



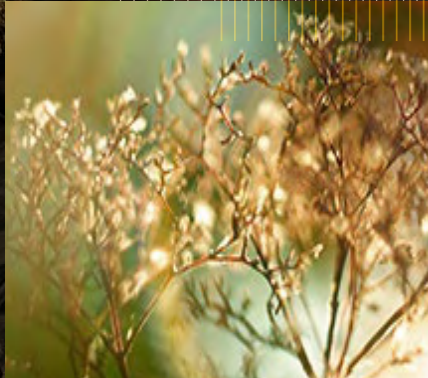
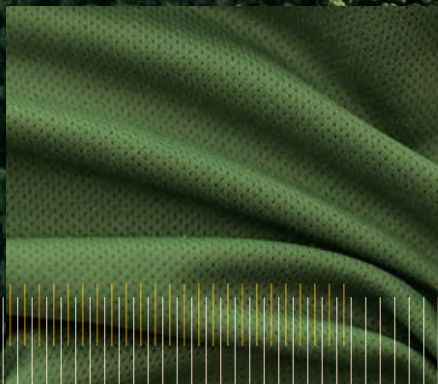
TAINAN ENTERPRISES CO., LTD.



2025

SUSTAINABILITY REPORT

TAINAN ENTERPRISES CO., LTD.



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About this Report



Website of Tainan Enterprises



This is the sustainability report issued by Tainan Enterprises Co., Ltd. (hereinafter referred to as "Tainan Enterprises" and "Tainan"). It discloses to the public and stakeholders the company's efforts in the three major environmental, social and governance aspects, the execution performance and future strategic goals. Tainan Enterprises hopes that the publication of this report will give stakeholders an understanding of our commitment to the continued pursuit of corporate sustainability and social responsibility.

Editorial Principles

This report has been prepared in accordance with the GRI Universal Standards 2021 published by the Global Reporting Initiative (GRI).

Reporting Period

The data and content disclosed here are mainly for the period between January 1 and December 31, 2025. Some of the data is from information prior to 2024 or more recent information in 2026, which will be further explained in the disclosure.

Report Boundaries and Scope

The information outlined in the report encompass Tainan operating locations in Taiwan, China, Indonesia, Cambodia, and Vietnam. In 2025, there were no significant changes in the scale, structure, ownership, or supply chain of Tainan Enterprises. If the information of each topic in this report is renumbered, it will be noted in that paragraph.

Basis of Information and Calculations

The information and statistics provided in this report come from internal statistics and investigations. Some of the financial data in the section on Business Performance cites financial statements certified by the CPA. All of the financial data in this report are expressed in New Taiwan Dollars (NTD). All of the data were collected, measured and calculated in accordance with regulatory requirements. International standards were followed if there were no specific applicable regulations. If there were no applicable international standards then industry standards or practices were used as a reference.

Report publication

This is the fourth report of Tainan Enterprises Co., Ltd. It is published on the Company's website every year.

- Current release: August 2026
- Previous release: August 2025
- Next release: August 2027

Feedback

Tainan Enterprises Co., Ltd.

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Message From the Chairman

Dear stakeholders,

In 2025, the global economy remained in a highly uncertain environment. Inflationary pressures, tariff policy adjustments, geopolitical risks, and the ongoing restructuring of global supply chains continued to impact international markets. As brand customers also continue to adjust their inventory and procurement strategies, the apparel industry faces new challenges. However, we remained steadfast in our belief that a company's competitiveness stems not only from operating performance, but also from its resilience in the face of change and its capacity to consistently create long-term value.

In response to market fluctuations, Tainan Enterprises has adhered to a philosophy of prudent management, continuously strengthening its global production footprint and deepening partnerships with brand customers. By leveraging digital management, supply chain integration, and process optimization, the Company has enhanced its overall operational efficiency and organizational resilience. We believe that only by balancing economic, environmental, and social values can we establish long-term, sustainable competitive advantages for the Company.

Regarding environmental sustainability, we have continued to promote energy conservation and carbon reduction as well as low-carbon transformation. In 2025, all production sites continued to implement GHG inventory and energy management while actively promoting energy efficiency improvements and renewable energy applications. The solar power system at the Tainan Plant has officially commenced operations, marking a significant milestone in the Company's transition toward low-carbon operations. Meanwhile, we have continued to increase the proportion of eco-friendly materials used to reduce the environmental impact of product life cycles, steadily advancing toward our goal of net-zero emissions.

Regarding people and society, we continued to view our employees as our most important asset, fostering a safe, healthy, and inclusive work environment through comprehensive talent cultivation, occupational health and safety management, and diverse communication mechanisms. All overseas production bases continued to implement management systems in accordance with international labor standards, while enhancing the organization's capacity to adapt to rapidly changing environments through education, training, and capacity building. Meanwhile, the Tainan Corporate Culture and Art Foundation also continued to promote sustainable talent development and local collaboration projects, deepening industry-academia collaboration and working with society to create a positive impact.

Regarding corporate governance, we constantly improved our sustainability governance structure by integrating sustainable development issues into our business decision-making and risk management mechanisms, thereby enhancing information transparency and management effectiveness. In response to international brands' demands for supply chain transparency and responsible sourcing, we have continued to enhance our supply chain management capabilities and deepen our management measures across human rights, environmental, and corporate governance (ESG) factors, collaborating with supply chain partners to establish a more resilient sustainable supply chain.

Looking ahead, the global industrial environment remains challenging; however, sustainable development has become an irreversible trend in corporate management. Tainan Enterprises will continue to uphold its core philosophy of "steady management and long-term development". By driving digital transformation and sustainable governance through innovative thinking, the Company aims to enhance corporate resilience and competitiveness. We remain committed to creating long-term value for our customers, employees, shareholders, and all stakeholders as we work together toward a more sustainable future.



Chairman

Yang Ching Hon

Sustainability Performance Highlights



Governance

- Established human rights due diligence processes and supplier management policies to strengthen the management of human rights, the environment, and occupational safety at operating locations and across the supply chain.
- Eight of the Company's factories have obtained international certifications, including GRS, RCS, GOTS, OCS, FSC, and European Flax.
- Participation in 8 well-known domestic and overseas associations
- 0 violations of business ethics

Employees

- Awarded the "2025 Happy Enterprise - Manufacturing Silver Award" by 1111 Job Bank.
- Completed human rights audits for all factories, with no incidents of child labor, forced labor, or discrimination identified.
- RISE education project implemented at factories in Cambodia, Vietnam, and Gaoqing, training reached 7,360 employee instances

Environmental

- Established circular economy, waste management, and biodiversity policies, integrating resource circulation and natural environment protection into operations and supply chain management.
- The Tainan Plant installed a 68.97 kWp rooftop solar photovoltaic system, which generated 104.595 MWh of green power in 2025.
- The Jakarta Plant's boilers have transitioned fully to biomass fuels, achieving complete coal phase-out. In 2025, no incidents resulted in penalties for violations of local environmental regulations.
- Received the "Potential Award" in the 2025 Guidelines for Workplace Fire Safety SDGs Disclosure by the National Fire Agency, Ministry of the Interior

Shared Prosperity with Society

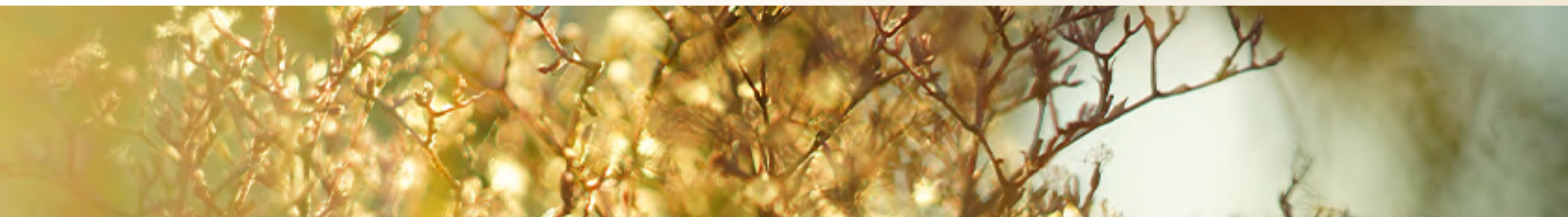
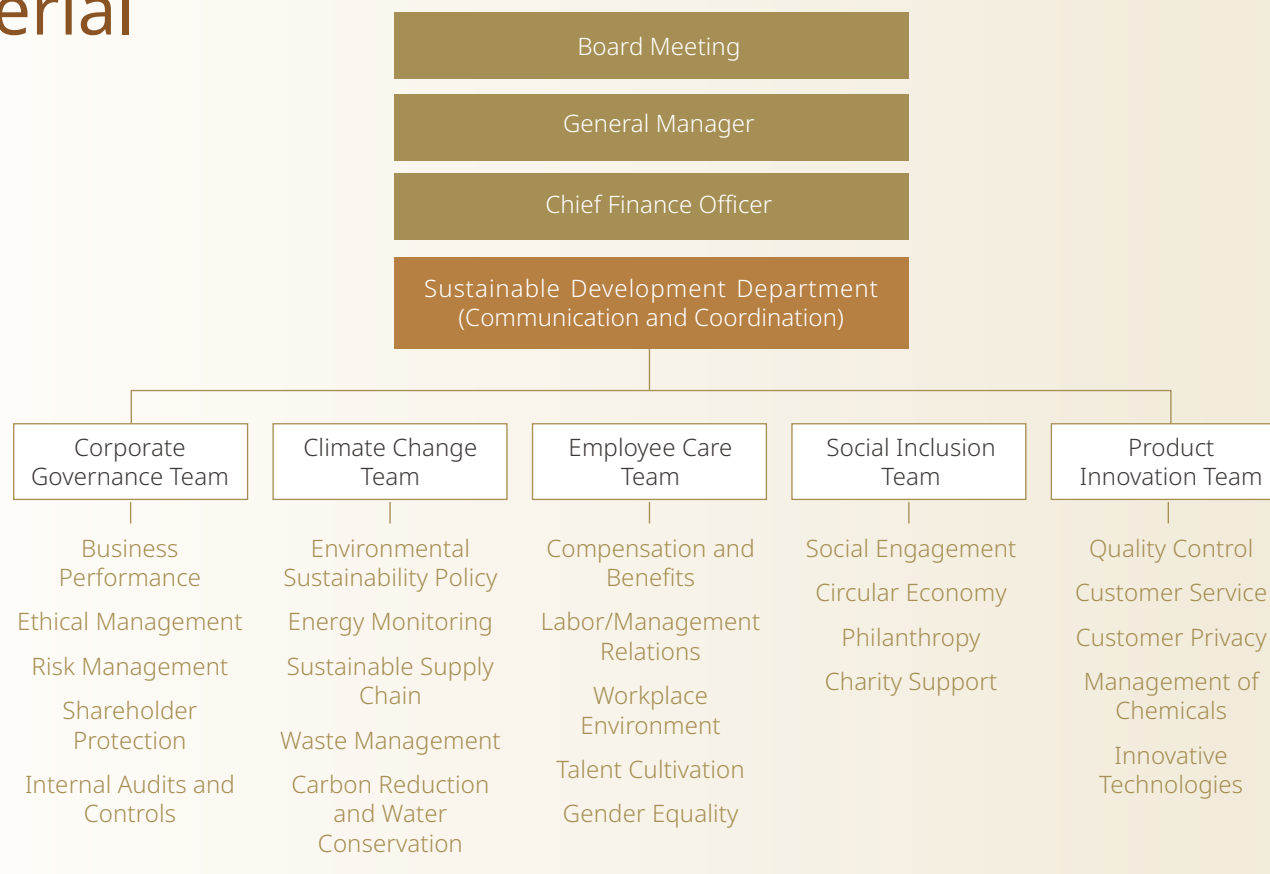
- Honored with the "Resource Assistance Award" under the Taiwan Creative Content Agency's (TAICCA) "ESG for Culture Influence Awards"
- Collaborated with 47 enterprises and schools to promote sustainable education and local cultural initiatives in Tainan.
- By engaging 64 college students and 72 elementary school students, 7 local sustainable cultural actions were jointly developed.
- A Sustainable Culture Exhibition was held for 78 days, attracting 2,111 participants and featuring the completion of 8 local story short films.

Blueprint for Sustainable Development and Material Topics



Corporate Value Chain and Sustainable Development Strategy

Tainan Enterprises is a member of the fashion supply chain. The textile/fashion industry is labor-intensive and has a high degree of environmental impact, making sustainable development for society and the environment an inescapable responsibility. Upholding the founding principles of "Truth," "Goodness," and "Beauty," and in response to changing times and environments, the company has established relevant management mechanisms and goals, with four strategic pillars: "Technological Innovation and Supply Chain Management," "Water Resource and Energy Substitution," "A Diverse and Supportive Workplace," and "Active Fulfillment of Social Responsibility." We treat every employee with sincerity and care for every piece of land to build a sustainable enterprise.



Environment

E



Foundation Period

2018-2022

Growth Period

2023-2035

Target Achievement Period

2036-2050

Policy Guidelines

Achieve energy self-sufficiency and significant reduction in greenhouse gas emissions, moving toward environmentally friendly zero-carbon operations: The long-term goal is to maximize the use of renewable energy, achieve energy independence at factory sites, and attain Scope 2 carbon neutrality through multiple pathways, establishing the Company's ultimate commitment to climate action.

Establish environmental management systems, initiate core resource inventories and preliminary reduction plans: Build standardized management frameworks via international certification; conduct greenhouse gas and water resource inventories, introduce process water recycling, and launch energy transition programs (e.g., adopt biomass fuel).

Actively promote energy transition and efficiency improvement to achieve verification of key environmental indicators: Accelerate the adoption of green electricity, construct self-owned renewable energy facilities, complete full greenhouse gas inventory verification, and fully phase out coal, the main source of emissions, to move toward low-carbon operations.

Stage Goals

Energy Substitution Projects

- 100% of factories to build solar power plants
- Green electricity to reach 60% of total factory power.
- Achieve Scope 1 and 2 carbon neutrality via carbon credit trading and green power certificates.

Water Resource Management

- 40% reduction in water use per garment.

Management System

- 100% of factories obtain Higg FEM certification.
- 100% of factories complete self-inventory of greenhouse gas emissions (Scope 1 & 2).

Energy Substitution Project (GHG Reduction)

- Coal-fired boiler factories begin using biomass fuels to replace coal.

Water Resource Management Project

- 100% of process water recycled at factories with a washing manufacturing process

Management System

- 100% of factories complete greenhouse gas inventory verification

Energy Substitution Project (GHG Reduction)

- 50% of factories build solar power plants (25% completed)
- Green electricity reaches 30% of factory power
- 100% phase-out of coal-fired boilers in factories (Fully phased out by 2025)

Water Resource Management

- 20% reduction in water use per garment through process optimization and equipment upgrades.

Society

S



Foundation Period

2018-2022

Growth Period

2023-2035

Target Achievement Period

2036-2050

Policy Guidelines

Realize comprehensive employee care, ongoing development, and deep community partnerships to build a people-oriented corporate culture that thrives with the community.

Establish a foundation for labor rights, employee care, and initial community engagement policies aligned with international standards.

Comprehensively enhance employee well-being programs, launch a talent development strategy at headquarters, and actively promote shared prosperity with the community.

Stage Goals

Labor Care:

- Labor Care: 100% of factories implement labor care and support programs.
- Education programs reach all factory workers.

Headquarters:

Continues to promote employee career development plans.

Community Participation:

Complete fabric bank and used clothing recycling initiatives.

Community Talent Development:

Develop prototype projects for the "Tainaner Sustainability Action" series, cultivating the first cohort of local sustainability education talent.

Labor Rights:

- 75% of factories certified by WRAP or ILO's Better Work.
- Provide High-Quality Drinking Water for Factory Employees

Employee Care:

50% of factories launched labor care programs.

Community Participation:

Promote industrial pilot zones and deepen sustainable project implementation and education in sectors such as apparel manufacturing

Community Talent Development:

Continue the "Tainaner Sustainability Action" series, centered on replicable teaching modules to scale impact from local to national, creating a new model of "local education as a corporate responsibility field."

Labor Rights:

100% of factories certified by WRAP or Better Work.

Labor Care:

75% of factories launch labor care programs (including maternity care and education initiatives)

Headquarters:

Launch employee career development plan

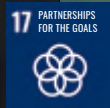
Community Participation:

Establish an "education-based ESG long chain" with the company and other group enterprises to create internal talent circulation.

Community Talent Development:

Cultivate a resilient generation of youth with social innovation, industrial understanding, and environmental literacy.

Governance



Foundation Period

2018-2022

Growth Period

2023-2035

Target Achievement Period

2036-2050

Policy Guidelines

Achieve full certification and high usage of sustainable materials, and establish an integrated sustainability governance model to ensure resilience and leadership in corporate sustainability.

Establish product sustainability and supply chain traceability mechanisms, and build a preliminary framework for sustainability governance.

Expand sustainable material certifications and product application coverage, strengthen sustainability risk management and information transparency, and continue improving the sustainability governance framework.

Stage Goals

Governance Framework: Integrate sustainability goals into annual operating plans and budgets of all major departments.
Establish an internal proposal system to encourage employee innovation with incentives.
Incorporate ESG performance metrics into annual performance evaluations of all relevant departments.
Information Transparency: Use digital tools (e.g., sustainability dashboards) for real-time ESG data disclosure.
Establish regular and institutionalized deep dialogue mechanisms with key stakeholders such as investors, customers, NGOs, and local communities
Process Management: Plants 100% certified for traceability of recycled, cotton, flax, and forest-based fibers.
Product Certification: 80% of products certified.

Governance Framework: Establish a "Sustainability Governance Team" to review sustainability goals and policies at least quarterly. Incorporate sustainability goals into senior management's regular meeting agendas.
Information Transparency: Prepare the first sustainability report in accordance with international standards (e.g., GRI Standards).
Process Management: Factories begin implementing traceable production processes.
Product Certification: Headquarters promotes factory certification for recycled fibers and cotton (Target: 50% of factories certified for recycled fibers; 20% for organic cotton)

Governance Framework: Integrate sustainability-related risks (e.g., TCFD climate risk, SASB standards, supply chain human rights risks) into enterprise-wide risk management and develop climate-related financial disclosure plans (TCFD).
Establish an integrated ESG data platform to enable real-time tracking and analysis for decision support.
Information Transparency: Achieve third-party assurance of the annual sustainability report to enhance credibility.
Process Management: Expand certification coverage to include recycled, cotton, flax, and forest-based fibers.
Plants: 75% of factories certified for traceability of recycled fibers, organic cotton, flax, and forest fibers (2025 data: 75% recycled fibers, 37.5% cotton, 25% flax, 37.5% forest fibers)
Product Certification: Certified products account for 50% of total products (2025: 30% achieved)

Stakeholder Engagement

Tainan Enterprises follows the international AA1000 SES Stakeholder Engagement Standard and refers to domestic and international sustainability issue trends and operational needs to define eight main categories of stakeholders: employees, shareholders/investors/banks, suppliers/contractors/OEMs, customers/brand vendors, government, community, non-governmental organizations, and media. Based on the concerns of each stakeholder group, and the level of impact each issue has on society, the environment, and the economy, Tainan Enterprises determines the materiality ranking of each issue. These results are incorporated into sustainability strategy planning to enhance the completeness of future operations and implementation.

Stakeholders	Relevance	Topic of Concern	Channel and Frequency of Engagement	Responses from Tainan Enterprises
 Employees	Employees are Tainan Enterprises' most important asset. We grow and create value together with our employees through the establishment of sound labor/management relations and working environments.	• Management of Chemicals • Labor Rights and Welfare	1. At least 2 regular management-employee communication meetings per year 2. Quarterly labor-management dialogue 3. Annual education and training 4. Quarterly occupational safety meeting 5. Instant employee suggestion box	1. Tainan Enterprises respects the rights of every employee and the use of child labor is strictly prohibited. We also conduct annual third-party audits in accordance with International Labour Organization (ILO) standards to ensure our compliance on employee rights, recruitment, and separation. 2. The Human Resources Department provides education and training to employees upon their arrival, and informs them of their rights and benefits. Employee rights and benefits are also published and available for employee review at any time.
 Shareholders/ Investors/Banks	The support and supervision of our investors is fundamental to the continuity of Tainan Enterprises operations. Transparency of information and continuous communication and engagement with stakeholders ensure that all investors are heard.	• Energy and Greenhouse Gas Emissions • Product Sustainability and Innovation • Corporate Governance and Ethics	1. Annual general shareholders' meeting 2. Regular updates on the corporate website and Market Observation Post System 3. Responded to shareholders via telephone or correspondence on an ad hoc basis	1. Annual sustainability report published since 2020 2. The Company discloses annual performance results on environmental performance, labor rights, regulatory compliance, and local community engagement through the sustainability report and on the corporate website for public access and download.
 Suppliers, Contractors, OEM	Suppliers/Contractors/OEM have a direct impact on production at Tainan Enterprises. Close collaboration and management are maintained to forge a sustainable supply chain.	• Supply Chain Management and Transparency • Water Resource Management • Management of Chemicals • Product Sustainability and Innovation • Corporate Governance and Ethics	1. Immediate communication by phone or correspondence. 2. Quarterly contractor meetings 3. Project-based support and audits 4. Annual signing of Supplier Code of Conduct by vendors 5. Annual filling out of C-TPAT self-assessment questionnaire by suppliers	1. The Company Articles of Incorporation are disclosed on the Chinese version of our corporate website for public viewing and download. 2. The Tainan Enterprises "Employee Code of Conduct" and "Anti-Bribery and Enticement Policy" prohibit bribery and the acceptance of improper gain in any form. Please report any suspected incidents of corruption or improper gain to: Ms. Chu Chen-chi, Internal Audit Telephone No.: (06)2307-911 #151 E-Mail: aifa@tai-nan.com 3. The status of supplier communication is disclosed annually in the sustainability report.

