Integrity, Pragmatism, Sustainability



PING HO ENVIRONMENTAL TECHNOLOGY CO., LTD.

2025 SUSTAINABILITY REPORT

Contents

1 Basic Information 5
1.1 About this Report 5
1.1.1 Reporting Period 5
1.1.2 Guidelines Followed 5
1.1.3 Boundaries and Scope 5
1.1.4 Restatements of Information 5
1.1.5 Internal Control 6
1.1.6 External Assurance 6
1.1.7 Contact Details 6
1.2 Sustainability Strategies and Performance 7
1.2.1 Message from the President 7
1.3 Stakeholder Engagement 10
1.3.1 Identifying Stakeholders 10
1.3.2 Stakeholder Communication 10
1.4 Management of Material Topics 12
1.4.1 Assessment Process of Material Topics 12
1.4.2 Impact Management of Material Topics 15
2 Corporate Governance 22
2.1 Company Overview 22
2.1.1 Basic Information 22
2.1.2 Operating Sites 23
2.2 Corporate Governance Development 24
2.2.1 Governance Structure 24
2.2.2 Functional Committee 30
2.3 Economic Performance 33
2.3.1 Economic Income and Distribution 33
2.4 Responsible Business Conduct 34
2.4.1 Business Integrity 34
2.4.2 Human Rights Policy 35
2.4.3 Regulatory Compliance 36
3 Product Services 37
3.1 Products and Services 37
3.1.1 Service Introduction 37
3.1.2 Lifecycle Management 38
3.2 Service Health and Safety 40
3.2.1 Service Quality Management and Risks 40
3.2.2 Product Risk Assessment 40
4 Supply Chain Management 41
4.1 Industrial Supply Chain 41
4.1.1 Industry Overview 41
4.1.2 Supply Chain Structure 41
4.2 Supply Chain Management 42

4.2.1 Supply Chain Management Policy 42
5 Environmental Management 44
5.1 Climate Change Response 44
5.1.1 Climate Change Strategy 44
5.1.2 Climate-Related Risks and Opportunities 45
5.2 Raw Material Management 46
5.2.1 Raw Material Management Policy 46
5.2.2 Raw Material Usage 47
5.3 Energy Governance 47
5.3.1 Energy Management 47
5.3.2 Energy Consumption 48
5.3.3 Energy Conservation Measures 49
5.4 Greenhouse Gas Emission Management 50
5.4.1 Greenhouse Gas Inventory 50
5.4.2 Greenhouse Gas Emission Reduction 52
5.4.3 Other Air Pollutant Emissions 52
5.5 Water Source Control 52
5.5.1 Water Resource Impact Assessment 52
5.5.2 Water Withdrawal, Discharge, and Consumption 54
5.6 Waste Regulation 56
5.6.1 Waste Impact Assessment 56
5.6.2 Waste Management Policy 57
5.6.3 Waste Collection, Transportation and Disposal 58
6 Workplace Management 60
6.1 Human Capital 60
6.1.1 Human Resource Management 60
6.1.2 Talent Recruitment 60
6.1.3 Labor-Management Agreement 68
6.2 Compensation and Benefits 69
6.2.1 Equal and Generous Compensation 69
6.2.2 Comprehensive Welfare Measures 70
6.2.3 Parenting-Friendly Workplace 71
6.3 Diversified Development 72
6.3.1 Education and Training 72
6.3.2 Performance Appraisal 74
6.4 Workplace Safety 75
6.4.1 Occupational Safety and Health Management 75
6.4.2 Occupational Injuries and Occupational Diseases 76
7 Social Harmony 79
7.1 Social Investment 79
7.1.1 Social Investment Strategy 79
7.1.2 Social Engagement Outcomes 79
8 Appendix 81
8.1 GRI Standards Index Table 81

8.2 SASB Indicator Index Table 90
8.3 SASB Activity Indicator Index Table 92
8.4 Climate-Related Information 93

1 Basic Information

1.1 About this Report

1.1.1 Reporting Period

This Report is the 2025 Sustainability Report published by Ping Ho Environmental Technology Co., Ltd. (hereinafter referred to as "PHET," "the Company," or "we"), disclosing the Company's management policies, strategies, objectives, and sustainability performance in the areas of economy, environment, and society for the 2025 fiscal year (January 1, 2025, to December 31, 2025). The Company will publish a sustainability report annually, which is also available on its website.

