier 1 suppliers	89 Tier 1 suppliers; data for beyond Tier 1 suppliers has not yet been compiled.	N/A

— Preface —

— CH1 —
About Ho Yu

— CH2 —
Sustainable Governance

— CH3 —
Employee Well-being and Social Co-Prosperity

— CH4 —
Environmental Sustainability

— Appendix —