Stakeholders	Relevance	Topic of Concern	Channel and Frequency of Engagement	Responses from Tainan Enterprises
 Customers/ Brand Vendors	Tainan Enterprises maintains strict quality controls through our expertise and technology to provide customers with the best products. We also develop new products and work with customers to open up new markets.	• Supply Chain Management and Transparency • Water Resource Management • Energy and Greenhouse Gas Emissions • Waste Management and Circular Economy • Management of Chemicals • Labor Rights and Welfare • Product Sustainability and Innovation	1. Quarterly/annual factory audit 2. Quarterly customer conference 3. Immediate communication by phone or correspondence.	1. The Higg Facility Management Module (FEM) is used by each factory to share environmental data with customers every year. The data encompassed water resource management, wastewater and waste management, energy management, state of compliance, and greenhouse gas emissions. 2. Customers' supplier codes of conduct are signed by Tainan Enterprises to promise that no forced or compulsory labor is used. We also conduct annual third-party audits in accordance with International Labour Organization (ILO) standards and share the audit results with our customers.
 Government	Tainan Enterprises complies with the relevant laws and regulations issued by the government and competent agencies. We cooperate fully with the introduction and implementation of government regulations.	• Water Resource Management • Energy and Greenhouse Gas Emissions • Waste Management and Circular Economy • Management of Chemicals • Labor Rights and Welfare • Corporate Governance and Ethics	1. Ad hoc participation in forums and symposiums 2. Immediate communication via official correspondence 3. Regular reporting of wastewater and waste discharge	1. Each factory applies for wastewater discharge and waste disposal in accordance with local laws. We also monitor regulatory developments and cooperate with the introduction and implementation of government regulations. 2. Tainan Enterprises conducts internal GHG inventory on a voluntary basis. GHG emissions of corporate entities and subsidiaries are now disclosed in accordance with the government's GHG inventory timetable. 3. Occupational injuries are reported by each Tainan Enterprises operating location in accordance with local regulations. Regular OHS meetings are also conducted to inspect and review factory safety.

Stakeholders	Relevance	Topic of Concern	Channel and Frequency of Engagement	Responses from Tainan Enterprises
 Community	In addition to business profits, supporting the local community is another key component of business. The support of local communities makes it possible for Tainan Enterprises to carve out a local niche and set sights on international markets.	• Energy and Greenhouse Gas Emissions • Waste Management and Circular Economy • Management of Chemicals • Labor Rights and Welfare	1. Annual visits to neighboring communities and hosting of community events 2. Real-time phone and email communication	1. Our factories in Cambodia as well as Jakarta and Solo in Indonesia make donations in kind to their local children's home every year and visit the children to play with them. Tainan Enterprises Arts & Culture Foundation is based in Tainan but its efforts have recently begun bearing fruit around Taiwan. The Foundation supports the local community and boosts the resilience of community development. 2. Tainan Enterprises conducts a GHG inventory of every plant each year. The In-EMS cloud energy management system is used to monitor data such as power consumption, temperature and humidity, detect the energy efficiency of equipment, devise a replacement plan, manage GHG emissions and lower the environmental impact on local communities.
 Non-Government Organizations	Resources provided by non-government organizations (NGO) and industry associations held fuel the steady development of Tainan Enterprises. We are an active participant in all matters and work together to create industry value.	• Waste Management and Circular Economy • Management of Chemicals • Labor Rights and Welfare • Product Sustainability and Innovation	1. Ad hoc communication by phone or correspondence. 2. Regular updates to the Company website	Tainan has continued to disclose our outcomes in environmental performance (including water resource management), labor rights, compliance, innovative technologies and local social support in its annual corporate sustainability report. The reports can be viewed or downloaded from our corporate website.
 The Media	Media supervision and recommendations spur continued developments at Tainan Enterprises. We listen to the media with an open-mind and respond to requirements set by the local community.	• Waste Management and Circular Economy • Labor Rights and Welfare • Corporate Governance and Ethics	1. Ad hoc communication by phone or correspondence. 2. Ad hoc publication of information on the company website 3. Ad hoc participation in awards and activities	1. The Articles of Incorporation are disclosed on the Chinese version of our corporate website for public viewing and download. 2. Sustainability reports disclose annual results on labor rights, regulatory compliance, technological innovation, and community involvement. 3. Tainan Enterprises enters CSR-related awards organized by the media at different times, and report the Company's outcomes on local community support to the media.

Identifying and Responding to Material Topics

Tainan Enterprises is committed to integrating sustainable development into its operations. The process of identifying material sustainability topics begins with an initial screening of multiple issues through comprehensive consideration of various factors, followed by an assessment by internal management of the potential impact and likelihood of each issue. In response to the increasing volatility of the global supply chain—driven by trade conflicts, geopolitical uncertainties, and climate change-related natural disasters—the Company revised its material topics in 2024. The eight topics identified in the table serve as key references for future sustainable business operations. The results of the 2024 identification process were adopted in this report.

Ranking	Material Topics	Major Measures and Key Focus Areas
1.	Supply Chain Management and Transparency	Formulate the Supplier Code of Conduct; enhance supply chain information disclosure and product traceability.
2.	Water Resource Management	Introduce water-saving equipment and technology; implement wastewater treatment and reuse; comply with ZDHC wastewater guidelines.
3.	Energy and Greenhouse Gas Emissions	Implement energy-saving measures; gradually adopt renewable energy; conduct regular GHG inventories (Scopes 1, 2, and 3); set reduction targets.
4.	Waste Management and Circular Economy	Comply with waste-related regulations; develop and use recycled materials; explore circular economy models.
5.	Management of Chemicals	Follow international standards such as ZDHC; establish a comprehensive chemical management system (procurement, storage, use, and disposal); provide employee training on chemical safety.
6.	Labor Rights and Welfare	Promote fair labor practices; ensure a safe and healthy work environment; support employee development and well-being (including benefits and counseling); implement employee care programs.
7.	Product Sustainability and Innovation	Actively develop and use sustainable materials; promote circular design.
8.	Corporate Governance and Ethics	Establish sound governance structures (Board of Directors, Audit Committee, Remuneration Committee); uphold highest standards of business ethics; implement robust risk management; comply with all relevant laws and regulations.

Impact Boundaries and Management Approaches of Material Topics

Environment

Topic	Indirect Impact	Direct Impact	Direct Impact	Indirect Impact	Description of impacts	Management Approach	GRI Index	SDG Index
	Supply Chain	Factory	Headquarters	Customers				
Energy and Greenhouse Gas Emissions	●	●	●	●	GHG emissions are linked to the impact of climate change. Downstream vendors also set requirements on GHG emissions as well so there is negative impact on both downstream vendors and production sites.	Tainan Enterprises' greenhouse gas reduction commitment: Based on 2018, reduce Scope 1 and 2 emissions intensity per unit of revenue by 30% by 2030. Energy replacement plan: Completely eliminate coal-fired boilers and build solar power plants to increase the proportion of green electricity.	GRI 305	  
	2025 Results: - Tainan Plant installed a solar power system - Cambodia Factory completed coal elimination				2035 Goals: 100% of factories completed GHG inventory verification for energy substitution projects: - All factories eliminate coal use - Factory green energy share reaches 30% 50% of factories install solar power plants	2050 Goals: Energy replacement project: - Achieve Scope 1 and 2 carbon neutrality through carbon offsetting and green electricity certificates 100% of factories install solar power systems - Green power usage in factories reaches 60%		
Water Resource Management		●			Discharge of wastewater and waste have a negative impact on the environment near our sites.	Wastewater: Each factory regularly tests water quality and conducts annual ZDHC wastewater testing to ensure all discharged water complies with discharge standards. Process water recycling: Water recycling systems have been implemented in factories to reuse process water and reduce fresh water usage.	GRI 303 GRI 306	 
	2025 Results: 100% of water used in Tainan Enterprises' washing processes is recycled and reused in washing and public facilities (toilets, gardening, cleaning), accounting for approximately 60% of total water usage.				2035 Goals: 100% of water used in Tainan Enterprises' washing processes is recycled and reused in washing and public facilities (toilets, gardening, cleaning), accounting for approximately 60% of total water usage.	2050 Goals: 100% of water used in Tainan Enterprises' washing processes is recycled and reused in washing and public facilities (toilets, gardening, cleaning), accounting for approximately 60% of total water usage.		
Management of Chemicals	●	●	●	●	Garment washing uses chemicals, which impacts both workers and the environment surrounding the facility.	Inside the factory: Strictly comply with regulations, establish full procedures for chemical procurement, storage, use, and disposal, and provide regular training for operators to ensure worker rights and well-being. Outside the factory: Provide stakeholders with sufficient information, actively seek alternatives, procure certified green chemicals, and pursue higher safety and environmental standards.	GRI Index 403-10	
	2025 Results: In 2025, no incidents of violations of chemical regulations or policies occurred in any factory of Tainan Enterprises.Green chemicals account for 25%.				2035 Goals: No violations of regulations or policies occurred. Green chemicals account for 30%	2050 Goals: No violations of regulations or policies occurred. Green chemicals account for 50%		

Society

Topic	Indirect Impact	Direct Impact	Direct Impact	Indirect Impact	Description of impacts	Management Approach	GRI Index	SDG Index
	Supply Chain	Factory	Headquarters	Customers				
Labor Rights and Welfare	●	●	●	●	Forced labor violates ILO standards, impacts the entire value chain, and poor labor relations negatively affect the Company.	In accordance with ILO standards, all forms of coercion or restriction on employee movement are prohibited. Third-party audits are conducted annually to ensure compliance with employee rights, recruitment, and termination. Human rights improvement projects are implemented to achieve community co-prosperity.	GRI 401 GRI 402 GRI 404 GRI 405 GRI 408 GRI 409	      
	2025 Results: All factories are certified by WRAP or Better Work.50% of factories launched labor care programs. Headquarters: Launched career development program.				2035 Goals: Factories: At least 75% launched labor care programs. Headquarters: Continue employee career development program.	2050 Goals: Factories: 100% implementation of labor care program to ensure education projects reach all workers. Headquarters: Continues to promote employee career development plans.		

Governance

Topic	Indirect Impact	Direct Impact	Direct Impact	Indirect Impact	Description of impacts	Management Approach	GRI Index	SDG Index
	Supply Chain	Factory	Headquarters	Customers				
Supply Chain Management	●	●	●	●	Non-compliance will have a negative impact on the overall value chain.	Establish product sustainability and traceability mechanisms, strengthen sustainability risk management and transparency, and ensure Tainan Enterprises' resilience.	Self-defined Material Topics	 
	2025 Results: Factories have implemented traceable process management and received certifications for: • 75% recycled fibers • 37.5% cotton • 25% flax				2035 Goals: Plants: 75% certified for recycled materials, cotton, flax, and forest-based fibers. Products: 50% of products certified.	2050 Goals: Plants 100% certified for traceability of recycled, cotton, flax, and forest-based fibers.		
Corporate Governance	●	●	●	●	Corporate governance is the foundation of business operations. The soundness of the company affects the overall value chain.	Establish an integrated sustainable governance model to ensure sustainability leadership.	Self-defined Material Topics	  
	2025 Results: Through TCFD climate risk and SASB standards				2035 Goals: Build an integrated ESG data platform for real-time tracking and analysis to support decision-making	2050 Goals: Use digital tools to disclose ESG information and establish in-depth dialogue mechanisms with key stakeholders such as investors, customers, NGOs, and communities.		
Product Sustainability and Innovation		●	●		Technical innovation can enhance productivity and lower costs. Failure to engage in technical innovation leads to corresponding risks for factories and headquarters.	Headquarters leads certification efforts for factories to produce sustainably certified products.	Self-defined Material Topics	 
	2025 Results: 30% of products certified.				2035 Goals: 50% of products certified.	2050 Goals: 80% of products certified.		

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CHAPTER.

Corporate Governance

- 1.1 About Tainan Enterprises
- 1.2 Corporate Governance
- 1.3 Ethical Management
- 1.4 Risk Management
- 1.5 TCFD Climate Change Risks and Opportunities Management

1.1 About Tainan Enterprises

1.1.1 Company Profile

Tainan Enterprises was established in August 1961 as a professional contract apparel manufacturer, with main products including trousers, shirts, dresses, skirts, jackets, vests, and coats. In its early years, the Company primarily accepted low- to mid-priced apparel orders from hypermarkets such as K-mart in the U.S. Since 1985, by securing orders from Germany's Conex, it successfully transitioned into the mid-to-high-end apparel market. Its current primary customers include mid-to-high-end brands such as J Crew, ANN TAYLOR, Reitmans, Macy's, Talbots, and Roots.

To address the rising labor and land costs in Taiwan, Tainan Enterprises has actively expanded its overseas production bases, now covering Indonesia, China, Cambodia, and Vietnam. The Tainan plant serves as the new product design center and production base for high-value products, and is also responsible for transferring Taiwan's production processes and management know-how to its overseas factories. The China plant primarily handles domestic market and fast-response orders, and leverages its language advantage as a talent training hub. The plants in Indonesia, Cambodia, and Vietnam have become the Company's main production bases due to advantages in labor quality and cost. Through a global layout that integrates distributed manufacturing, personnel training, and design functions, Tainan Enterprises has established a unique competitive edge in the global apparel market.

Diversified Product Strategy

In recent years, Tainan Enterprises has actively promoted vertical integration by working closely with designer teams to accurately grasp market fashion trends. The Company not only continues to develop a wide variety of products but is also gradually expanding its apparel portfolio to include knitwear and sportswear. By leveraging its extensive experience in mid-to-high-end garment manufacturing, the Company can quickly respond to rapidly changing consumer market demands and meet customers' diversified one-stop procurement needs. Looking ahead, Tainan Enterprises will continue to optimize production capacity allocation and adopt an efficiency-oriented operating model to remain adaptive to the times.

Company Information

Company Name

Tainan Enterprises Co., Ltd.



Stock Code
1473



Date Established
August 1961



Chairman
Yang Ching-Hon



General Manager
Su Chiung-Chung



Location of headquarters
No. 320, Sec. 3, Zhongshan Rd.,
Guiren Dist., Tainan City, Taiwan



Number of employees
9177 persons



Total Operating Revenue in 2025
6,677,661 (NTD thousand)

1.1.2 Business Performance

Profit in the past three years

(Unit: NTD thousand)

Financial Performance	2023	2024	2025
Total assets	5,434,361	5,880,297	5,317,501
Total liabilities	1,735,492	1,736,539	1,517,422
Total equity	3,698,869	4,143,758	3,800,079
Operating revenue	6,508,300	7,446,360	6,677,661
Operating costs	(5,345,401)	(6,080,962)	(5,630,916)
Gross operating profit	1,162,899	1,365,398	1,046,745
Operating expenses	(876,542)	(993,797)	956,452
Non-operating revenue and expense	73,861	148,821	35,412
Net profit before tax	360,218	520,422	125,705
Income tax	(48,749)	(79,100)	(42,277)
Net profit after tax	311,469	441,322	83,428

CSR in Practice

Tainan Enterprises has always been committed to fulfilling and embodying corporate social responsibility. Across its global operations, the Company places great importance on human rights, workplace safety, care for female employees, and environmental protection, while actively promoting various projects to foster happy work environments and healthy living. At both the Headquarters and overseas factories, environmental, social, and governance (ESG) projects are driven by the "Sustainable Development Department." In Taiwan, the Company established the Tainan Corporate Culture and Art Foundation in 2001 and has since been actively involved in education, cultural, environmental, and social welfare initiatives. Tainan Enterprises firmly believes in and practices the values of "truth, goodness, and beauty", staying true to its founding mission with unwavering dedication.

Tainan Enterprises Operating Locations



1.1.3 Membership of domestic and foreign organizations

Country	Industry Associations
Taiwan	Taiwan Garment Industry Association Taiwan Textile Federation Taiwan Textile Research Institute Tainan Industry Association Better Cotton Initiative Textile Exchange Alliance for European Flax-Linen and Hemp
Cambodia	GMAC Textile Exchange Forest Stewardship Council
Indonesia	International Labor Organization Textile Exchange Alliance for European Flax-Linen and Hemp Forest Stewardship Council
Vietnam	Vietnam Textile & Apparel Association, VITAS Textile Exchange Forest Stewardship Council

1.2 Corporate Governance



Corporate governance has attracted the attention of corporate stakeholders in recent years. Sound corporate governance should include a robust Board of Directors, transparent finances, ethical corporate culture, and effective internal audits. Establishing a sound corporate governance system will generate long-term benefits for the company and shareholders through lower business risks and improved competitiveness.

1.2.1 Board of Directors

The Tainan Board of Directors consists of 11 directors (including 3 independent directors) appointed for a term of three years. There must be at least three independent directors and they must account for no less than one-fifth of all directorships. The candidates nomination system is adopted for electing all directors, and elected from the list of director candidates by shareholders. On June 21, 2023, Tainan Enterprises held a re-election of the Board of Directors, with the term lasting until June 20, 2026.

The average age of the Board members is 63.6 years, and there are 5 female directors, accounting for 45.5% of the Board. The background, professional knowledge and remuneration for each Board member can be found in the 2025 Annual Report. The Annual Report can be downloaded from the Market Observation Post System website, or from the Shareholders section of our corporate website.

The scope of the board performance evaluation includes of the Board Meeting, individual Board members and functional committees. The evaluation methods consist of internal self-evaluation, board member self-evaluation, and peer-evaluation. The 2025 performance evaluation results showed normal operations and good performance.

To prevent conflicts of interest in the top governance body, the Rules and Procedures of Shareholders Meetings stipulate that if a conflict of interest exists between an item on the agenda and a director or the legal person they represent, and that such conflict would harm Tainan interests, they may state their position and respond to any questions but may not take part in the discussion and voting. They should also recuse themselves during discussions and voting, and may exercise the proxy votes of other directors. In addition, the Board should be convened at least once per quarter to review the Company's business performance, as well as discuss the Company's development strategy and major investments.

The term of the 22nd Board of Directors is from June 21, 2023 to June 20, 2026. In 2025, a total of six Board meetings were held, with an actual attendance rate of 98.48% among all directors.

The Company's internal handling and disclosure of key material information is directly handled in accordance with the regulations of the competent authority. In 2025, a total of 20 pieces of material information was announced.

Board members undertake continuing education on corporate governance, corporate management, laws and regulations, and finance every year. The continuing education for the Board of Directors in 2025 was as follows:

Continuing Education Topic	Trainees	Duration
2025/08/11 Insights into AI Transformation in the Manufacturing Industry	Weng Hsiao-Wei, Wang Po-Ya, Yang Ching-Hon, She Jih-Hsin, Huang Ming-Yu, Jui Mu-Cheng, Yang Fu-Ching, Yang Yin-Ying, Lee Li-Ying, Wu Tao-Chang, Hsieh Yu-Chin	3
2025/05/08 The Impact of the Latest Tax Law Changes on Corporate Operations and Corresponding Strategies	Weng Hsiao-Wei, Wang Po-Ya, Yang Ching-Hon, She Jih-Hsin, Huang Ming-Yu, Jui Mu-Cheng, Yang Fu-Ching, Yang Yin-Ying, Lee Li-Ying, Wu Tao-Chang, Hsieh Yu-Chin	3

1.2.2 Remuneration Committee

The Remuneration Committee uses its expertise to formulate and periodically review the performance evaluation of directors and managers, as well as the policy, system, standard and structure of remuneration. Director and management remuneration are then periodically evaluated and set based on the Company's business performance along with the social and environmental impacts of organizational operations in order to strengthen the corporate ethics and culture of Tainan in pursuit of sustainability. In 2025, the convener and members of the Remuneration Committee of Tainan Enterprises achieved an actual attendance rate of 100%.

1.2.3 Audit Committee

The Audit Committee was established on September 22, 2017, in accordance with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies. The mission of the Audit Committee is to assist the Board with carrying out its supervisory duties, as well as other missions assigned by the Company Act, Securities and Exchange, and other relevant laws. The committee shall be assembled by all three independent directors and meetings are to be convened at least once a quarter. The Company held a total of four Audit Committee meetings in 2025, with an actual attendance rate of 100% among Audit Committee members.