- This Report published: August 2026
- Next Report expected: August 2027

The reporting period of this Report aligns with the consolidated financial statements. To ensure both completeness and comparability, certain sections may include information dated prior to January 1, 2025, as well as after December 31, 2025; corresponding notes will be provided in those sections for clarity.

1.1.2 Guidelines Followed

This Report has been prepared in accordance with the following standards:

GRI Standards issued by the Global Sustainability Standards Board (GSSB).

The IF-WM guidance on waste management within the Sustainability Accounting Standards, as established by the Sustainability Accounting Standards Board (SASB), along with other pertinent international standards.

1.1.3 Boundaries and Scope

The scope of information disclosure in this Report primarily encompasses Ping Ho Environmental Technology Co., Ltd. (PHET), the Company's key operating site. Subsidiaries not included in the consolidated financial statements are excluded mainly due to their limited economic, environmental, and social impacts on external stakeholders. For the consolidated financial statements of all entities, please visit the official website of the Company:

https://www.pinghounion.com.tw/page/about/index.aspx?kind=52&lang=TW

Where the scope of disclosure in any section of this report deviate from the aforementioned, additional explanations will be provided within the respective section.

1.1.4 Restatements of Information

There were no restatements of information from previous reporting periods during this reporting period.

1.1.5 Internal Control

The Company has implemented a responsibility-driven management approach and formulated the "Sustainable Development Best Practice Principles" as its guiding framework. The Sustainable Development Group is tasked with the comprehensive planning and integration of communications related to the annual sustainability report. Each year, department heads are tasked with compiling the necessary information for the report and drafting its content. Upon completion of the annual sustainability report, it is submitted to the Sustainable Development Group for an initial review. The Internal Audit Department then conducts an internal audit and presents its findings to the Audit Committee. Finally, the President conveys key information, ESG performance and objectives to the Board of Directors prior to finalizing the report.

1.1.6 External Assurance

The Company continues to implement greenhouse gas reduction management. In 2024 and 2025, inventories covering all sites of individual companies and consolidated subsidiaries were conducted under ISO 14064-1:2018 and the GHG Protocol.

To ensure information transparency and reliability, after being approved and finalized by management, this report was verified by Green Mountain Sustainability CPAs Firm in accordance with TWSAE 3000, confirming compliance with GRI Standards. Scope 1 and Scope 2 were assured under TWSAE 3410, with results indicating limited assurance, resulting in a reasonable assurance level for Scope 1 and 2. The relevant assurance methods and results are presented in the appendix.

1.1.7 Contact Details

Contact Unit: Ping Ho Environmental Technology Co., Ltd. Management Department

Contact Person: Mr. Chen

Tel.: 07-6233690

Email: sam.ph@pinghounion.com.tw

Website: https://www.pinghounion.com.tw/

Address: No.6, Bengong Rd., Gangshan Dist., Kaohsiung City 820110

1.2 Sustainability Strategies and Performance

1.2.1 Message from the President

Over the past year, the world entered an era of unprecedented polycrises. From the normalization of extreme weather and intense geopolitical volatility to industrial revolutions driven by artificial intelligence, we have come to deeply realize that a company's value is no longer defined solely by its bottom-line profitability, but also by its environmental resilience and social inclusiveness.

We understand that wastewater treatment is an indispensable part of both urban and industrial ecosystems. Therefore, we maintain a continuous, deep dialogue with local communities, government authorities, and our supply chain to ensure our operations remain transparent, compliant, and safe.

- Environmental Aspect

In an era where climate change has led to an increased frequency of dry seasons, the stable supply of water resources has become a core component of corporate operational resilience. Over the past five years (2021–2025), Ping Ho Corporation has cumulatively provided approximately 120,000 tons of treated reclaimed water for use by neighboring plants, with a minor portion reserved for internal use, thereby reducing freshwater consumption and contributing to the overall water environment.

To uphold environmental protection, beyond continuously refining "energy conservation," "waste reduction," and "recycling" within our core green/circular economy business, Ping Ho Corporation commissioned the construction of an approximately 440 kW solar power generation system through its subsidiary, Feng Jia Enterprise Co., Ltd., in 2025. This initiative generates green electricity and reduces carbon emissions, mitigating the greenhouse effect.