1.2.4 Sustainability Implementation Unit

The Board of Directors serves as the highest sustainability governance body for Tainan Enterprises, responsible for overseeing and guiding related policy issues. In 2014, the Company established a dedicated corporate social responsibility unit, the "Sustainability and Quality Assurance Department", responsible for promoting and implementing sustainability-related issues such as environmental protection, energy conservation and carbon reduction, human rights, and workplace health and safety. In 2024, to further enhance specialization, the Sustainability and Quality Assurance Department was split into the "Sustainability Department" and the "Quality Assurance Department." The Sustainability Department is responsible for formulating sustainability-related policies and management guidelines for Tainan Enterprises, managing the environmental and social compliance and responsibility performance of overseas subsidiaries, and reporting annually to the directors on the implementation status of sustainability-related actions.

1.3 Ethical Management



Tainan has always considered ethics to be the most basic principle in business. In addition to complying with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, we also formulated the Ethical Management Principles, Employee Code of Conduct and other rules.

The compensation system, internal control system, delegation system, and division of labor as well as internal audits and associated punishment/reward regulations. The establishment of an effective corporate governance structure as well as related ethical standards and practices have served to enforce ethical management throughout all company departments.

The Anti-Bribery and Enticement Policy was also formulated by Tainan to raise employee awareness by explicitly stating our responsibility and position on anti-bribery and corruption. We also provide all workers with information and guidance on how to identify and deal with bribery/corruption issues.

In addition to strict internal requirements, Tainan Enterprises also requires suppliers and outsourced vendors to sign the "Supplier Code of Conduct" or the "Supplier Social Responsibility Commitment", making commitments on aspects such as labor rights, counter-terrorism, and security, and disclosing detailed supplier management information. Please refer to 2.2 Sustainable Partnerships.



**There were no confirmed incidents
of corruption at Tainan in 2025.**

Compliance

Compliance with local regulatory requirements is the most fundamental component of the management approach at Tainan. Each factory shall periodically audit the validity of their regulatory permits, identify local laws and regulations that they need to comply with, and develop a plan to track new developments on a regular basis to ensure compliance with the latest regulatory requirements. In 2025, Tainan Enterprises did not incur any major economic or environmental penalties from competent authorities.

1.4 Risk Management

To ensure the Company's stable operations and sustainable development, the risk management policies, procedures and measures were approved in November 2022 to strengthen the control of overall operations. The Board of Directors, Audit Committee, General Manager, and the Audit Office jointly participate in the implementation of the above.

According to the Risk Management Policies and Procedures, Tainan Enterprises should identify the types of risks, including:

Risk Category	Risk Description	Possible Impact	Corresponding Management Measures and Expected Benefits
 Market risk	Changes in customer demand, market fluctuations, and intensified competition lead to changes in customer demand, resulting in decreased orders or uncollectible accounts receivable.	Medium-high: Decreased revenue, loss of market share, damage to brand reputation, deviation of product development from market demand, thereby affecting corporate profitability.	Market trend analysis and rapid response: Continuously monitor consumer trends and technological developments in the textile and apparel industry, and quickly adjust product strategies and production schedules to respond to changing demand for new materials such as high-stretch fabrics. Sound credit risk management: Establish a comprehensive customer credit evaluation mechanism, regularly review the financial status and payment records of major customers, and reduce the risk of bad debts from accounts receivable. Diversified customer structure and market development: Actively develop new customers and markets, reduce reliance on a single or a few major customers, diversify operational risks, and expand new growth opportunities. Customer satisfaction tracking and feedback: Regularly collect customer opinions and feedback and incorporate them into product R&D and service optimization processes to ensure products meet market demand and improve customer satisfaction. Establish long-term partnerships: Strive to build stable and mutually trusting long-term partnerships with customers, rather than limiting to one-time transactions.
 Financial risk	Changes in the macro environment adversely affect the Company's revenue, costs, and profitability.	Medium-high: Sharp decline in market demand, supply chain disruptions, investment losses, and rising financing costs, affecting corporate profitability and cash flow.	Responding to market changes: In the event of plummeting textile and apparel demand due to global economic downturn or heightened trade barriers in major export markets, the Company adjusts strategies flexibly and gradually resumes normal operations as international trade stabilizes or demand emerges in new markets. Optimizing the investment portfolio: In response to intensified volatility in global equity and bond markets or economic downturns in specific regions that lead to investment losses, the Company will more prudently assess investment targets and adopt a diversified allocation strategy to mitigate risks. Assessment of major capital expenditures: Conduct feasibility assessments for major capital expenditures, such as the new plant in Indonesia, to enhance implementation potential. Adjustment of financing strategy: In the context of high U.S. dollar interest rates, formulate response strategies to avoid negative impacts from interest rates and ensure funding costs remain controllable.

Risk Category	Risk Description	Possible Impact	Corresponding Management Measures and Expected Benefits
 Supply chain risk	Global trade policy changes (e.g., tariff wars), geopolitical instability, raw material supply shortages or price fluctuations, logistics disruptions, supplier management issues, and increased demand for product traceability affect the timely supply and costs of raw materials, semi-finished products, or finished goods.	High: Production delays, cost increases, failure to deliver orders on time, decline in customer satisfaction, compliance risks, damage to brand reputation, and even loss of market competitiveness.	Diversified supplier strategy: Actively develop and maintain multiple qualified suppliers to reduce reliance on a single supplier, enabling responses to emergencies or geopolitical risks. Local procurement: Give priority to building cooperative relationships with geographically closer or domestic suppliers to reduce the risks of long-distance transportation, shorten delivery times, and respond more flexibly to changes in international trade policies or emergencies, thereby reducing supply chain disruption risks. Strengthen logistics and transportation management: Cooperate with multiple international logistics partners to assess the risks of various transportation routes and modes and develop contingency plans for logistics disruptions such as port closures or shipping delays. Enhance product traceability: Introduce digital management systems to ensure transparency and traceability of information across all supply chain stages, from raw material procurement to final product delivery, complying with international regulations and customer requirements (e.g., environmental protection, labor rights). Collaboration on quality and compliance standards: Establish close partnerships with suppliers to jointly ensure that all supply chain stages comply with Tainan Enterprises' quality standards and relevant international trade and environmental protection regulations.
 Talent risk	The internal talent structure and development fail to meet the Company's strategic goals and market competition needs, or the loss of key talent leads to operational stagnation.	Medium: Impacts innovation capacity, project execution efficiency, and corporate competitiveness.	Employee career development and cultivation: Promote co-design of personal growth plans between supervisors and employees through design thinking workshops to enhance employees' sense of belonging and commitment to the Company. Establish a talent pipeline: Develop internal talent cultivation mechanisms to ensure succession planning for key positions and mitigate the impact of talent loss. Incentive and retention mechanisms: Establish competitive compensation and benefits systems and performance-based incentive mechanisms to attract and retain outstanding talent.
 Climate change risk	Physical and transition risks that climate change may pose to business locations, supply chains, raw material acquisition, regulatory compliance, and market demand.	High: Increased operating costs, supply chain disruptions, compliance risks, and damage to brand image.	Tainan Enterprises has incorporated climate change risk into the Company's overall risk management framework. For detailed risk identification, assessment, and management strategies, please refer to the "1.5 TCFD Climate Change Risk and Opportunity Management" report.
 Information Security	The information system is subject to unauthorized access, use, disclosure, destruction, modification, or interruption, resulting in data leakage, system failure, or operational disruption.	Extremely high: Results in data loss, customer privacy breaches, financial loss, legal liability, and severe damage to brand reputation.	Establishment of the Information Security Committee: In 2022, Tainan Enterprises established the Information Security Committee to coordinate the formulation, implementation, risk management, and compliance auditing of information security and protection policies. Executive oversight: The highest-ranking officer of the corporate information security organization reports semi-annually to the Board's Audit Committee on the effectiveness of information security management, related issues, and strategic directions. The Audit Committee is responsible for overseeing corporate information security governance and includes members with information security backgrounds to supervise and evaluate the security management mechanism. Preventive measures: Conduct annual business continuity drills at the Taipei and Tainan backup data centers. Offsite backups, storage, and testing for critical system data are performed on a daily and weekly basis. Additionally, external vulnerability scans are conducted annually and integrated into routine information security operations. Enhancing information security awareness: Conduct quarterly training and awareness programs for employees based on real-world security incidents, with random sampling checks. Professional skills development: Regularly arrange for system management staff to attend external information security courses and obtain certifications to ensure professional competency keeps pace with current developments.

1.5 TCFD Climate Change Risks and Opportunities Management



In light of Tainan Enterprises identifying climate change as a significant corporate risk, the Company follows the Task Force on Climate-related Financial Disclosures (TCFD) framework to manage climate-related risks and opportunities. The strategy incorporates the Company's sustainability management blueprint, aiming to reduce operational impact, enhance corporate resilience, and capture transition opportunities.

I. Governance

Tainan Enterprises has established a sound climate change governance framework to ensure climate-related issues are integrated into corporate strategies and decision-making.

- The Sustainable Development Department under the General Manager's Office serves as the integration unit for TCFD climate change risk and opportunity management, responsible for coordinating, planning, and implementing related matters.
- The Sustainable Development Department regularly reports climate-related issues to the General Manager.
- It also compiles the climate risk identification results from all departments annually and reports to the Board of Directors regularly to ensure top management is informed and can guide the response to potential climate-related risks and opportunities.

II. Risk Management

To proactively address various climate-related risks and potential opportunities within its business processes, Tainan Enterprises has established a systematic risk management mechanism:

- The Company regularly identifies climate change-related risks and opportunities each year and re-evaluates their potential impacts.
- Strategies and response actions are systematically incorporated into the annual implementation plan.

III. Strategy

Tainan Enterprises has integrated climate-related factors into its strategic planning and decision-making processes to address the potential impacts of climate change on its operations. Through climate change assessment and scenario analysis, the Company has inventoried its resources and planned risk management policies aimed at enhancing resilience and adaptability, while seizing the transitional opportunities brought by climate change.

IV. Metrics and Targets

Tainan Enterprises has set specific climate-related metrics and targets to assess and monitor the impacts of climate change and the effectiveness of management:

Greenhouse Gas Emissions

- Short- to medium-term goal: Reduce Scope 1 and Scope 2 GHG emission intensity per NT\$1 million in economic output by 30% by 2030, using 2018 as the base year.
- Long-term goal: Achieve carbon neutrality for Scope 1 and 2 emissions.

Product Sustainability and Certification

- Medium-term goal: Reach 50% of products with green certifications (GOTS, OCS, RCS, European Flax, FSC) by 2035.
- Long-term goal: Reach 80% of products with green certifications (GOTS, OCS, RCS, European Flax, FSC) by 2050.

Supply Chain Resilience:

Develop indicators related to local procurement and product traceability.

Scenario Analysis

Low-carbon transition scenario: aligned with 1.5°C

Scenario assumptions: Countries worldwide actively promote stricter carbon reduction policies, carbon taxes/fees increase significantly, renewable energy and low-carbon technologies develop rapidly, and consumer demand and willingness to pay for sustainable products rise markedly.

Potential Risks

Transformation cost pressure

To comply with increasingly strict regulations and market expectations, the Company must invest more resources in adopting low-carbon production technologies, energy replacement, acquiring green product certifications (e.g., GOTS, OCS, GRS, RCS, FSC, European Flax), and managing Scope 3 emissions (including carbon footprint requirements for raw material suppliers), resulting in higher short-term operating costs.

Carbon tax/border adjustment mechanism impact

Stricter carbon border adjustment mechanisms in major export markets such as the EU and U.S. may increase export costs and reduce product price competitiveness.

Supply chain compliance risk

If supply chain partners fail to meet carbon reduction requirements or obtain relevant environmental certifications in time, this may destabilize the supply chain or compel the Company to bear additional supplier transition costs.

Potential Opportunities

Expansion of diversified apparel market

With rising consumer health awareness and lifestyle changes, demand for smaller, more diversified apparel orders is increasing, supporting the growth of the Company's diversified order portfolio.

Green product premiums and competitive advantage

Proactively developing and promoting sustainable product lines using recycled materials and eco-friendly dyeing processes, along with obtaining international certifications, will help attract international brands focused on sustainability, increasing market share and product premium potential.

Revenue growth potential

By meeting and exceeding the sustainability procurement standards of major customers—especially European and American brands pursuing green supply chains—the Company anticipates securing more orders and driving revenue growth.

Operating cost optimization

Heavy investment in energy efficiency improvements (e.g., energy replacement) and increasing the share of green energy is expected to significantly reduce energy consumption and long-term operating costs, thereby improving overall operational efficiency.

High-temperature / Climate out-of-control scenario: High-emission / 4°C warming

Scenario assumptions: Global carbon reduction progress is slow, leading to worsening climate change. The frequency and intensity of extreme weather events (e.g., heatwaves, floods, droughts, severe typhoons) increase significantly.

Potential Risks

Impact on core product orders

Rising autumn and winter temperatures in Europe and the U.S. will significantly reduce demand for apparel, severely affecting the Company's revenue.

Worsening physical asset damage

Frequent extreme events like flooding and torrential rain may cause factory shutdowns due to inundation and spoilage of raw materials and products, substantially increasing repair and replacement costs.

Increased risk of supply chain disruption

Extreme weather may impact the harvest of key raw materials (e.g., cotton, wool), reducing output and pushing up prices, or cause transportation disruptions, further destabilizing the supply chain.

Unstable energy and water supply

Rising temperatures increase electricity demand and the risk of power shortages; prolonged droughts may destabilize water supply, directly disrupting production processes.

Labor efficiency and occupational safety risk

High temperatures may negatively affect factory working conditions, reducing worker productivity and increasing safety risks, thereby impairing overall output.

Potential Opportunities

Rising demand for diversified apparel

While autumn and winter orders decline, demand will rise sharply for innovative functional apparel suited for summer or warm winters—such as lightweight, breathable, moisture-wicking, and cooling garments. Tainan Enterprises can leverage its diverse production capabilities and R&D strengths to capture this market shift by adjusting its product portfolio to align with new consumer trends.

Value of resilience and recovery solutions highlighted

The Company's early development of multi-location production bases, diversified transport plans, and strengthened supply chain resilience measures will prove critical when extreme weather disrupts supply chains—ensuring continuity of operations and enhancing customer trust.

02

CHAPTER.

Value Chain and Circular Economy

- 2.1 Tainan Enterprises' Value Chain
- 2.2 Sustainable Products and Policies
- 2.3 Sustainability Partnerships
- 2.4 Product Safety

2.1 Tainan Enterprises' Value Chain



Procurement Process

Procurement and Management of Raw Materials

The Company primarily purchases main fabrics and accessories (such as buttons, zippers, sewing threads, labels, etc.) and delivers them to its factories.

Warehousing and Material Handling

The factories receive, categorize, store, and manage various fabrics and accessories from suppliers in different regions to ensure smooth production operations.



Marketing and Management

Customer Relationship Management

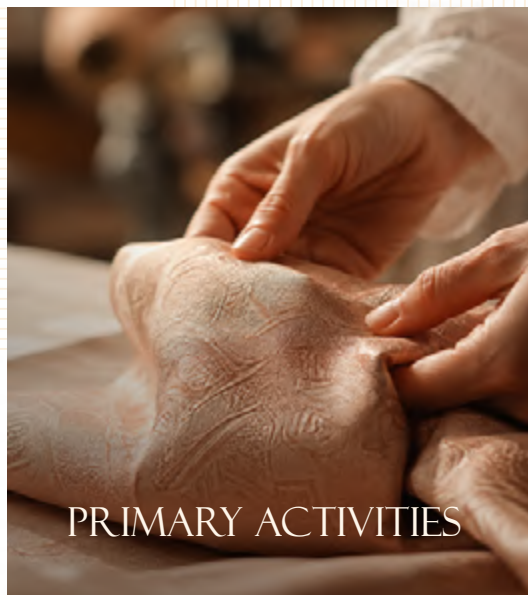
Establish long-term and stable partnerships with major customers.

Order Fulfillment

Provide a wide variety of product choices based on customer needs — from pants and shirts to dresses and outerwear — and accept various OEM garment orders.

Customer Support

Provide support and coordination for product issues, repair needs, or order adjustments that may arise from customers.



Production and Operation

Design and R&D

The design team closely tracks global market trends to develop new products aligned with fashion trends and expand into knitwear and sportswear.

Sample Production and Production Scheduling

Develop samples based on customer needs and accurately plan production schedules to ensure timely and cost-effective production of high-quality garments.

Garment Manufacturing and Assembly

Production processes such as cutting, sewing, and assembly are carried out at global manufacturing bases in Taiwan, Indonesia, China, Cambodia, and Vietnam.

Quality Inspection and Control

Strict quality control is implemented from raw materials to semi-finished products and final products to ensure they meet the high standards required by customers.

Sustainable Production

Sustainable raw materials are actively applied to develop a green operating model that meets the demands of the green consumer market.



Shipping Process

Finished Product Warehousing and Inventory Management

Packaging, warehousing, and inventory management are carried out for finished garment products.

Global Transportation and Distribution

Finished products are delivered to major customer markets such as the United States, Canada, and Japan, involving international logistics.



Technology Development

Process Improvement and Equipment Upgrade

Continuously improve processes and equipment to enhance production efficiency and consistency in product quality.

Digital Transformation and IT Systems

Implement the EPS system to advance smart manufacturing and optimize supply chain management.

Sustainable Technology R&D

Research the application of sustainable raw materials and explore more environmentally friendly production processes.



Procurement

Supply Chain Management

Establish long-term partnerships with suppliers to ensure supply chain stability, efficiency, and traceability.

Sustainable Procurement

Emphasize environmental sustainability and social responsibility by ensuring that suppliers comply with relevant environmental and labor standards.



Infrastructure

Corporate Governance and Management

Overall corporate strategic planning, financial management, legal affairs, quality management systems, etc., to ensure stable business operations.

Global Site Management

Manage eight key production bases in five Asian countries to achieve cross-border collaboration.



Human Resources Management

Talent Recruitment and Training

Recruit and train talents such as sewing operators, designers, and production managers; provide on-the-job training to improve skills.

Employee Welfare and Development

Foster a harmonious environment and emphasize employee development and benefits, such as offering regularization opportunities and comprehensive training.



2.2 Sustainable Products and Policies

Tainan Enterprises' core policy on sustainable products aims to promote the adoption of rigorous international sustainability certifications and increase the proportion of sustainable materials used, to ensure products meet high standards in environmental responsibility, social responsibility, and chemical management. The goal is to gradually achieve full sustainability from raw material sourcing to finished products. The specific implementation and results are as follows:

Recycled materials

Gradually replacing the Recycled Claim Standard (RCS) with the Global Recycled Standard (GRS)

Certification Name/ Conditions	Global Recycled Standard (GRS)	Recycled Claim Standard (RCS)
Minimum material content	20%	5%
Environmental requirements	O	X
Social responsibility requirements	O	X
Chemical requirements	O	X

Our sustainable development policy encourages recycled products to gradually meet the GRS standard, which requires traceable recycled content of at least 20%, and mandates annual third-party audits to ensure factories comply with standards in labor safety, environmental protection, chemical management, and process management.



To achieve this goal, we actively arrange training at headquarters and factories, encouraging the development department to engage in GRS-style product development. Since 2022, GRS has gradually replaced RCS, and by May 2025, the export volume had reached 83,529 units.

RCS transaction volume from 2022 to May 2025 (units)

2022	2023	2024	2025	
21,384 units	17,070 units	2,430 units	40,556 units	RCS has been gradually replaced by GRS

GRS 2024–2025 (Cases)

2024 and earlier total	2025
144,186 units	319,441 units

Organic cotton

Full adoption of the Global Organic Textile Standard (GOTS) and the Organic Content Standard (OCS)

Certification Name/ Conditions	Global Recycled Standard (GRS)	Recycled Claim Standard (RCS)
Minimum material content	20%	5%
Environmental requirements	O	X
Social responsibility requirements	O	X
Chemical requirements	O	X

Overcoming pain points

Simplifying the Transaction Certificate (TC) application process to achieve supply chain transparency

From past application experience, we found that the process of applying for transaction certificates was extremely complex, which hindered the traceability of fibers. Therefore, the Sustainable Development Department has focused on improving internal procedures for applying for GOTS, GRS, OCS, and RCS transaction certificates, and will establish a new SOP in 2025 to simplify and increase transparency in the application process.

As a result of this reform, by May 2025, the company had already achieved 61,842 certified OCS and GOTS organic cotton transactions within just six months—far surpassing the cumulative total of previous years. Moving forward, we will fully implement AI assistance to automate the application process.

OCS and GOTS organic cotton transaction volume (units)

2024 and earlier total	2025
2,400 units	263,858 units

Tainan Enterprises garment factory certification status in 2025

	 GRS	 RCS	 GOTS	 OCS	 EUROPEAN FLAX	 FSC
Gaoqing, China		●				
Cambodia	●	●		●		●
Gin-Sovann	●			●		
Jakarta		●	●		●	●
Solo		●			●	
Vietnam		●				●



2.3 Sustainability Partnerships

Tainan provides customers with good-quality products and services. We choose legal suppliers that adhere to humanitarian and ethical standards as our partners. Our Supplier Code of Conduct serves as the basis for transparent, ethical, and responsible sourcing. To protect human rights and prevent incidents of forced or compulsory labor, we regularly update the "Supplier Social Responsibility Commitment" and require suppliers to sign it every year, which is based on the 12 principles of the WRAP International Social Responsibility Accreditation, and incorporates human rights, environmental, and shipping safety-related regulations, and pledge to comply with the Supplier Anti-Terrorism Code, which was developed in accordance with the C-TPAT U.S. Customs Business Coalition Against Terrorism's Factory and Shipping Safety Management Guidelines. At the same time, they must also fill out the "Supplier Anti-Terrorism Security Self-Assessment Questionnaire", as well as provide C-TPAT, AEO and other related certifications to assess the risk level of suppliers and to increase transparency and trust.

Potential suppliers who submit the abovementioned Letter of Commitment, Code of Conduct, and Self-Evaluation Form are eligible to enter the supplier selection stage. Tainan Enterprises will evaluate their production quality, level of cooperation, and payment terms, and they will be classified into Level A, B, C, and D. If the score is a D, the supplier will be disqualified from supplying the product. The impact of suppliers on the environment and society is also taken into consideration to effectively select suppliers that meet the corporate sustainability philosophy of Tainan Enterprises.

Tainan Enterprises' business partners are required to strictly comply with the Company's "Supplier Code of Conduct", including reasonable working hours, wages, and employment of employees, and Tainan Enterprises strictly prohibits the use of products with forced labor risks. If any forced/compulsory labor incident is found in the supply chain or upstream vendors, or any violation of the "Supplier Code of Conduct" or "Supplier Social Responsibility Commitment", Tainan Enterprises will inform the offending vendor and brand customers and ask the vendor to take improvement measures.



To mitigate the environmental impact from production activities, in addition to the development of green, sustainable fabrics, Tainan also encouraged suppliers to obtain green certification such as RCS, OEKO-TEX and BLUESIGN, increase the use of recycled materials, obtain chemicals that comply with OEKO-TEX and BLUESIGN guidelines, assess the impact on the environment, society and worker performance through the product life cycle, and work with customers to promote sustainability and lay down the foundations of a green economy.

Content of supplier evaluation



Environment

Compliance with local environmental regulations, possess the necessary wastewater, waste and discharge permits, and conduct an annual follow-up environmental evaluation each year monitor the environmental quality and build a sound, working environment.



Society

Comply with local labor laws or International Labor Organisation (ILO) guidelines, comply with social rules and guidelines, and provide employees with protection on right to work.



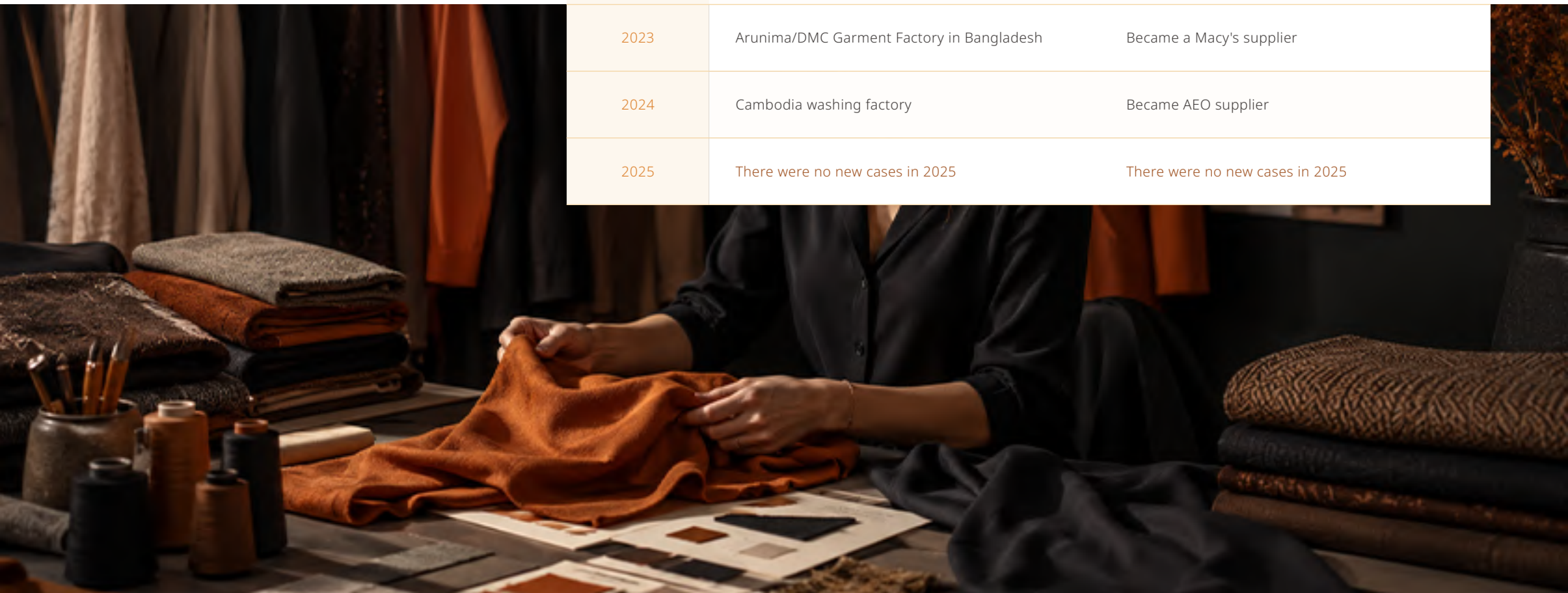
Supplier Commitment

Society	Ban on use of child and forced labor
	Ban on discrimination and any form of degrading conduct
	Provide reasonable compensation that satisfies a worker's basic needs and the minimum wage at the very least
Environment	Compliance with local environmental regulations
Anti-terrorism and security	Establish a security inspection process to ensure the safety of incoming and outgoing goods
	Security system and process established for access control. A reporting process for reporting unauthorized entry by suspicious persons was also put into place.
	Deployed information security system to protect Company information against misuse of software/hardware.
	Established safety process to prevent human trafficking and smuggling

2.3.1 Supplier Mentoring

Tainan values our cooperation with suppliers and their growth. We mentor suppliers every year on how to pass brand audits and become an approved supplier to international brands. Such mentoring covers quality, human rights, environmental safety and hygiene. We hope by mentoring suppliers we can expand our markets together, enhance our international skills and support mutual growth.

Year	Supplier Type	Mentoring Outcome
2020	Green Fashion Washing Factory in Indonesia	Passed the Disney FAMA factory audit. Gap Inc Water Quality Programme
2021	Vietnam Tatsu Garment Joint Stock Company	Became JC Penney supplier
2023	Arunima/DMC Garment Factory in Bangladesh	Became a Macy's supplier
2024	Cambodia washing factory	Became AEO supplier
2025	There were no new cases in 2025	There were no new cases in 2025



2.4 Product Safety



At the end of 2022, the Vietnam, Cambodia, and Gaoqing factories plan to conduct Oeko-Tex Standard 100 (and RSL) product safety clothing testing starting from FA23, requiring the main and auxiliary materials supply chain to hold certification and clothing terminal shipment certification.

2.4.1 Oeko-Tex Standard 100 Garment Test (28 items in total):

Item No.	Test item	Content
1.	pH value	According to ISO 3071 (KCI solution)
2.	Formaldehyde	Qualitative: Chromotrope acid reaction Quantitative: Free and partially releasable content(free & partially releasable – JIS L 1041 -2011)
3.	Heavy Metals	
3.1	Extraction with Artificial acid sweat solution	(artificial acid sweat solution – ISO 105-04)
3.2	Total Digestion of the Samples	Acid digestion (ICP-OES, ICP-MS or AAS)
3.3	Chromium(VI)	(artificial acid sweat solution — ISO 105-04; UV/VIS spectroscopy or IC.)
4.	Pesticides	Extraction cleanup (GC-MS & LC-MS)
5.	Chlorinated Phenols & Ortho-Phenylphenol	Alkaline aqueous solution (DIN 50009), extraction of free phenols & hydrolysed phenolesters, acetylated (GC-MS)
6.	Phthalates/ Siloxanes)	Extracted with tetrahydrofuran, precipitation of polymer with n-hexane (GC-MS)
7.	Organic Tin Compounds	Ethanol/ acetic acid solution & tropholone; derivatisation with sodium tetraethylborate (GC-MS)

Item No.	Test item	Content
8.	(SCCP & MCCP) Short & Medium Chained Chlorinated Paraffins	Short & medium chained chlorinated paraffine on extraction with dichloro-methane/ n-hexane; GC-MS; EI mode
9.	Per- and Polyfluorinated Compounds/ Per- and Polyfluoroalkyl Substances	Methanol; LC-MS & GC-MS
10.	Dimethylfumarate	Acetone; preconcentration; GC-MS
11.	Humanecological Critical Colorants	
11.1	Cleavable Arylamines and Aniline	Azo dyes; ISO 14362-1 & 14362-3 Cleavable & residual in free manner
11.2	Dyestuff & Pigments with Human Ecologically Critical Properties (Allergenic, Carcinogenic)	Chlorobenzene extraction; LD-DAD or LC-MS
12.	Chlorinated Benzenes and Toluenes	Ultrasonic bath extraction with dichloromethane; GC-MS
13.	Polycyclic Aromatic Hydrocarbons	Extraction with toluene; GC-MS
14.	Solvent Residues	Extraction with methanol; GC-MS
15.	UV Stabilisers	Extraction with tetrahydrofuran; LC-DAD, LC-MS, GC-MS
16.	Banned Flame Retardants	Extraction with toluene; GC-MS

Item No.	Test item	Content
17.	Volatile Organic Compounds, Glycols Cresols and Chlorinated Solvents	Thermodesorption; Trapping material; GC-MS
18.	Quinoline	Hot extraction; LC-MS or GC-MS
19.	N-nitrosamines and N-nitrosatable Substances	Migrate to saliva solution Acidification to N-nitrosamines; LC-MS
20.	Surfactants and Wetting Agent Residues (Alkyphenols, Alkyphenol Ethoxylates)	Extraction with methanol; LC-MS, GC-MS
21.	Azodicarboxamide (ADCA)	Extraction with ethylacetate/ DMSO; LC-DAD
22.	Genetically Modified Organisms	Optimize probability of unknown genetically modified cotton events
23.	Emission	Emission chamber; ISO 16000-3, 16000-6, 16000-9
24.	Phenol	extraction with methanol; HPCL-FLD
25.	Bisphenols	extraction with THF, precipitation; HPLC-MS
26.	Colour Fastness	Basic (ISO 105-A01, ISO 105-A03); Color fastness to water (ISO 105-E01); Color fastness to perspiration test, acid and alkaline (ISO 105-E04) Color fastness to rubbing (ISO 105-X12) Color fastness to artificial saliva and perspiration (64 LFGB), BVL B 82.92-3 (DIN 53160-1), B 82.02-13 (DIN 53160-2)
27.	Odour	desicator of set humidity
28.	Asbestos Fibres	polarizing microscope, at least 250-fold magnification

2.4.2 Basic Product Testing



Durability

Shrinkage, Warpage, Appearance after Washing



Physical Properties

Yarn count, density, gram-weight, tensile strength, tearing strength, seam slippage, seam strength, bursting strength, fabric twist rate, abrasion resistance, resistance to pilling



Color Fastness

Color fastness for water washing, color fastness for dry cleaning, color fastness to friction, color fastness to light, color fastness to sweat, color fastness to water stain, color fastness to chlorine bleaching, color fastness to non-chlorine bleaching, color fastness to hot pressing



Safety (Toxin-free)

Formaldehyde testing, pH testing, hydrophobicity testing, oil repellency testing, stain resistance testing, flame retardance testing, fiber composition analysis, banned azo dye testing

03

CHAPTER.

Environmental Sustainability

- 3.1 Operating Environment Management
- 3.2 Climate Action and Greenhouse Gas Reduction Strategy
- 3.3 Water resource management
- 3.4 Wastewater and Waste Management
- 3.5 Management of Chemicals

3.1 Operating Environment Management



Tainan Enterprise has been deeply rooted in the apparel industry for sixty years, always upholding the core values of “truth, kindness, and beauty,” and is dedicated to environmental protection and the sustainable development of the industry. As a vital member of the garment supply chain, we fully recognize that traditional processes—such as the use of chemicals and high-energy fuels—pose significant environmental challenges. Thus, we actively promote green management and regard it as a key business goal.



Core Green Management Strategy

To reduce energy consumption, exhaust emissions, and waste in production, Tainan Enterprise has taken the following proactive measures:

Energy Management System: We manage factory energy usage through a systematic approach, regularly tracking energy consumption across our Cambodia, Vietnam, and Indonesia sites to monitor energy performance and provide data support for energy conservation and emission reduction.

Chemical Management Optimization: Since the washing process involves chemical use, we strictly enforce chemical controls—screening from the source, tracking usage, and seeking environmentally friendly alternatives—to minimize environmental impact.

Wastewater Recycling and Reuse: In-house washing facilities are equipped with wastewater recycling systems, greatly reducing process water consumption and easing pressure on water resources.

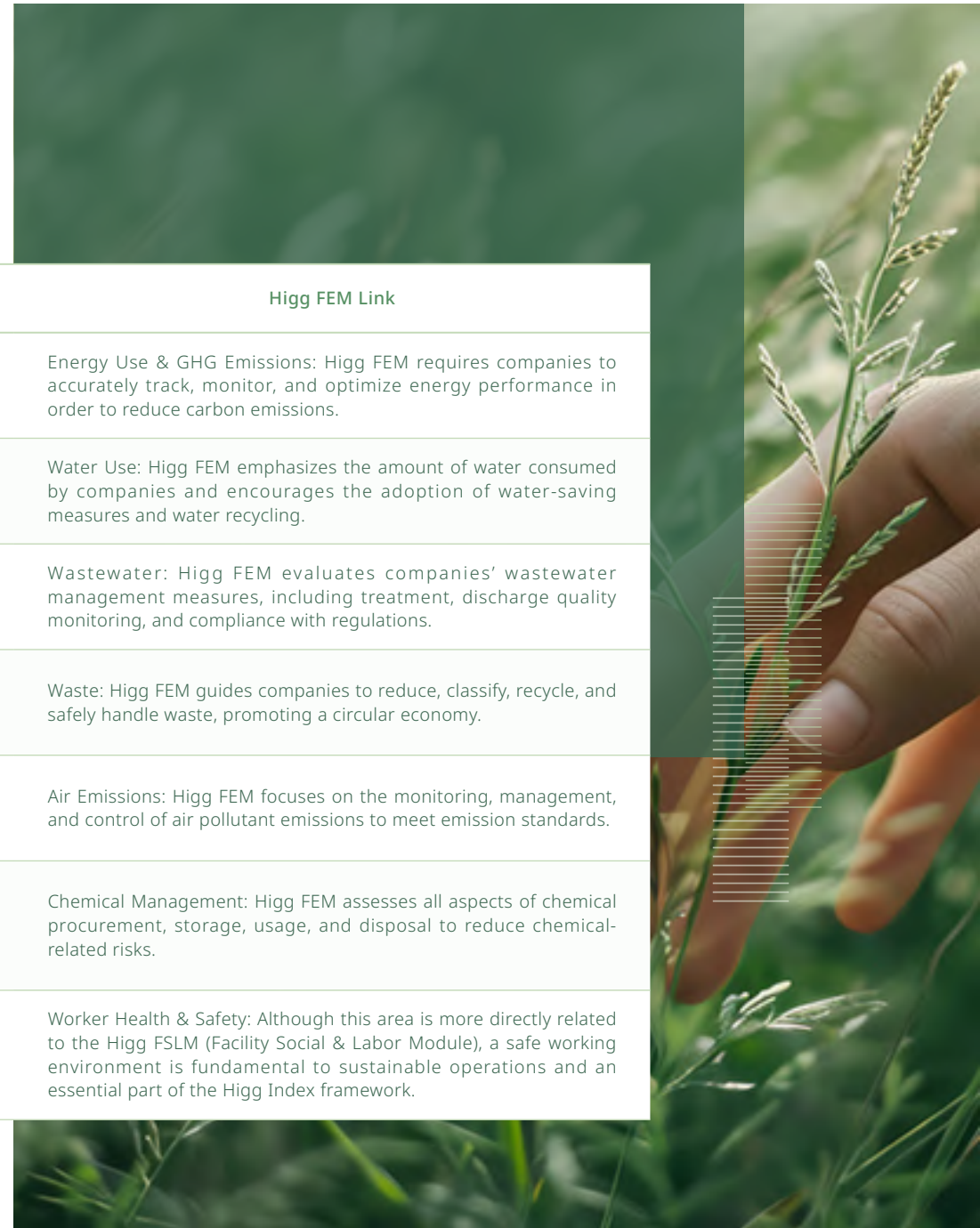
Environmental Policy and Employee Training: Tainan Enterprise has established rigorous environmental management guidelines and regularly conducts staff training and awareness campaigns on energy saving, continually improving each plant's environmental system and promoting employee engagement.

Thanks to these efforts, Tainan Enterprise has achieved notable results in environmental protection. In 2025, none of our factories violated local environmental regulations, nor were any fined—clearly demonstrating our commitment and execution capabilities in environmental management.

Environmental Project Management Approach

Tainan Enterprise is committed to comprehensive environmental management and actively supports global sustainability initiatives. Through the following strategies, we ensure that our business operations align with sustainable development principles. All factories comply with the Higg Index Facility Environmental Module (FEM) standards and pursue continuous improvement:

Environmental Project	Management Approach	Higg FEM Link
Energy Management	Establish a cloud-based energy management system to monitor electricity usage across all factory sites in real time, promptly detect and address abnormal energy consumption points, and effectively improve energy efficiency.	Energy Use & GHG Emissions: Higg FEM requires companies to accurately track, monitor, and optimize energy performance in order to reduce carbon emissions.
Water Resource Management	Promote water-saving messages, actively introduce water-efficient equipment, and build comprehensive wastewater recycling systems to significantly reduce water consumption during production processes.	Water Use: Higg FEM emphasizes the amount of water consumed by companies and encourages the adoption of water-saving measures and water recycling.
Wastewater Control	Strictly implement maintenance of the wastewater treatment system and regularly test internal and external wastewater discharges to ensure that discharge quality meets environmental protection standards.	Wastewater: Higg FEM evaluates companies' wastewater management measures, including treatment, discharge quality monitoring, and compliance with regulations.
Waste Management	Promote waste sorting and recycling, regularly record the volume of waste disposed, and strictly inspect the cleanliness and classification of storage areas to minimize waste and promote resource reuse.	Waste: Higg FEM guides companies to reduce, classify, recycle, and safely handle waste, promoting a circular economy.
Emissions Management	Regularly maintain relevant equipment and systems, and conduct periodic inspections of emissions from external stationary pollution sources to ensure air quality.	Air Emissions: Higg FEM focuses on the monitoring, management, and control of air pollutant emissions to meet emission standards.
Management of Chemicals	Implement strict chemical control, regularly check whether the use of chemicals complies with customer and legal requirements, and establish a comprehensive management system for chemical storage areas to ensure safety and environmental protection.	Chemical Management: Higg FEM assesses all aspects of chemical procurement, storage, usage, and disposal to reduce chemical-related risks.
Safety of the Operating Environment	Place great importance on employee safety in the work environment. Conduct regular environmental safety training and drills, and carry out internal inspections covering building safety and occupational health and safety to protect employee well-being.	Worker Health & Safety: Although this area is more directly related to the Higg FSLM (Facility Social & Labor Module), a safe working environment is fundamental to sustainable operations and an essential part of the Higg Index framework.



3.2 Climate Action and Greenhouse Gas Reduction Strategy

In the face of the growing global challenge of climate change, Tainan Enterprise upholds the spirit of responsible corporate citizenship and regards climate action as one of its core strategies for sustainable development. We are acutely aware of the environmental impact of industrial activities. Therefore, we are committed to actively reducing greenhouse gas emissions through lean energy management and innovation, contributing to the sustainable development of the planet.

Tainan Enterprise's Greenhouse Gas Reduction Commitment

Tainan Enterprise is firmly committed to sustainable development and has incorporated greenhouse gas reduction into its key operational performance indicators. Through a comprehensive internal inventory, we identified that the main source of greenhouse gas emissions at our plants comes from the boilers used for steam production in the finishing processes, especially coal-fired boilers.



To address this, we have set a clear reduction target:

- Emission Intensity Target: Using 2018 as the base year, reduce Scope 1 and Scope 2 greenhouse gas emission intensity per million operating revenue by 30% by 2030.
- Phase Results: As of 2025, the Company had completed the GHG inventory and energy data integration for its primary operating sites, while continuously improving inventory coverage and data quality to serve as the basis for subsequent carbon reduction strategies.

This commitment guides every step we take, ensuring that while the Company continues to grow, its environmental impact is effectively reduced.

Action Approach: Diverse and Concurrent Reduction Pathways

To achieve the above targets, Tainan Enterprise has adopted a multi-faceted and proactive greenhouse gas reduction strategy, focusing on energy structure transformation and efficiency improvements:

■ Gradual Phase-Out of Coal-Fired Boilers and Transition to Clean Energy

1.

Since 2018, we have launched a plan to phase out coal-fired boilers. Factories in Jakarta and Cambodia have gradually reduced coal usage and are actively introducing cleaner fuels such as biomass and electric boilers.

This strategy has achieved breakthrough progress: The Cambodia Factory fully stopped purchasing and using coal in 2022, and as the Jakarta Factory ceased coal procurement in 2025, we have officially completed the phase-out plan.

2.

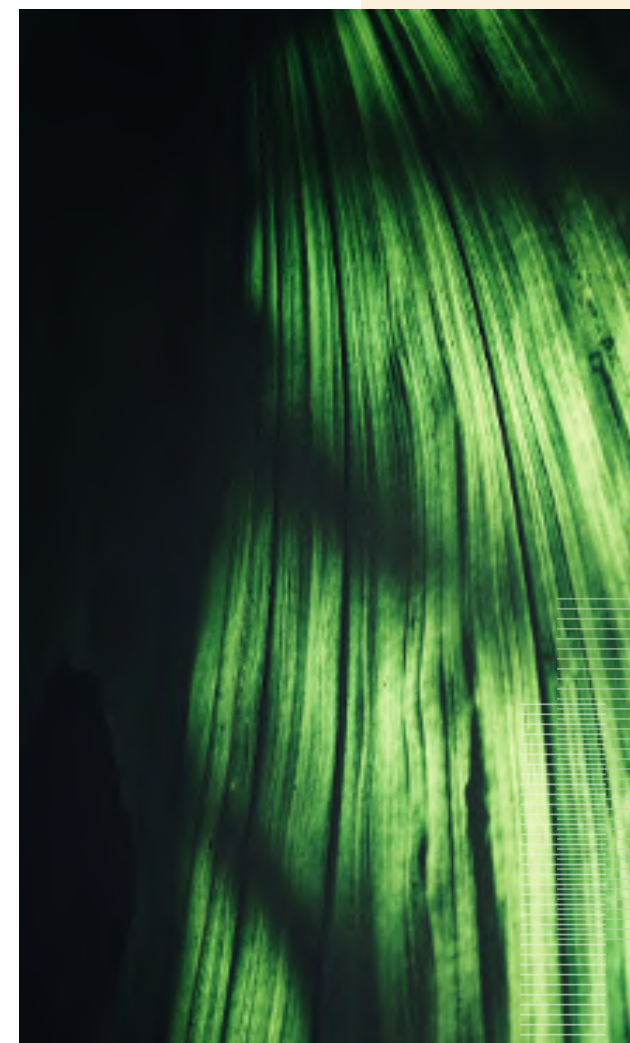
Active Deployment of Renewable Energy and Increased Green Power Usage

- We continue to seek and invest in alternative energy solutions, aiming to enhance green energy self-sufficiency at our plants.
- Tainan Plant Solar Installation: A solar power system with a capacity of 68.97 kWp is expected to be commissioned in 2025, projected to replace about 10% of the plant's electricity usage and reduce 9% of its greenhouse gas emissions.
- Cambodia Factory Solar Plan: The solar installation project at the Cambodia site was launched in 2026 and will continue to expand the application of renewable energy in the future.
- Through self-deployment of renewable energy, we are steadily advancing toward a high proportion of green electricity usage, laying a solid foundation for achieving Scope 2 carbon neutrality.

3.

Lean Energy Management and Process Efficiency Optimization

- We continue to enhance our energy management capabilities by regularly collecting energy data from all plant sites and precisely identifying and managing high-energy-consuming equipment and process stages.
- Through ongoing process improvement, equipment upgrades, and energy efficiency optimization, we have not only improved production efficiency but also effectively reduced energy consumption and overall greenhouse gas emissions.



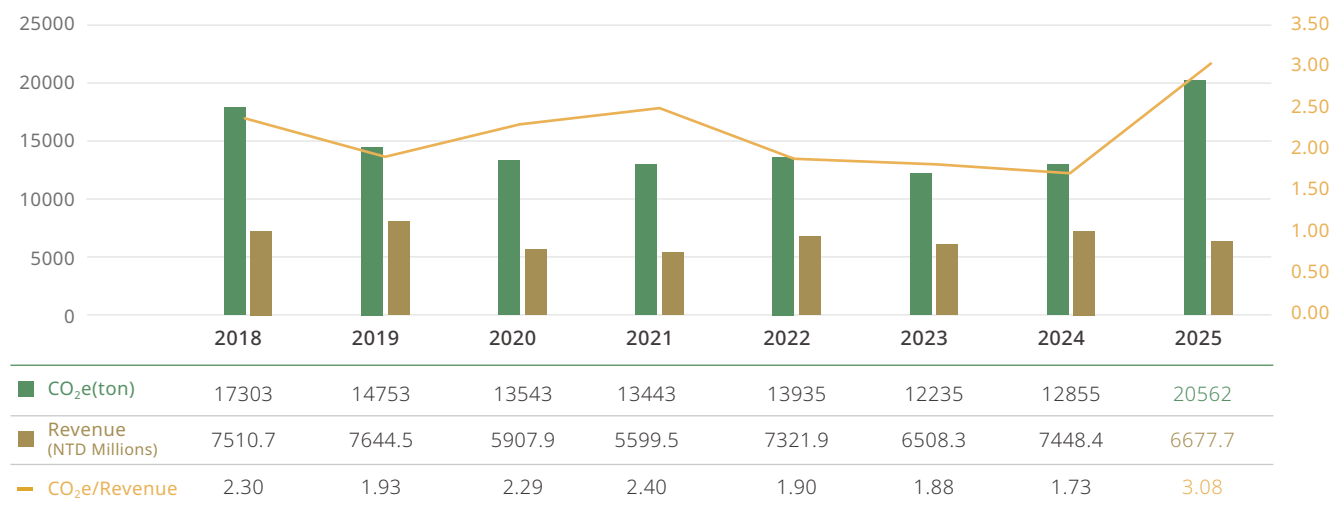
Performance Verification: Tangible Progress Toward Sustainability

Internal GHG inventory was conducted by Tainan for the Scope 1 and Scope 2 GHG emissions disclosure of each factory. In 2025, total Scope 1 greenhouse gas emissions were 10600.96 tonnes CO₂e, and Scope 2 emissions were 9960.91 tonnes CO₂e, with total energy consumption reaching 104,787.11 Gigajoules.

Our efforts have resulted in tangible environmental benefits:

- **Coal Procurement Volume:** Coal was completely phased out in 2025.
- **Increase in the Proportion of Biomass Energy:** As coal was phased out, the data collection for biomass fuels usage at overseas locations became more complete in 2025. With activity data being more comprehensive than in previous years, GHG emissions increased compared to the previous year. This change primarily reflects improvements in the quality of the inventory, rather than a significant increase in operating activities.

GHG emission intensity (emissions / million in revenue)



These milestones are the strongest testament to our ongoing climate action. Looking ahead, we will continue investing resources to deepen our carbon reduction strategies and actively explore more innovative technologies, with the goal of achieving net-zero emissions by 2050 and contributing even more to a cleaner and more sustainable planet.

Historical GHG Emissions by Tainan Enterprises

Unit: CO₂e

Year	Tainan Factory			Jakarta Factory (Indonesia)			Solo Factory (Indonesia)			Cambodia Factory		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Scope 1	94	75	92	4024	2678	8884	153	172	1023	466	462	359
Scope 2	386	305	338	1810	2104	1772	1330	1490	2347	2914	2885	2724
Total	480	380	430	5834	4781	10656	1484	1662	3370	3380	3347	3083

Year	Gin-Sovann Factory			Gaoqing Factory (China)			Vietnam Factory			Total		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Scope 1	151	196	187	708	341	14	169	174	41	5677	4097	10600
Scope 2	604	782	896	535	258	1020	910	935	864	8489	8759	9961
Total	755	977	1083	1243	599	1034	1079	1108	905	14255	12855	20561

* Only counted energy usage by production processes

* Conversion based the GHG Emission Factor Table (6.0.4) issued by the Environmental Protection Administration, Executive Yuan

* Conversion of externally purchased electricity by Tainan Factory based on the 2025 electricity emission coefficient issued by the Energy Bureau, Ministry of Economic Affairs.

*The emission coefficient of externally purchased electricity of each factory area is from the local electricity provider.

* Steam at Gaoqing Factory was calculated using formula 17 from the Greenhouse Gas Emissions Accounting Methods and Reporting Guidelines for Other Industries (Trial)

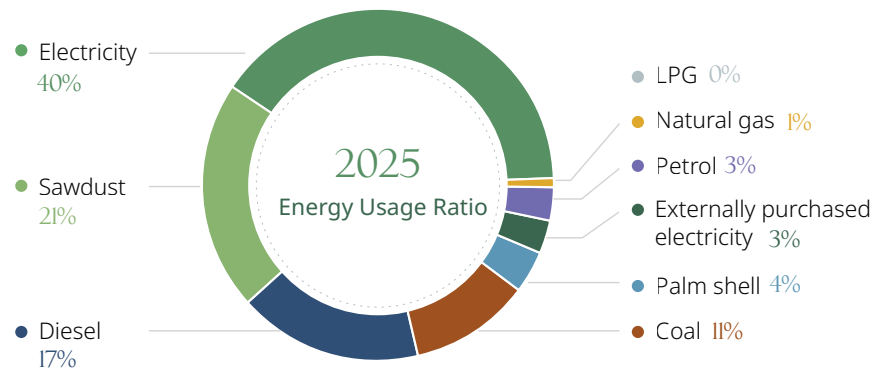
* Heat capacity of steam at Gaoqing Factory was based on the Steam Enthalpy Reference Table published by the U.S. National Institute of Standards and Technology

Historical Energy Consumption by Tainan Enterprises

Unit: GJ

Factory	Tainan Factory			Jakarta Factory (Indonesia)			Solo Factory (Indonesia)			Cambodia Factory			Gin-Sovann Factory			Gaoqing Factory (China)			Vietnam Factory		
Year	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Externally purchased electricity	2804	2425	2456	7485	9309	7334	4787	7627	8448	13502	12863	12629	2797	3239	4153	2820	2727	2459	4838	5168	4597
Coal	-	-	-	35769	12089	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Externally purchased steam	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3922	21439	3171	-	-	-
Natural gas	1021	710	899	-	-	-	-	-	-	-	-	-	-	67	-	-	-	-	-	-	-
Liquefied petroleum gas	-	-	-	-	-	-	-	-	-	-	-	142	-	-	-	-	-	-	-	-	-
Diesel	200	142	253	853	854	938	12595	16492	13587	382	226	890	1270	1614	1698	-	-	-	70	81	89
Petrol	341	371	463	589	718	686	865	1215	1134	227	606	399	314	1570	263	333	351	210	-	-	-
Wood block	-	-	-	-	-	-	-	-	-	-	-	3460	-	-	-	-	-	-	-	18720	8170
Sawdust	-	-	-	1154	572	-	-	-	-	42658	49061	18556	2968	5106	3870	-	-	-	-	-	-
Rice bran	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5594	-	-
Palm kernel shells	-	-	-	-	-	3833	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Solar power	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29	37	-
Total GJ	4366	3648	4071	45805	23542	12791	18274	25334	23169	56797	62756	36075	7349	11596	9984	7076	24517	5841	10502	24006	12856

	2023	2024	2025
Externally purchased electricity	39034	43358	42076
Coal	35769	12089	0
Externally purchased steam	3922	21439	3171
Natural gas	0	777	899
Diesel	1021	19408	17455
Petrol	15371	4832	3155
Biomass energy	5637	73459	37888
Solar power	29	37	-
Total GJ	150188	175399	104786



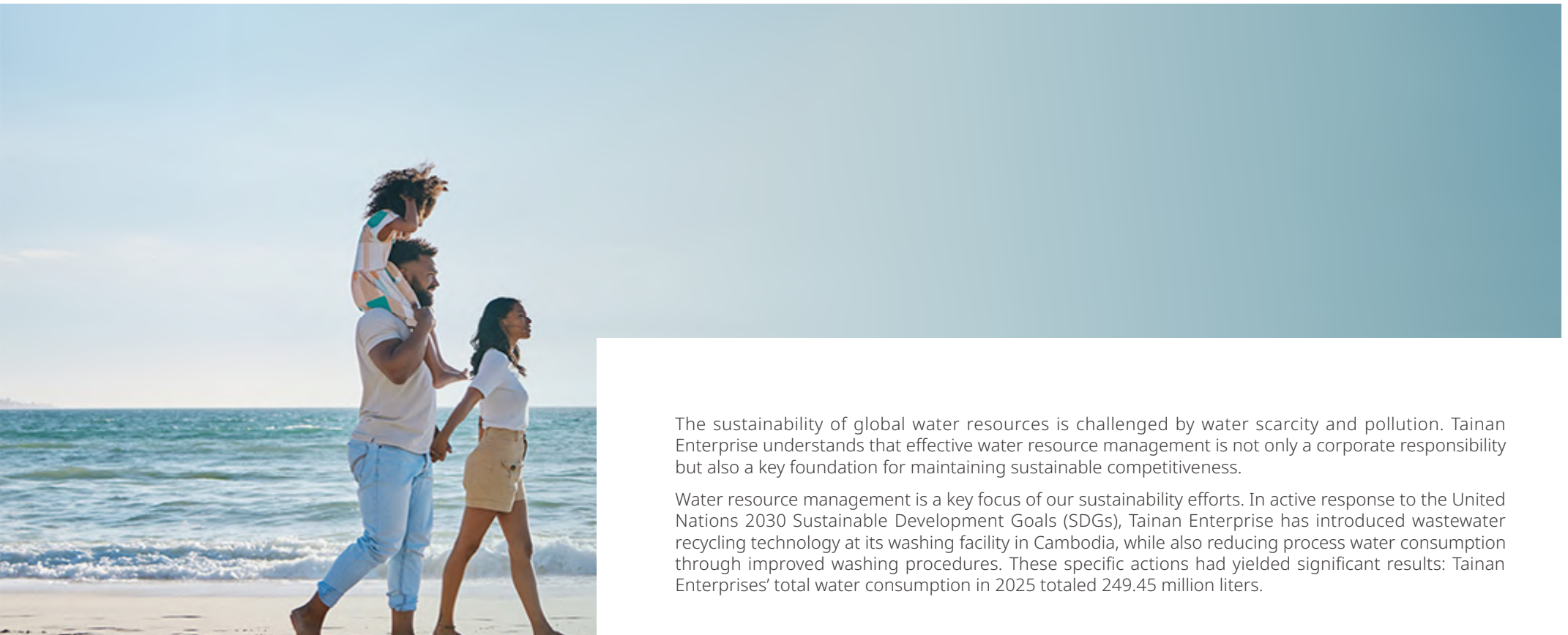
Only counted energy usage by production processes

* Conversion based on heating value in the GHG Emission Factor Table (6.0.4) issued by the Environmental Protection Administration, Executive Yuan

* Bio-fuel conversion based on EUBIA

* Solar power for 2025 is excluded

3.3 Water resource management



The sustainability of global water resources is challenged by water scarcity and pollution. Tainan Enterprise understands that effective water resource management is not only a corporate responsibility but also a key foundation for maintaining sustainable competitiveness.

Water resource management is a key focus of our sustainability efforts. In active response to the United Nations 2030 Sustainable Development Goals (SDGs), Tainan Enterprise has introduced wastewater recycling technology at its washing facility in Cambodia, while also reducing process water consumption through improved washing procedures. These specific actions had yielded significant results: Tainan Enterprises' total water consumption in 2025 totaled 249.45 million liters.



Historical Water Consumption by Tainan Enterprises

Unit: Million liters

	Tainan Factory	Jakarta Factory (Indonesia)	Solo Factory (Indonesia)	Cambodia Factory	Gin-Sovann Factory	Gaoqing Factory (China)	Vietnam Factory	Total
2023	16.99	40.27	29.78	221.85	7.94	15.68	64.23	396.74
2024	25.34	44.97	39.76	93.78	20.87	13.73	60.63	299.08
2025	27.97	33.48	33.55	36.09	21.10	15.75	81.51	249.45

Note: The figures for Cambodia only account for total water intake. Since a recycling system has been installed at the plant, water intake does not equal total water consumption.

Water Sources of Tainan Enterprise

Unit: Million liters

	Tainan Factory		Jakarta Factory (Indonesia)		Solo Factory (Indonesia)		Cambodia Factory		Gin-Sovann Factory		Gaoqing Factory (China)		Vietnam Factory	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Tap Water	25.34	27.97	44.97	33.48	39.76	33.55	0.70	1.23	20.87	21.10	13.73	15.75	NA	NA
Ground water	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	60.63	81.51
Surface water	NA	NA	NA	NA	NA	NA	93.08	35.96	NA	NA	NA	NA	NA	NA

3.4 Wastewater and Waste Management

Water Risk Assessment for Cambodia Factory

As the Cambodia Factory involves washing processes, it is one of the sites with higher water consumption. According to the global water risk assessment tool WRI Aqueduct, the Cambodia Factory is identified as a High Risk area, facing challenges such as water scarcity, wastewater discharge, drinking water quality, and flooding. Given the high water usage of its internal washing plant, the factory has set water-saving KPIs and regularly monitors its performance. Annual targets are also revised based on water usage and risk assessments to strengthen the plant's resilience to potential water shortages or restrictions. A detailed analysis of water risks is provided in the table below.

Item	Content	Risk Level
Water Shortage	The global water risk assessment tool WRI placed the Cambodia factory in a city at high risk of water shortages. To improve the Cambodia factory's ability to respond to water shortages due to its higher water usage, the water recovery equipment was upgraded in 2021 to achieve 100% recycling of process and domestic wastewater. The reclaimed water is divided by quality for production and domestic use.	Low Risk
Wastewater Discharge	The Cambodia factory already carries out annual ZDHC wastewater testing and tracking of wastewater quality. It already exceeds local regulatory requirements and has achieved zero direct discharge of wastewater. There have been no incidents of water pollution over the past few years.	Low Risk
Drinking Water Quality	Drinking water in the Cambodia factory are treated with filtration equipment and undergoes periodic statutory testing to ensure the safety of its water quality.	Low Risk
Flooding	WRI analysis placed the Cambodia factory in a high flood risk region. Tainan has emergency response procedures in place for managing natural disasters. The site has suffered no damage due to flooding in recent years.	Low Risk



Wastewater Management and Supervision

Washing is the most water-consuming part of apparel's manufacturing processes. Tainan has established a comprehensive wastewater procedure with regular water quality testing every day to ensure that all water discharged comply with local wastewater discharge standards in order to reduce environmental damage from wastewater discharge. Tainan not only complies with local regulatory requirements but is also expected to achieve local wastewater discharge standards. Zero Discharge of Hazardous Chemicals (ZDHC) inspections are organized for washing factories each year to track the water quality of the wastewater. All chemicals added during the production process are also monitored as well. The goal is to realize sustainability of chemicals in order to improve the health of all human race.

Zero Effluents Washing Factory

Tainan has built a washing factory at the Cambodia factory. Access and use of water resources is an important area of management. To reduce environmental pollution and damage from wastewater and realize the recycling and reuse of water, Tainan installed "Workshop Condensate Recovery" and "Process Wastewater Recovery and Reuse System" at our Cambodia factory. Wastewater from the production process is treated and fed back into the clean water tank for reuse. The factory achieved "Zero Wastewater Discharge" in 2021 with 100% recycling of process and domestic wastewater. The reclaimed water was divided by quality for production and domestic use.

Cambodia Factory (incl. washing)

Water Supply	2023	2024	2025
Tap Water	221.524	0.07	1.23
Surface Water (incl. recycled water)	117.146	204.365	359.587
Total Water Consumption	338.358	204.43541	360.872
Wastewater Discharge	100% recycled water used for laundry purposes		

Unit: Million liters





In 2025, there have been no sanctions against Tainan for violations of waste disposal laws by the government authorities.

Waste Management

A waste management mechanism has been established by Tainan to realize the goal of safety, health, hazard removal, and recycling. Regular employee awareness and poster campaigns are also run to encourage employees to sort waste for recycling by qualified contractors. All waste is disposed of through waste contractors in accordance with local regulations.

Waste is sorted into general industrial waste and hazardous industrial waste. The former consists mainly of food, cartons and plastics, while the latter includes wastewater, sludge, chemical containers, and boiler fly ash. Measures have been put into place by Tainan to ensure that waste is isolated, stored and disposed of legally. In addition to ensuring the safety of employees at work, the natural environment is also protected against pollution to provide the general public with a safe social environment.

Waste Generated by each Tainan Factory

Unit: tons

	2023	2024	2025
General business waste	831.48	1112.656	516.63
Hazardous business waste	248.78	467.33	0.0009

Note: Waste generated at the Company's operating locations primarily consists of fabric scraps, packaging materials, and general industrial waste. Some production sites utilize fabric scraps as alternative fuel for energy recovery to reduce final disposal volumes, while hazardous waste is handled by licensed contractors in accordance with local regulations.

3.5 Management of Chemicals



Tainan Enterprise places great importance on chemical management and the safety of chemical use. Compliance with relevant chemical management regulations is strictly required. Before any chemical is introduced, its conformity with international chemical standards, the ZDHC Manufacturing Restricted Substances List (MRSL), and brand clients' Restricted Substances Lists (RSL) must be assessed. A chemical products registry was set up with periodic tracking of chemical usage.

The BVE3 platform is used to share monthly usage data with customers. Employee training is also regularly held on Material Safety Data Sheet (MSDS), chemical hazard symbols, and use of personal protective equipment to ensure that employees possess the corresponding safety knowledge when using chemicals. Production process wastewater is also regularly tested against ZDHC MRSL parameters to check for restricted substances. Source management and follow-up tracking are used to reduce the ecological damage from discharge of chemical substances. The management structure and chemical management are being gradually refined.

Capacity and system building in accordance with the chemical management strategy is being progressively implemented over multiple years. It is the national policy of Taiwan to fulfill our responsibility as global citizens through the implementation of UN international action plans. Proactive action is now being taken on SAICM indicators to improve our chemical management system and promote eco-friendly products.

1. Devise Chemical Management Approach

A set of comprehensive chemical management policies were formulated by each factory for enhanced management of chemicals. Workers in contact with chemicals must understand their responsibilities, know what chemicals are used in the production process, as well as the procedures for their safe handling, use and storage to prevent environmental pollution or direct human exposure.

2. Chemical Inventory Management

A record of chemical inventory is maintained to ensure that each factory properly tracks the chemicals they use. All types of chemicals in the inventory are therefore periodically audited including chemicals used during the production process (chemicals for production, site cleaning, and waste disposal), all chemicals used by the equipment, and chemicals used for factory operations and maintenance.

The inventory list details the identifying information for chemicals including chemical name, type, supplier name and type, MSDS, function, uses, hazard type, storage conditions and location, quantities and dosage. The chemical list is regularly audited.

3. Training on Safe Use of Chemicals

Employee education and training is regularly conducted on topics such as chemical hazards and identification, MSDS/SDS, labeling, compatibility, risks, appropriate storage, handling, and use of personal protective equipment (PPE). Employees are taught on how to respond in an emergency, accident or spill, access restrictions to chemical storage areas, the potential environmental impacts of chemicals in storage containers and their use. Employees responsible for supervision of storage and transportation are provided with proper protective measures. We also ensure that all employees responsible for operations involving handling of chemicals undergo training.

Before introduction of chemical	After introduction of chemical	Final discharge
Confirm compliance with ZDHC MRSL and brand RSL	- Devise Chemical Management ApproachChemical inventory management is practice with BVE3 platform used to share monthly data on chemical usage with brand customers. INCHECK reports are also provided to show how MRSL is applied to factory chemicals to reduce their environmental impact. - Training on safe use of chemicals (Introduction to MSDS, Use of personal protection equipment (PPE))	Wastewater: Wastewater from the washing factory is regularly tested in accordance with ZDHC Wastewater Guidelines and the data uploaded to ZDHC Gateway Products: Periodic testing of RSL compliance

04

CHAPTER.

Employee Care

Tainan strives to cultivate a working environment with “family” as its core value. We hope that every member of Tainan can receive all the care and support they need to put their talents to good use. We also extend our support to employees’ families to raise the overall feeling of happiness.

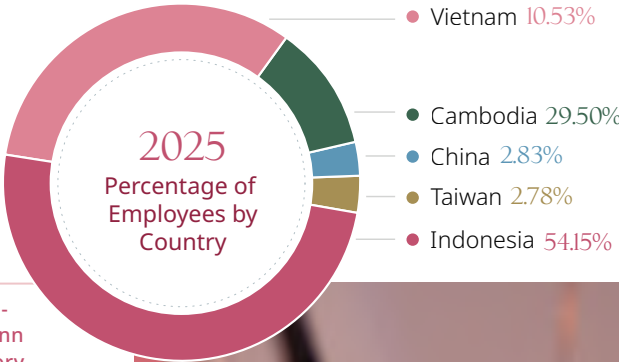
- 4.1 Employee Profile
- 4.2 Employee Compensation and Benefits
- 4.3 Promotion of Employee Rights
- 4.4 Occupational safety and health
- 4.5 Career management and learning

4.1 Employee Profile



■ Age Distribution and Gender Ratio of Current Employees in 2025

	Age Group	Taipei Office	Tainan Factory	China Gaoqing Factory	Indonesia Jakarta Factory	Indonesia Solo Factory	Vietnam Factory	Cambodia Factory	Gin-Sovann Factory
Male	30 years and under	3	0	2	27	327	133	236	158
	31 ~ 50 years	16	4	7	158	166	78	300	181
	51 years and above	14	5	15	14	4	10	21	5
Female	30 years and under	18	3	3	396	1288	310	359	169
	31 ~ 50 years	100	32	154	1213	1307	421	877	335
	51 years and above	37	23	79	43	26	14	48	38
Total number of employees in each factory		188	67	260	1851	3118	966	1841	886
Total number of employees		9177	9177	9177	9177	9177	9177	9177	9177
Ratio of Men		18%	13%	9%	11%	16%	23%	30%	39%
Ratio of Women		82%	87%	91%	89%	84%	77%	70%	61%



Number of New Hires, Turnovers, and Gender Ratio

New Hires

		Taipei Office		Tainan Factory		Gaoqing Factory (China)		Jakarta Factory (Indonesia)		Solo Factory (Indonesia)		Vietnam Factory		Cambodia Factory		Gin-Sovann Factory	
Age Group	Gender	Taipei Office	%	Tainan Factory	%	Gaoqing Factory (China)	%	Jakarta Factory (Indonesia)	%	Solo Factory (Indonesia)	%	Vietnam Factory	%	Cambodia Factory	%	Gin-Sovann Factory	%
30 years and under	Male	3	6%	0	0%	0	0%	0	0%	138	20%	55	19%	57	33%	10	20%
	Female	10	20%	2	25%	0	0%	0	0%	32	5%	110	38%	59	35%	14	29%
31 ~ 50 years	Male	7	14%	0	0%	1	14%	0	0%	0	0%	25	9%	36	21%	11	22%
	Female	16	32%	6	75%	2	29%	0	0%	357	51%	95	33%	19	11%	14	29%
51 years and above	Male	3	6%	0	0%	1	14%	0	0%	173	25%	1	0%	0	0%	0	0%
		11	22%	0	0%	3	43%	0	0%	0	0%	2	1%	0	0%	0	0%
Total		50		8		7		0		698		288		171		49	

Employee Turnover

		Taipei Office		Tainan Factory		Gaoqing Factory (China)		Jakarta Factory (Indonesia)		Solo Factory (Indonesia)		Vietnam Factory		Cambodia Factory		Gin-Sovann Factory	
Age Group	Gender	Taipei Office	%	Tainan Factory	%	Gaoqing Factory (China)	%	Jakarta Factory (Indonesia)	%	Solo Factory (Indonesia)	%	Vietnam Factory	%	Cambodia Factory	%	Gin-Sovann Factory	%
30 years and under	Male	3	9%	0	0%	2	2%	1	2%	193	16%	48	25%	23	25%	204	28%
	Female	8	23%	5	45%	2	2%	9	38%	42	3%	121	35%	32	35%	178	25%
31 ~ 50 years	Male	3	9%	0	0%	2	2%	0	4%	0	0%	17	13%	12	13%	136	19%
	Female	14	40%	5	45%	48	37%	7	55%	655	53%	90	32%	25	27%	192	27%
51 years and above	Male	2	6%	0	0%	9	7%	0	0%	336	27%	3	1%	0	0%	3	0%
	Female	5	14%	1	9%	68	52%	0	0%	1	0%	1	36%	0	0%	9	1%
Total		35		11		131		17		1277		280	100%	92	100%	722	100%

Management Ratios

	Tainan Factory	Gaoqing Factory (China)	Jakarta Factory (Indonesia)	Solo Factory (Indonesia)	Vietnam Factory	Cambodia Factory	Gin-Sovann Factory
Local Supervisor	9	42	1851	364	151	122	886
Foreign Supervisor	0	1	16	11	18	33	12
Ratio of Locals	100%	98%	99%	97%	89%	79%	98.64%
Ratio of Foreign Nationals	0%	2%	1%	3%	11%	21%	1.36%
Male	1	9	205	121	60	87	339
Female	8	34	1662	254	109	68	564
Gender Ratio	1:7	1:3.78	1:8.11	1:2.1	1:1.82	1.2	1:1.66

Employee Diversity

Tainan pays close attention to equal opportunity in employment for the disadvantaged and other related groups. We provide suitable job opportunities for disabled persons in accordance with the People with Disabilities Rights Protection Act and Indigenous Peoples Employment Rights Protection Act to promote inclusive and sustainable economic growth. Disabled employees are treated equally in terms of compensation and benefits. Most Tainan employees are Taiwanese nationals and preference is given to local hires at our main production locations. In addition to creating local employment opportunities and stimulating the local economy, this also leads to lower employee turnover. Foreign nationals are introduced on a small minority of production lines where Taiwanese nationals could not be recruited.



4.2 Employee Compensation and Benefits



4.2.1 Compensation System

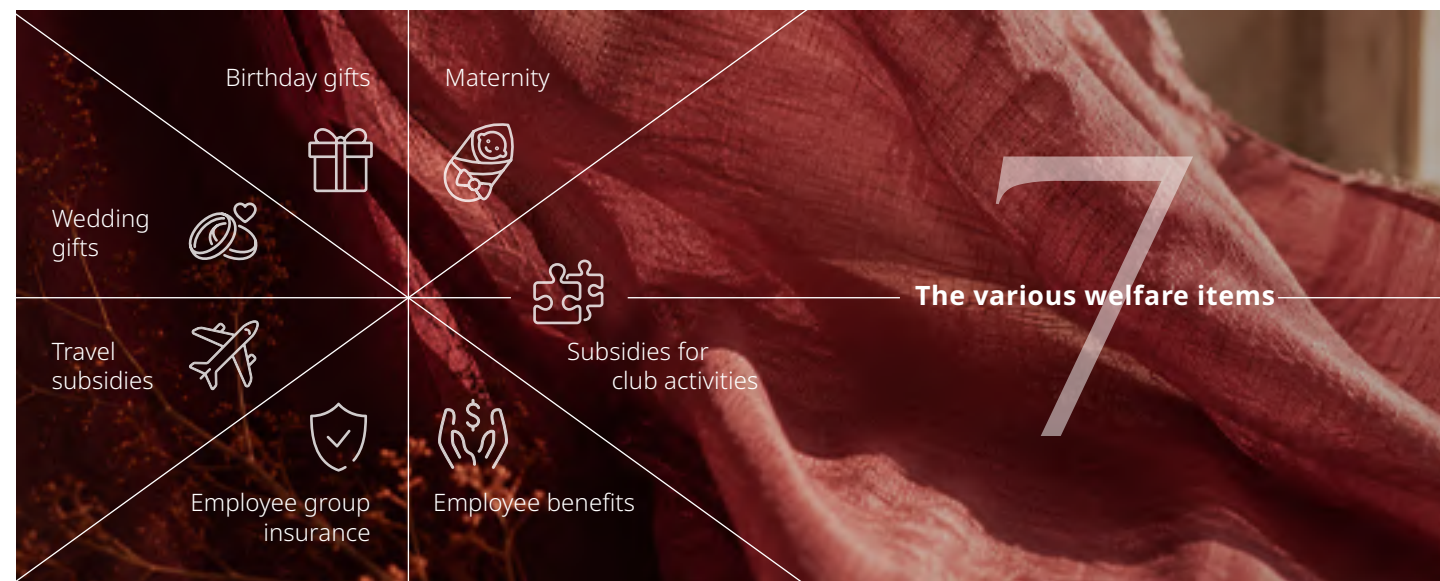
The starting salary of new hires far exceed the statutory minimum wage. We also offer a competitive standard of compensation. Salary survey data (based on research by DGBAS, peers in the same or other industries, or external consulting firms) indicated that compensation offered by Tainan was above the industry average.

Incentivizing Employees to Share in Business Success

A certain proportion of our annual profits are set aside each year by Tainan based on our overall business performance. The money is distributed as profit-sharing bonuses to employees to boost their morale, recognize their hard work and contributions, and show employees that we appreciate their importance. A high-value trust subsidy is provided to encourage employees to participate in stock ownership trusts, so that they can accumulate personal wealth through long-term investment to protect their future livelihood after retirement or separation from the company.

4.2.2 Benefits and Retirement

Tainan strives to cultivate working environment where employees can put their talents to full use. We also comply with the relevant laws and formulate employee policies to ensure that all employees receive proper care and support. Diverse benefits are used to look after employees' lives, improve their quality of life, enhance physical and mental well-being, and build bonds between employees. The "Employee Welfare Committee of Tainan Enterprises Co., Ltd." was established by the Taiwan Office in accordance with the Employee Welfare Fund Act. The Committee meets regularly to review and plan company benefit, and continues to develop diverse benefits based on employee ends.



Pension System

The Employee Retirement Implementation Regulations were formulated by Tainan to protect the lifestyles of employees once they retire in accordance with the Labor Standards Act, and Labor Pension Act. The Regulations set out the conditions for retirement and contributions are made to employee pensions in accordance with the relevant laws.

For all employees with years of service under the old system, a set percentage of their salary is deposited each month into a dedicated bank account under the name of the Pension Fund Committee. For employees covered by the new system 6% of their salary is paid as pension contributions into their personal pension account with the Bureau of Labor Insurance.

The Group's overseas subsidiaries make monthly provisions of 5% to 22% of local employees' salaries to the pension reserve and endowment insurance system on a voluntary basis in accordance with local government regulations.



Health Checkups

The physical health of employees has always been of utmost importance to Tainan and is fundamental to our sound development. Tainan has not only provided subsidies for employee health checkups, but the professional medical staffs are also employed at each factory to provide employees with health advice, check their workload and physical condition, and work together to look after employee health.

Country	Pension System
Taiwan	For employees that meet the conditions for retirement, pension payments are based on their length of service and their average salary in the 6 months before retirement. The Company appropriates 7.5% of the total monthly salary for the pension fund, which is deposited in the name of the Supervisory Committee of Labor Retirement Reserve to a dedicated account at the Bank of Taiwan. The Company and its domestic subsidiaries make monthly contributions of 6% of salaries to employees' personal accounts at the Bureau of Labor Insurance for employees who choose to be subject to the labor pension scheme under the Labor Pension Act of the R.O.C. Employees' pensions are paid in the form of monthly pensions or lump-sum pensions, depending on the amount of the employees' individual pension accounts and accumulated earnings.
Indonesia	Employees that reach retirement age can apply for retirement with the Company's approval. Applications are processed in accordance with Indonesia's Labor Law No. 13 of 2003.
Vietnam	Local laws in Vietnam provide for retirement pensions. The Vietnamese Law on Social Insurance states that to qualify for a pension, an employee must have made social insurance contributions for at least 20 years. The retirement age is then 60 for men and 55 for women. Those who engaged in at least 15 years of high-risk work also qualify for a pension once they reach 55 ~ 60 years of age for men, and 50 ~ 55 years of age for women. If an employee is only 50 ~ 55 years of age but has made social insurance contributions for at least 20 years, then they may qualify for a pension under two special circumstances. Those who stopped working after making at least 20 years of social insurance contributions are eligible to collect a pension upon reaching the age of 55 for men, and 50 for women. Those who engaged in at least 15 years of high-risk work also qualify for a pension once they reach 55 ~ 60 years of age for men, and 50 ~ 55 years of age for women.
China	Under national law, once an employee reaches retirement age and has completed the necessary applications then the government's social insurance department will deposit their monthly pension in their personal social insurance card.

4.3 Promotion of Employee Rights



We want to provide good working conditions and take proper care of employees' physical and well-being so they can enjoy and concentrate on their work. We are therefore committed to treating all employees with respect and upholding their human rights in accordance with the relevant laws. Tainan recruits talented people from different backgrounds. We also respect workers' rights and enforce equal treatment including:

1. The rights and duties of both the employer and employee are explicitly stated in employer-employee agreements as well as employee code of conduct or ethics.
2. Formulated the Work Rules and human resources management regulations in accordance with the Labor Standards Act.
3. Formulated the Rules for Prevention and Punishment of Sexual Harassment and set up complaints mailbox and hotline to provide employees with a channel for communication when their legal rights are violated. Protected employees against sexual harassment by upholding gender equality in the workplace and human dignity.

Minimum Notice Period for Material Operational Changes by Country

Country	Minimum noticed period for material operational changes
Taiwan	We comply with the minimum notice period based on the age of employees in accordance with the Labor Standards Act.
Cambodia	Cambodia's Labor Law stipulated that the minimum notice period for permanent employees was based on their minimum labor time. For regular contract workers it was 15 days.
Vietnam	The Vietnam Labor Code requires the Company to give at least 45 days notice to temporary employees. Permanent employees provided the minimum warning period set out the Code.
Indonesia	Employers must give a minimum of 14 days' notice before ending an employment relationship, as stipulated by Indonesian Labor Law.

4.3.1 Employee Benefits and Care

Employees are our most important asset. The Company strives to build a friendly, safe and healthy, and dignified environment that is safe, friendly, healthy, respects human rights, and free of from discrimination and harassment. To truly understand employee needs, multiple channels for bi-directional communications were established the head office for employee feedback. An e-mail address (hrservices@tainan.com) is also used to listen and respond to employee feedback in order to enhance our management performance.

Factory employees can file a complaint with the Complaints Handling Committee. The investigation and review processes are kept confidential and a written record compiled of the case. Employees may not be punished by the Company for filing a complaint either. The grievance categories are as follows:

Class A

Significant issues concerning violations of corporate behavior (e.g., violations of ESG human rights, such as discrimination, forced labor, child labor, harassment, or abuse) that should be reported immediately to the headquarters' HR and CSR. The headquarters will file the case and report the latest progress at any time.

Class B

Rules and systems of subsidiaries (such as suggestions made by individuals and labor unions related to improving employee welfare, safety and health, etc.) are decided and handled by the subsidiary's human resources in meetings.

Class C

Any opinions or suggestions related to each departmental unit of the subsidiary shall be filed by the local human resources department and shall be handed over to the top supervisor of the relevant department for handling.

Class D

Complaints and reported matters are verified to be true and can be handled immediately; the HR contractor of a subsidiary puts it on file and coordinates for handling.

4.3.2 Human Rights Assessment

Human Rights Education and Training

Region	Course Name	Duration	Trainees Number
Taiwan	New Employee Training	1	4
	Sexual Harassment Prevention	8	328
	Fire Drill	1	50
	Anti-Terrorism Education and Training	1	22
	Chemical and Personal Protection Equipment	4	1
	Information Security Training ¹	3	1
Gaoqing Factory (China)	New Employee Training	0.5	1
	Sexual Harassment Prevention	0.5	7
	Employee Code of Conduct	45mins	535
	Employee Complaint Mechanism	1	233
	Anti-Discrimination	0.5	267
Solo Factory (Indonesia) Solo1	New Employee Training	45mins	16
	Job Training	45mins	547
	Sexual Harassment Prevention	45mins	267
	Employee Code of Conduct	1	1933
	Anti-Discrimination	1	100
	HIV Prevention	1	500
Solo Factory (Indonesia) Solo2	New Employee Training	1	1933
	Job Training	1	1933
	Sexual Harassment Prevention	1	1933
	Employee Code of Conduct	1	70
	Anti-Discrimination	1	1933
		1	1933

Region	Course Name	Duration	Trainees Number
Jakarta Factory (Indonesia)	New Employee Training	1	1933
	Sexual Harassment Prevention	1	1933
	Employee Code of Conduct	1	1933
	Employee Complaint Mechanism	0.5	14
	Anti-Discrimination	1.5	16
	HIV Prevention	0.5	16
Cambodia Factory	New Employee Training	0.5	602
	Job Training	1	720
	Sexual Harassment Prevention	0.5	20
	Employee Code of Conduct	1	1311
	Employee Complaint Mechanism	1	880
	Anti-Discrimination	1.5	16
	HIV Prevention	0.5	16
	Supervisor Training	0.5	8
	Other: Human Rights Training	0.5	6
Vietnam Factory	New Employee Training	2	441
	Sexual Harassment Prevention	2	319
	Employee Code of Conduct	2	83
	Employee Complaint Mechanism	0.5	298
	Anti-Discrimination	2	844
	Supervisor Training	1.5	542
Gin-Sovann Factory	New Employee Training	0.5	542
	Job Training	0.5	950
	Sexual Harassment Prevention	0.5	950
	Employee Code of Conduct	0.5	950
	Employee Complaint Mechanism	2	40
	Anti-Discrimination	2	125
	HIV Prevention	8	889
	Supervisor Training	1	871

Human Rights Audit

Worldwide Responsible Accredited Production (WRAP)

Tainan Enterprises Co., Ltd. has been deeply engaged in the textile and apparel manufacturing industry for over sixty years, and has always regarded corporate social responsibility as an indispensable obligation. We place strong emphasis on the fundamental human rights, occupational safety and health, and the rights of female employees at our production sites, both domestically and internationally. Furthermore, we are committed to promoting initiatives that enhance employee care and welfare.

To fulfill our commitments to labor rights and a responsible production environment, a total of **five factories** under Tainan Enterprises have joined and been certified by Worldwide Responsible Accredited Production (WRAP), each receiving **the highest-level Gold Certificate**.

These five factories include:

- 1 **Tainan Enterprises Co., Ltd.**
Head Office & Tainan Factory, joined in 2022
- 2 **Yixing Gaoqing Garment Co., Ltd.**
Jiangsu, China plant, joined in 2022
- 3 **PT. Tainan Enterprises Indonesia**
Jakarta, Indonesia Plant, joined in 2019
- 4 **Tainan Enterprise (Cambodia) Co., Ltd.**
Cambodia Plant, joined in 2019
- 5 **Jin-Sovann Fashions (Cambodia) Limited**
Cambodia Plant, joined in 2018



WRAP is an internationally recognized social responsibility certification body based on 12 Principles of Corporate Social Responsibility, which impose rigorous requirements on manufacturers in areas such as labor rights, health and safety, environmental management, legal compliance, and customs security.

Tainan Enterprises fulfills its social responsibility commitments by adhering to the following 12 WRAP principles:

No.	Principle Name	Summary
1	Compliance with Laws and Workplace Regulations	Comply with the legal requirements of the country of operation and relevant international laws and regulations.
2	Prohibition of Forced Labor	Strictly uphold the principle of voluntary labor and prohibit any form of forced labor.
3	Prohibition of Child Labor	Strictly comply with minimum age regulations and do not employ child labor.
4	Prohibition of Harassment or Abuse	Provide a workplace free from any form of harassment, abuse, or corporal punishment.
5	Compliance with Compensation and Benefits Regulations	Ensure employees receive wages and benefits that meet or exceed the statutory standards in the location of employment.
6	Compliance with Working Hours Regulations	Ensure working hours and workdays do not exceed legal limits, and that employees are given appropriate rest.
7	Prohibition of Discrimination	Base employment decisions on job performance, without differential treatment based on personal characteristics.
8	Compliance with Health and Safety Standards	Provide a safe and healthy working environment. Where dormitory accommodations are offered, ensure they are safe and sanitary.
9	Protection of Freedom of Association and Collective Bargaining Rights	Respect employees' rights to freely associate and engage in collective bargaining.
10	Compliance with Environmental Regulations	Follow applicable environmental laws and guidelines, and actively work to protect the environment.
11	Compliance with Customs Regulations	Abide by applicable customs laws and implement procedures to prevent unlawful transshipment.
12	Compliance with Security Requirements	Maintain security policies and procedures to prevent the unauthorized export of goods.

In addition, to demonstrate its commitment to the well-being of workers across all production sites, Tainan Enterprises has ensured that its other factories not yet certified under WRAP have joined the “Better Work” program — a joint initiative established by the International Labour Organization (ILO) and the International Finance Corporation (IFC), a member of the World Bank Group. Better Work is dedicated to improving working conditions and promoting respect for labor rights in the global textile and apparel industry. Through its comprehensive assessments, advisory services, and training programs, the initiative helps factories enhance both their labor compliance and business competitiveness.

	Tainan Factory	Gaoqing	Cambodia	Gin- Sovann	Vietnam	Jakarta	Solo Factory 1	Solo Factory 2
WRAP	●	●	●	●		●		
Better Work			●	●	●	●	●	●



Through its participation in international responsibility standards such as WRAP and Better Work, Tainan Enterprises demonstrates a strong commitment to protecting the rights and well-being of workers at all its production sites, striving to build a responsible and sustainable business.

4.4 Occupational safety and health



Employees are important company assets and we value the mental and physical well-being of all employees. Tainan provides employees with comprehensive care including regular health checkups each year with more items than required by law to actively protect employee health. Tiered management is provided by nursing personnel to track and support employees with potential health risks. The Management Procedure for Prevention of Ergonomic Injuries and Management Procedure for Workplace Violence Prevention and Complaints were also formulated to protect employees against excessive strain and workloads in order to establish a safe working environment.

Workplace Health Promotion

We believe that employee health is the most important element in the sustainability of a business. Workplace health promotion is being progressively rolled out by the Company to improve the physical and mental well-being of employees, and enhance the quality of their working environment. A variety of health management and promotion activities are used to build a happy, healthy workplace where employees enjoy their work and enjoy working for Tainan.

The “Occupational Safety and Health Committee” at each factory is responsible for the development, supervision, implementation and tracking of relevant policies and actions in each factory. The committee meets regularly and is composed of member representatives and employee representatives to ensure the operation of the management system and to continuously track the improvement results of problems and conduct reviews and confirmations.

Regional Health and Safety Committees

Country	Factory	Number of Employee Representatives	Size of Committee	Meeting Frequency
Taiwan	Tainan Factory	7	12	Quarterly
Indonesia	Jakarta Factory	6	6	Monthly
Indonesia	Solo Factory	22	37	Monthly
Cambodia	Cambodia Factory	5	20	Quarterly
Cambodia	Gin-Sovann Factory	1	11	Monthly
China	Gaoqing Factory	13	18	Monthly
Vietnam	Vietnam Factory	4	30	Every two months



Work-related Injury Ratios

Work-related Injury Rate (IR)=Occupational injury (cases) X 1,000,000 / Total work hours
Lost Days Rate (LDR) = Total days lost (days) X 1,000,000 / Total work hours
4.31=1000000x/5919360

2025	Tainan Factory	Jakarta Factory	Solo Factory 1	Solo Factory 2	Cambodia Factory	Gin-Sovann Factory	Vietnam Factory	Gaoqing Factory
Total working hours	131856	2120	2120	2120	1856	1959282	2218985	564945.5
Work related Accidents (Number of Cases)	1	10	24	11	17	2	0	3
Lost working hours	4	488	178.5	134	93	180		656
Absentee Rate (Male)	0.18%	2.60%	6	1	3	1.18%	1.27	0.00018%
Absentee Rate (Female)	3.25%	20%	7	1	2	2%	4.03	0
Work Related Fatalities	0	0	0	0	0	0	0	0

Most work-related injuries were minor ones caused by needles. Factories have stepped up their education on proper use of sewing machines and finger guards. For more severe work-related injuries, action is immediately taken by factory managers and nursing personnel. Better operator safety training, regular inspection and maintenance of machinery, as well as the replacement of old/worn and improperly maintained equipment are employed to reduce the chance of further work-related injuries.

Annual occupational health and safety training is conducted by Tainan for employees to improve operational safety at our factories. In addition to basic safety training for new employees in applicable positions, we also continue to track changes in government regulations and customer requirements/guidelines then update our safety rules and training for employees accordingly. Topics covered by training include Safe machine operation, use of personal protective equipment, safe handling of chemicals, operational safety, first-aid, and health education.

Occupational Safety Training

Region	Course Name	Duration	Trainees
Taiwan	Anti-Terrorism Training	0.5	69
	Fire Safety and Evacuation Drills	1	138
	Chemical and Personal Protective Equipment	1	4
	Information Security	1	19
Gaoqing Factory (China)	First Aid Training	0.75	366
	Fire Safety and Evacuation Drills	0.75	366
	Machinery Operation Safety	0.5	16
	Safety Qualification Training	16	6
	Anti-Terrorism Training	0.75	366
	Quality Inspector On-the-Job Training	1	237
	Chemical and Personal Protective Equipment	0.5	2
	Information Security	0.75	366
Solo Factory (Indonesia) Solo1	First Aid Training	1	20
	Fire Safety and Evacuation Drills	2	1513
	Machinery Operation Safety	0.5	40
	Anti-Terrorism Training	0.5	809
	Chemical and Personal Protective Equipment	0.5	3
	Information Security	1	708
	MSDS Training	0.5	9
	Waste Management Training	0.5	12
	Occupational Safety - Basic	1	21

Region	Course Name	Duration	Trainees
Solo Factory (Indonesia) Solo2	First Aid Training	1	20
	Fire Safety and Evacuation Drills	2	1513
	Machinery Operation Safety	0.5	40
	Anti-Terrorism Training	0.5	809
	Chemical and Personal Protective Equipment	0.5	3
	Information Security	1	708
	MSDS Training	0.5	9
	Waste Management Training	0.5	12
Solo Factory (Indonesia) Solo2	Occupational Safety - Basic	1	21
	First Aid Training	1	18
	Fire Safety and Evacuation Drills	2	1140
	Machinery Operation Safety	0.5	21
	Anti-Terrorism Training	0.5	1087
	Chemical and Personal Protective Equipment	0.5	5
	Information Security	1	992
	MSDS Training	0.5	10
Solo Factory (Indonesia) Solo2	Waste Management Training	0.5	7
	Occupational Safety - Basic	1	16

Region	Course Name	Duration	Trainees
Jakarta Factory (Indonesia)	First Aid Training	1	45
	Fire Safety and Evacuation Drills	0.5	2,713
	Machinery Operation Safety	0.5	30
	Anti-Terrorism Training	0.5	2,713
	Chemical and Personal Protective Equipment	0.5	20
	Information Security	0.5	30
	Waste Management Training	0.5	30
	Occupational Safety - Basic	1	30
	Occupational Safety - Advanced	1	20
Cambodia Factory	First Aid Training	1	2523
	Fire Safety and Evacuation Drills	1	2523
	Machinery Operation Safety	1	36
	Safety Qualification Training	1	45
	Anti-Terrorism Training	1	80
	Quality Inspector On-the-Job Training	1	34
	Chemical and Personal Protective Equipment	1	31
	Information Security	1	54
	MSDS Training	1	31
	Waste Management Training	1	153
	Occupational Safety - Basic	1	19
	Occupational Safety - Advanced	1	10
	Other:Occupational safety Training	1	16

Region	Course Name	Duration	Trainees
Vietnam Factory	First Aid Training	1	878
	Fire Safety and Evacuation Drills	1	900
	Machinery Operation Safety	1	17
	Safety Qualification Training	1	42
	Anti-Terrorism Training	0.5	878
	Quality Inspector On-the-Job Training	1	31
	Chemical and Personal Protective Equipment	1	42
	Information Security	1	5
	MSDS Training	1	22
	Waste Management Training	1	2
	Occupational Safety - Basic	0.5	859
	Occupational Safety - Advanced	1	30
Gin-Sovann Factory	First Aid Training	2	25
	Fire Safety and Evacuation Drills	1	980
	Machinery Operation Safety	1	1036
	Anti-Terrorism Training	2	980
	Quality Inspector On-the-Job Training	1	69
	Chemical and Personal Protective Equipment	1	7
	Information Security	2	41
	MSDS Training	1	7
	Waste Management Training	1	980
	Occupational Safety - Basic	1	980

4.5 Career management and learning

Employees are a company's most important asset. As a garment manufacturer whose workforce is predominantly female, Tainan Enterprises is committed to creating supportive and inclusive workplaces at every site.

Because most overseas employees are young women, the Company, through its "Diverse and Friendly Workplace Companion Programme," provides timely healthcare and support for pregnant workers; it also runs the HerProject and P.A.C.E. programmes for female employees in its overseas factories. The initiative has since been upgraded to the RISE re-education programme, which now covers all workers and offers skills-building and development opportunities at the plants in Cambodia, China, Vietnam and Indonesia. Several Indonesian plants have additionally obtained Fair Trade certification, underscoring the Company's commitment to fair labour practices and its respect and care for every employee. Through the "Diverse and Friendly Workplace Companion Programme," the Company aims to build a workplace where everyone can work with confidence and grow together.



Pregnant-Employee Care Programme

Start date: December 2024

Location: Tainan Enterprises Jakarta plant (PT. Tainan Enterprises Indonesia)

1

Clinic for pregnant employees

A dedicated clinic is established in the factory, staffed by professional nurses to provide care for pregnant employees.

2

Job reassignment policy for pregnant employees

To prevent pregnant workers from engaging in high-risk tasks such as ironing, the factory has a clear policy prohibiting such assignments. Workers previously in high-risk positions are reassigned to low-risk departments. Additional rest time is provided for pregnant and breastfeeding employees, and they are exempt from overtime work.

3

Hotline and HR support

Once a pregnancy is reported, the factory provides a dedicated hotline and WhatsApp account so employees can contact HR and nurses promptly.

Employee Empowerment Education Program

Starting in 2024, the RISE re-education program was launched in the Gaoqing Factory (China), Cambodia Factory, and Vietnam Factory, offering courses in personal well-being such as self-management, financial literacy, and communication skills.



Category: Basic project



4.5.2 Performance Evaluation

A sound career system was established by Tainan quite early. A dual-track promotion system that combines professional competency and management positions give employees every possible opportunity to put their expertise, ability and knowledge to good use. Talented personnel that show potential are promoted into management roles by the Company to give them more challenging jobs. Rejuvenation of the management has become an increasingly important management issue in recent years. Outstanding specialists also receive special promotions at various times to boost employee morale.

Annual performance evaluations are conducted by Tainan. All employees with more than one year of service (including those returning to work) must undergo a performance evaluation. The individual performance of each employee as well as the business results for that year are then used to determine what incentive rewards are appropriate. There is no difference or inequality due to gender.

05

CHAPTER.

Shared Prosperity with Society

5.1 Sustainable Design

5.2 Sustainable Education

5.1 Sustainable Design

Addressing the Future of the City through Corporate Responsibility

The Tainan Enterprises Culture and Art Foundation uses "authentic corporate issues" and "local cultural materials" as the catalysts for sustainable development. By bridging corporations, schools, and communities, the Foundation transforms industry challenges—such as resource utilization, environmental transition, and talent cultivation—along with Tainan's unique local climate, agriculture, fisheries, and lifestyle, into public educational initiatives designed for learning, practice, creation, and broader social impact.

This project not only fulfills corporate ESG responsibilities but also broadens public engagement with local culture and sustainability through intergenerational co-learning, cultural and creative interpretation, and public exhibitions. The project transforms sustainability from a mere reporting metric into concrete actions that resonate across campuses, households, and urban life.

Integrating sustainability and culture into urban life

We believe that sustainability is not a task for a single enterprise, nor is culture the exclusive domain of a few; rather, they represent a process of collective learning, co-creation, and shared transformation for an entire city.



Tainan Enterprises donates NT\$3 million annually to support the operations and projects of the Tainan Enterprises Culture and Art Foundation. In 2025, the Foundation implemented two initiatives combined cultural creativity initiatives, the "Southerner Sustainability Action Plan" and the "Agri-food Education Action". By utilizing local terroir, agriculture, fisheries, and lifestyle culture, these initiatives combined cultural creativity, educational promotion, and public exhibitions to continue supporting domestic cultural development and expanding cultural participation.

2025 Cultural Development Support Methods and Investments

Supporting Entity	Tainan Enterprises Co., Ltd.
Executing Unit	Tainan Enterprises Culture and Art Foundation
Annual Investment	NT\$3 million
Support Methods	The Company donates to the Foundation to support its operations and the promotion of cultural and educational projects.
Annual Plan	Southerner Sustainability Action plan and the Food and Agri-food Education Action
Cultural Development Content	Local landscape and agricultural/fishery culture, food, farming, and lifestyle culture, cultural and creative interpretation, visual storytelling, original educational materials, and public exhibitions
Disclosure of Results	Disclose quantitative results, including collaborating partners, participant counts, courses and activities, exhibition attendance, creative outputs, and media reach.



Facing the global net-zero transition challenge, we firmly believe that education and culture are the key starting points for connecting local communities and driving change. Building on the momentum of the past three years, this project further bridges enterprises, schools, and communities. By integrating Tainan's rich local heritage, history, culture, and industrial characteristics, we have translated sustainability issues into accessible and participatory cultural actions through social design, visual storytelling, original teaching aids, and exhibition curation. We aim to empower elementary school students in Tainan to recognize and pass on the unique local culture and sustainable values through exploration and hands-on practice, ensuring this spirit flourishes across generations.

1

Southerner Sustainability Action Plan

Cultivating a Youth Generation with
Sustainable Interpretation Skills Using
Local Cultural Materials





Through a partnership with National Cheng Kung University's iLink Southern Regional Resource Integration Center, the Foundation promoted the "Intergenerational Industry-Academia Sustainability Project Planning and Implementation Course". This initiative guided university students to engage with real-world corporate sustainability challenges and utilize Tainan's local terroir, agricultural and fishery resources, and lifestyle culture for issue research, project design, communication, and public advocacy.

We successfully recruited 30 students from various departments and seven mentors to collaborate on corporate sustainability issue analysis, proposal design, and the adaptation of intergenerational teaching materials, transforming local cultural content into practical, educational learning solutions with public communication value.

Implementation Strategy: Cross-domain Bridging, Cultural Translation, and Intergenerational Learning

Cross-domain Bridging, Cultural Translation, and Intergenerational Learning This project adopts a core framework of "education as the interface, enterprises as the venues, and students as the agents of change" to develop a three-tier innovative circular education model: "Corporate Challenges + University Solutions + Elementary School Dissemination":

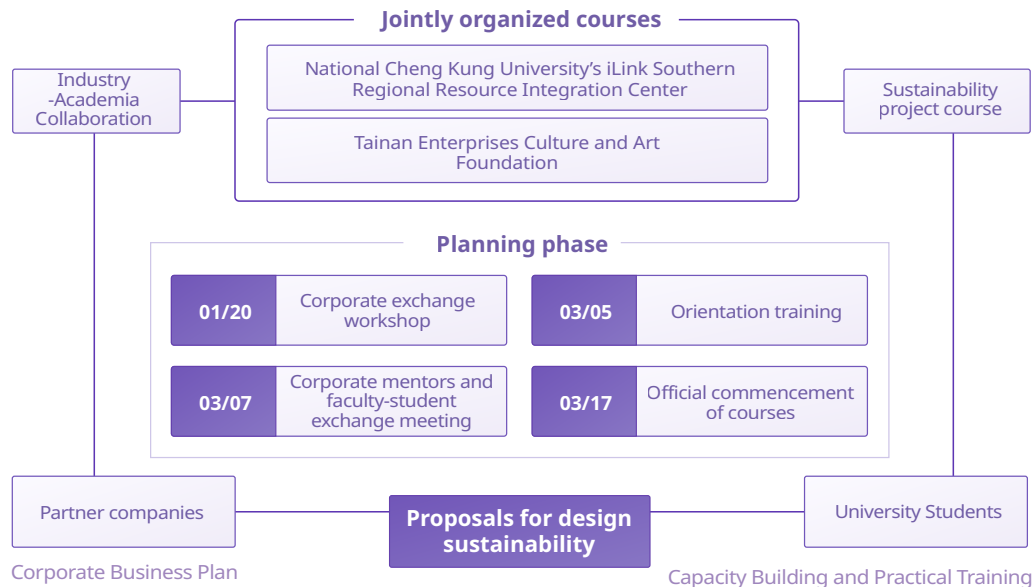
- **Cross-domain collaboration:** Acting as a "solution broker" to match universities such as National Cheng Kung University with local enterprises and professional teams (such as LOTOS, FLOMO, and the Industrial Technology Research Institute) to jointly develop action plans that embody both local characteristics and public value.
- **Cultural translation:** Guided by SDG 17, "Partnerships for the Goals", we apply design thinking to translate corporate sustainability issues and local life experiences into accessible, engaging lesson plans and cultural creative content for schoolchildren.
- **Low-waste exhibitions:** Implement the "circular exhibition" concept by replacing single-use materials with reusable ones. Through exhibition design and public displays, we create curatorial models that integrate cultural participation with low-carbon demonstrations.



Project Goals: Establish a new paradigm for cultural engagement and education for sustainable development

- **Cultivate future sustainability talent:** Train university students to become project management and cultural interpretation professionals with practical expertise, while empowering elementary school students to become seeds of sustainable action.
- **Deepen local cultural identity:** Guide students to recognize Tainan's agricultural and fishery resources, industrial characteristics, and cultural heritage, integrating sustainability concepts with local values.
- **Model scaling and replication:** Establish translatable and scalable cultural and education for sustainable development models to ensure local experiences are recognized, shared, and scaled for greater impact.

Schoolchildren participation

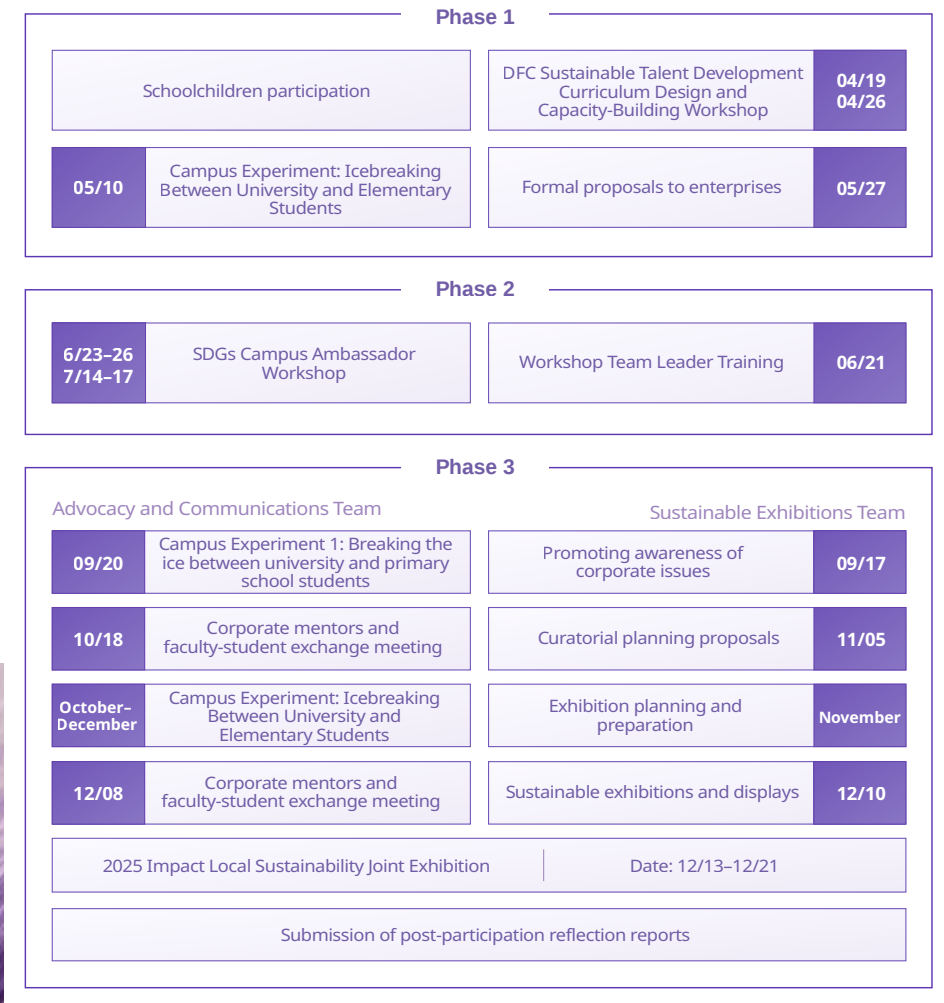


Cultivating Sustainability Translators:

Turning ESG and Local Culture into a Language Children Understand

The greatest challenge in education for sustainable development lies in translating abstract, technical corporate ESG issues, as well as local culture and life experiences, into learning content that children can understand, resonate with, and act upon. Through the DFC Tainan Sustainable Talent Training Workshop, the Foundation trained college students to apply the four-step methodology of "Feel, Imagine, Do, and Share". This initiative transformed corporate sustainability challenges and local resources into engaging, culturally resonant, and action-oriented educational programs.

This model transforms university students from knowledge recipients into instructional designers and cultural translators, while also evolving elementary school students from passive learners into active participants in sustainability and local culture.



From Observer to Cultural Narrative Architect: Making Action Visible

In promoting sustainability initiatives, we focus not only on implementation but also on leveraging visual storytelling to ensure that local experiences and the transformative power of change are clearly seen and understood. Through the Video Design Workshop, the Foundation established a comprehensive video production process and shared it with college students, covering mobile shooting techniques, content collection frameworks, and basic post-production methods. Director Yan-Ting Lin of Prism Productions drew on his practical experience to guide university students in capturing pivotal footage of field actions and local culture using limited equipment. Through narrative pacing and editing logic, he helped them transform fragmented records into structurally cohesive stories.

This represents more than just technical training; it is a journey of transformation from a mere observer into an image and cultural narrator equipped with strategic planning capabilities. The project culminated in the production of eight promotional videos on sustainable actions, showcasing the practical achievements and local stories of college students to a wider audience.



From Practice to Sharing: Expanding Cultural Participation on Campuses and in Communities

If "practice" is the backbone of sustainable action, then "sharing" is the key to integrating local experience into public cultural participation. The project specifically collaborated with Design for Change (DFC) Taiwan to conduct oral expression training, empowering students to transform their actions and local stories into compelling public narratives.

Guided by professional DFC instructors, university students led the "Little Ambassadors" through hands-on rehearsals for their presentations. During these sessions, they structured the outcomes of their summer campus initiatives, learning how to design engaging openings, clearly articulate their problem-solving journeys, and conclude with a compelling call to action to invite their peers to join the cause. Through narrative training and consistent practice, children not only improved their oral expression skills but also learned to transform their practical experiences and local insights into public stories that resonate and drive impact.



From Practice to Narrative: Expanding Social and Cultural Influence

Upon completion of the training, each "Southerner" was officially certified as an SDG campus ambassador. We worked closely with local primary schools to translate the intensive four-day camp experience into interactive, engaging sharing modules with strong local ties. This was more than just a presentation; it was a successful practice in peer education and cultural engagement. By adopting the students' perspectives and language, complex sustainability issues and local experiences were transformed into compelling stories that resonated deeply with their peers.

At the "Saving Little Stars IMPACT LOCAL Achievement Exhibition", the Foundation not only showcased the results of business co-creation between students and enterprises but also transformed the exhibition into a venue for public cultural engagement and sustainability practices.

The exhibition extensively utilized urban residual resources—including recycled fruit and vegetable baskets, waste wood, and surplus mesh fabric—redesigning them into exhibition stands, walls, and display modules. By replacing single-use materials, the project implemented a low-carbon curation model centered on modularity and reusability, while leveraging creative displays to enhance audience engagement and understanding.

Exhibitions serve as more than just a showcase of results; they represent a concrete demonstration of corporate commitment to cultural and creative industries, public engagement, circular design, and environmental education.



1.

The Tainan Enterprises Culture and Art Foundation partnered with 8 corporate and academic entities to recruit 64 students from various universities and 72 elementary school students (grades 3 to 6) from across Tainan to jointly develop seven sustainability and cultural initiatives featuring local Tainan characteristics.



2.

Tainan Re-Action—Little Southerners' Sustainable Co-learning Action has connected 47 enterprises and schools to explore how the SDGs and local issues can be transformed into participatory educational and cultural initiatives.



2025

Key Operational
Performance
Indicators and
Cultural Engagement
Results

3.

Community residents contributed a total of 1,385 hours of service; enterprises contributed a total of 544 hours.

4.

University student empowerment courses included 5 workshops, totaling 32 hours.

5.

The Southerners' Sustainability Internship Program accumulated a total of 70 class sessions.

6.

One sustainability action press conference was held, with 114 attendees.

7.

1 sustainability exhibition was held, lasting 78 days, with a total of 2,111 participants.

8.

Produced a total of 8 short films featuring sustainability actions and local stories.



9.

Media coverage included 4 instances (print, online, radio, TV, blogs, etc.), and 3 self-media operations (such as social media or channel management).



2025 Summary of Cultural Development Support Achievements

Annual Resource Input	NT\$3 million
Annual Projects Ex-ecuted	2 items: Southerner Sustainability Action Plan and Agri-food Education Action
Annual Engagements and Partnerships	Facilitated collaboration among 8 corporate and educational institutions, involving 64 university students and 72 elementary school students.
Public Cultural Par-ticipation	Opening ceremony: 1 session totaling 114 attendees; achievement exhi-bition: 1 session totaling 2,111 attendees
Cultural and Crea-tive Output	7 local sustainability and cultural initiatives, 8 video works, and 1 original food and agriculture education board game toolkit
Cumulative Part-nerships and In-vestment	A total of 47 enterprises and schools were engaged; 1,385 hours of community service and 544 hours of corporate service were completed.
Communication Outcomes	4 media exposures; 3 owned media channels

5.2 Sustainable Education

2

Food and Agricultural Education Action

Addressing Campus Food Waste



To make sustainability and cultural education more relevant to children's daily lives, the Foundation extended the core concept of the issue-based board game “The Mystery of the Happy Meal—What to Do with Leftovers” and developed “SOS! Save the Food-Time Elementary School!” by optimizing the game mechanics and content. Original food, agricultural culture, and education for sustainable development board game toolkit. Centering on school lunches and the issue of food waste, this teaching tool integrates corporate resources, food and agriculture experts, and elementary school teaching experience. The teaching tool transforms topics such as diet, agriculture, resource utilization, and lifestyle culture into cultural and creative teaching materials that can be practically implemented in the classroom.

In elementary schools across Taiwan, nutritious lunches are more than just a daily staple; they are a vital medium for cultivating dietary habits, understanding food provenance, and preserving local food and agricultural culture. Nevertheless, surplus food has emerged as a prevalent and challenging educational issue. Data indicates that daily food waste in many schools remains between 15% and 30%. Common reasons include a mismatch between dishes and student preferences, insufficient dining time, and a lack of menu planning and information transparency.

“SOS! Save the Food-Time Elementary School!” Through role-playing, group discussions, and action proposals, students are guided to explore authentic campus issues, including surplus food, food waste, picky eating habits, mealtime constraints, and menu decision-making. Beyond acquiring environmental knowledge, students practice empathizing with diverse perspectives, explore the cultural contexts of food and resources, and develop concrete, actionable solutions within the game scenario.



Expanding Cultural and Educational Impact: Promoting Teacher Communities and Classroom Applications

Expansion of the "SOS! Save the Food-Time Elementary School!" Regarding the practical application of board games on campus, the Foundation took the initiative to collaborate with educational communities and teacher organizations, visiting "Me Time", "Young Foliage Social Innovation", and the "Sustainability Textbook Workshop" to conduct demonstration teaching and content sharing. By explaining the core objectives, cultural significance, pedagogical value, and classroom implementation of the board games to educators from diverse backgrounds, we helped frontline teachers quickly grasp the features of the teaching materials. This initiative enhanced their willingness to adopt issue-based board games focused on food and agriculture culture and sustainability.

In addition, the Foundation organized workshops for elementary school teachers, where they participated in group trials of the card game and experienced the process of an issue-based board game. These workshops allowed teachers to further explore potential for teaching about food waste, diet, and food and agriculture culture in the classroom. Teachers not only mastered the use of teaching materials but also explored ways to integrate the curriculum, classroom management, and school lunch settings to transform food and agriculture education into sustainable, long-term school programs.

Key Outcomes:

Integrating Food, Agriculture, and Sustainability into Public Spaces

The Foundation held the "SOS! Save the Food-Time Elementary School!" event at Nanmen Park on October 24, 2025. The results were presented under the core concept of "A Lunch Can Change the World", inviting the public to step into the "Food-Time Elementary School". The exhibition allowed visitors to experience the real-world challenges of school lunches, transforming issues such as food and agriculture, dietary culture, and food waste into a public cultural experience that encouraged participation, discussion, and action through interactive exhibition areas.

The exhibition aligned with SDG 2 (Zero Hunger), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action), promoting food and agricultural culture alongside education for sustainable development through an engaging, "edutainment" approach. By doing this, we further encouraged the general public to join in "sustainability from the table." The exhibition centers on the original board game "Food Waste Rescue Mission", which enables participants to understand the underlying causes of food waste through gameplay while encouraging them to reflect on the connections between food, lifestyle, and sustainable action.

The exhibition design integrated "Education + Creativity + Sustainability" through three major themed areas: The Story Display Area recreated the "Food Waste Mountain Explosion" campus incident using comic-style scenarios and introduces the concepts behind the board game design; the Role-Play Board Game Experience Area allowed visitors to step into different roles to understand their respective challenges and perspectives; and the Action Commitment Wall invited participants to leave their "Declaration of Change", transforming food waste reduction and cultural engagement into concrete actions.



Starting From One City, We Make the Landscape of Sustainability and Culture Visible in More Places

The experience of the Southerners has shown us that when education for sustainable development is rooted in real-world settings, linked to corporate issues and local culture, and empowers children to become agents of change, transformation occurs. This learning model—centering on "local issues + intergenerational co-learning + cultural translation + action dissemination"—has yielded verifiable results and methodologies in Tainan.

Next, we will bring this experience to Taipei—a city with a larger scale and a more diverse industrial landscape—to launch the "Northerner Project." While upholding the spirit of the Southerners Project, we are recalibrating our thematic focus and partnership models to align with the capital's urban culture and industrial structure, ensuring that sustainable learning addresses the authentic challenges and cultural contexts of various cities.

The Little Northerner Project uses education as an interface, enterprises as venues, and children as protagonists to connect local businesses, schools, and communities. This initiative ensures that sustainability and culture are not merely understood but actively engaged with and collectively practiced. We look forward to facilitating the exchange of experiences and the replication of models between cities, enabling local cultures and sustainable actions to take root and flourish across different urban landscapes.



**From Tainan to Taipei,
we believe that every city**

deserves to have its own unique landscape for sustainable cultural learning.

Appendix I. GRI Standards Disclosure Item Reference Table

Statement of Use	Tainan Enterprises Co., Ltd. has reported the content for the period from January 1 to December 31, 2025 in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI 2: General Disclosure 2021

Corresponding GRI and disclosure items	Related Chapters	Page	Description omitted
Organization and Reporting Practices			
2-1 Detailed Information of the Organization	1.1 About Tainan Enterprises	16	
2-2 Entities Included in the Organization's Sustainability Reports	About this Report	2	
2-3 Reporting Period, Frequency, and Contacts	About this Report	2	
2-4 Restatements of information	About this Report	2	
2-5 External Guarantee/Assurance			No external guarantee
Events and Workers			
2-6 Activities, value chain and other business relationships	1.1 About Tainan Enterprises	16	
2-7 Employees	4.1 Employee Profile	55	
2-11 Chairperson of the Highest Governance Body	1.2 Corporate Governance	28	

Governance

2-9 Governance Structure and Composition	1.2 Corporate Governance	28
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2-10 Nomination and Selection of the Highest Governance Body	1.2 Corporate Governance	28
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Corresponding GRI and disclosure items	Related Chapters	Page	Description omitted
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2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts	1.2 Corporate Governance	28
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2-13 Person in Charge of Impact Management	1.2 Corporate Governance	28
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2-14 Role of the Highest Governance Body in Sustainability Reporting	1.2 Corporate Governance	28
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2-15 Conflicts of Interests	1.2 Corporate Governance	28
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2-16 Communication of Key Significant Events	1.2 Corporate Governance	28
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2-17 Group Intelligence of the Highest Governance Body	1.2 Corporate Governance	28
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2-18 Performance Evaluation of the Highest Governance Body	1.2 Corporate Governance	28
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2-19 Remuneration Policy	1.2 Corporate Governance	28
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2-20 Remuneration Determination Process	1.2 Corporate Governance	28
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Strategies, policies and practices

2-22 Statement on Sustainable Development Strategy	Message From the Chairman	3
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2-23 Policy Commitments	1.3 Ethical Management	21
	2.2 Sustainability Partnerships	30
	4.3 Promotion of Employee Rights	62

2-24 Incorporation of Policy Commitments	1.3 Ethical Management	21
	2.2 Sustainability Partnerships	30
	4.3 Promotion of Employee Rights	60
	4.4 Occupational safety and health	64

2-25 Procedures for Remediating Negative Impacts	4.3 Promotion of Employee Rights	60
2-26 Mechanisms for seeking advice and raising concerns	4.3 Promotion of Employee Rights	60
2-27 Legal Compliance	1.3 Ethical Management	21
2-28 Membership of associations	1.1 About Tainan Enterprises	16
Stakeholder Engagement		
2-29 Stakeholder Engagement Policy	Sustainable Development Blueprint	5

GRI 3: Material Topics 2021

Corresponding GRI and disclosure items	Related Chapters	Page	Description omitted
3-1 Process for determining major topics	Sustainable Development Blueprint	5	
3-2 List of material topics	Sustainable Development Blueprint	5	

Material Topic GRI Comparison

Self-defined Material Topics

Material Topics	Chapter Topic	Page	Description omitted
Corporate Governance and Ethics	1.2 Corporate Governance	28	
Product Sustainability and Innovation	2.2 Sustainable Products and Policies	30	
Supply Chain Management and Transparency	2.3 Sustainability Partnerships	33	
Management of Chemicals	3.5 Management of Chemicals	53	

Material Topic: Energy and Greenhouse Gas Emissions

Corresponding GRI and disclosure items		Related Chapters	Page	Description omitted
305 Emissions	305-1 Direct (Scope 1) GHG emissions	3.2 Climate Action and Greenhouse Gas Reduction Strategy	42	
	305-2 Energy indirect (Scope 2) GHG emissions	3.2 Climate Action and Greenhouse Gas Reduction Strategy	42	
	305-3 Other indirect (Scope 3) greenhouse gas emissions			Scope 3 statistics has not yet been compiled.
	305-4 Greenhouse Gas Emission Intensity	3.2 Climate Action and Greenhouse Gas Reduction Strategy	42	
	305-5 Greenhouse gas emission reduction	3.2 Climate Action and Greenhouse Gas Reduction Strategy	42	

Material Topic: Water Resource Management

Corresponding GRI and disclosure items		Related Chapters	Page	Description omitted
303 Water and Effluents 2018	303-3 Water withdrawal	3.3 Water resource management	48	
	303-4 Water discharge	3.3 Water resource management	48	
	303-5 Water Consumption	3.3 Water resource management	48	

Material Topic: Waste Management and Circular Economy

Corresponding GRI and disclosure items		Related Chapters	Page	Description omitted
306 Waste 2020	306-1 Waste Generation and Significant Impacts Related to Waste	3.4 Wastewater and Waste Management	50	
	306-2 Management of Waste-Related Significant Impacts	3.4 Wastewater and Waste Management	50	
	306-3 Waste generated	3.4 Wastewater and Waste Management	50	

Material Topic: Labor Rights and Welfare

Corresponding GRI and disclosure items		Related Chapters	Page	Description omitted
401 Employment	401-1 New employee hires and employee turnover	4.1 Employee Profile	55	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.3 Promotion of Employee Rights	60	
	401-3 Parental leave	4.3 Promotion of Employee Rights	60	
	402-1 Minimum notice periods regarding operational changes	4.3 Promotion of Employee Rights	60	
404 Training and education	404-1 Average hours of training per year per employee	4.5 Career management and learning	68	
	404-2 Programs for upgrading employee skills and transition assistance programs	4.5 Career management and learning	68	
	404-3 Percentage of employees receiving regular performance and career development reviews	4.5 Career management and learning	68	
405 Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	4.1 Employee Profile	55	
	405-2 Ratio of basic salary and remuneration of women to men	4.2 Employee Compensation and Benefits	58	
408 Child labor	408-1 Operations and suppliers at significant risk for incidents of child labor	4.3 Promotion of Employee Rights	60	
409 Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.3 Promotion of Employee Rights	60	

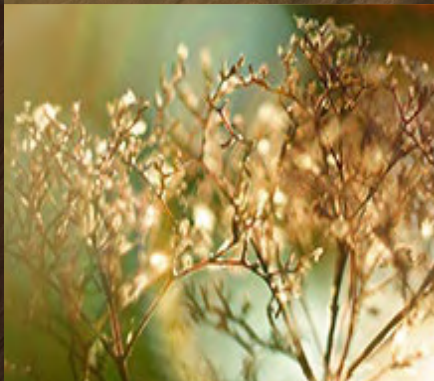
Appendix II: Sustainability Accounting Standards Board (SASB) Reference Table

Metric	Metric Description	SASB Code	Reference
NA	Number of Tier 1 suppliers and suppliers beyond Tier 1	CG-AA-000.A	Number of Tier 1 suppliers: 4 Number of suppliers beyond Tier 1: 27
Management of Chemicals in Products	Description of processes to maintain compliance with restricted substances regulations	CG-AA-250a.1	Environmental Sustainability - Management of Chemicals
	Chemical Substance Risk Assessment and Management	CG-AA-250a.2	Environmental Sustainability - Management of Chemicals
Environmental Impacts in the Supply Chain	Percentage of Tier 1 suppliers in compliance with wastewater discharge permits and/or contractual agreement	CG-AA-430a.1	100% of all Tier 1 suppliers hold wastewater discharge permits and were in compliance with local wastewater discharge regulations. The water quality of their wastewater discharge is also periodically tracked by Tainan through third-party verification products.
	Percentage of Tier 1 suppliers that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) or an equivalent environmental data assessment	CG-AA-430a.2	100% of all Tier 1 suppliers have completed the Higg FEM and their environmental management performances are periodically tracked by Tainan.
Labor Impacts in the Supply Chain	Percentage of Tier 1 suppliers that have been audited to a labor code of conduct Percentage of suppliers beyond Tier 1 that have been audited to a labor code of conduct Percentage of total audits conducted by a third-party auditor	CG-AA-430b.1	100% of all washing factories that Tainan collaborates with have passed international labor audits - Not applicable, all raw material suppliers such as fabric and auxiliary material factories met the requirements of our customers' supplier code of conduct. Tainan also requires raw material suppliers to sign the Supplier Social Responsibility Commitment every year. 100% of washing factories that collaborate with Tainan have passed third-party audits.
	Compliance by Tier 1 suppliers - Percentage of non-compliance	CG-AA-430b.2	Percentage of non-compliance: 0% Non-compliant suppliers are required to submit corrective action reports. We review the contents of the report and continue to track the progress of corrective actions.
	Description of greatest labor and environmental, health, and safety risks in the suppliers	CG-AA-430b.3	Value Chain Reform - Sustainability Partnerships
Raw Materials Sourcing	Description of environmental and social risks associated with sourcing priority raw materials	CG-AA-440a.1	Value Chain Reform - Sustainability Advocacy
	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard	CG-AA-440a.2	RCS, GRS, European Flax certification/20%

Note: Tier 1 Supplier: Suppliers in this category are defined as "Washing Factories" based on the nature of the Company's business. Suppliers beyond Tier 1 were raw material suppliers such as fabric factories and auxiliaries factories.

2025

SUSTAINABILITY
REPORT



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