Regarding waste recycling and reuse, in addition to reusing and disposing of over 14,000 tons of waste acid over the past five years (2021–2025), the Company actively develops new reuse projects (e.g., recycling wastewater into ammonium chloride products) and invests in waste recycling-related industries. We are committed to the 3R principles—Recycle, Reuse, and Reduce—laying a solid foundation for the Group’s future growth momentum

- Social Aspect

Community Care and Contribution

Upholding the spirit of giving back to society, Ping Ho Corporation engages in diverse community care initiatives and actively participates in local affairs. Our efforts cover local senior high schools, the Volunteer Criminal Police Corps, and community development associations, aiming to

strengthen community ties, foster cultural cohesion, and shape a cohesive community environment.

Youth Flagship Program

In response to the government’s Youth Employment Flagship Program, we target youth aged 15 to 29 who lack work experience or specialized skills. Combining industrial resources with our hiring needs, we conduct a "hire-first, train-later" on-the-job training program to provide practical vocational training and enhance youth workplace capabilities. In 2025, Ping Ho Corporation allocated approximately NT$500,000 in supporting funds to recruit 3 young talents into the fields of wastewater treatment and engineering technology. Serving as wastewater operation technicians and assistant engineers, they engaged in water sampling, testing, and equipment operation to gain practical industry experience. By integrating expertise in wastewater treatment, chemical applications, and waste clearance, the program improves cross-disciplinary skills, narrows the academia-industry gap, and enhances their workplace competitiveness—demonstrating our commitment to social inclusion and sustainable development.

Industry-Academia Collaboration

We continuously partner with local colleges and universities to drive industry-academia collaboration. In 2025, Ping Ho Corporation collaborated with three neighboring institutions on internship programs, recruiting 7 students to participate in wastewater treatment process operations and data analysis. This hands-on experience deepened their industry knowledge and practical skills. Through these partnerships, we offer professional learning and workplace bridging opportunities to cultivate environmental protection talents, enhance students' career adaptability, and build a talent pool for the Company's sustainable development.

- Governance Aspect

To continuously strengthen corporate governance, in addition to the Audit Committee, Remuneration Committee, and Sustainability Committee under the Board of Directors, the Board approved the establishment of the Nomination Committee in December 2025 pursuant to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. Looking ahead, the Committee will periodically review the qualifications required for directors and senior executives based on company scale, business nature, required expertise, skills, experience, gender diversity, and independence. In particular, when nominating independent director candidates, careful consideration will be given to their experience, expertise, integrity, concurrent directorships or committee memberships/chairs in other companies, as well as compliance with the Securities and Exchange Act, Regulations Governing Appointment of Independent Directors and Compliance Matters, and requirements set by the Taiwan Stock Exchange—always prioritizing the long-term interests of shareholders.

The Board annually invites external experts to conduct corporate governance courses at the Company. Prior to board meetings, senior management also promotes integrity management regulations to board members. This ensures directors remain updated on regulatory and policy changes, grasp macro

environmental trends, and elevate decision-making quality. Furthermore, an "Investor Relations" section is established on our official website to disclose financial, operational, and corporate governance information for shareholders and stakeholders. In addition to hosting institutional investor conferences semi-annually, we plan to move toward quarterly conferences to establish even smoother communication channels with investors and stakeholders.

Sustainability is not a sprint, but an endless marathon. Despite challenging external environments, we will continue to walk hand-in-hand with our suppliers, customers, and communities, embedding sustainable DNA into our wastewater treatment services and resource recovery products. We will prove through action that only when the Earth thrives can a business truly endure.

1.3 Stakeholder Engagement

1.3.1 Identifying Stakeholders

PHET, taking into account the Company's industry attribute and business model, has identified various groups or organizations that both exert influence on and are influenced by the Company. This identification process is carried out by the Sustainable Development Group in accordance with the five principles outlined in the Stakeholder Engagement Standard, AA1000 SES 2015: Dependency, Responsibility, Tension, Influence, and Diverse Perspectives. After an identification process, six categories of stakeholders directly associated with the Company have been identified, including investors, suppliers, community residents, customers, government agencies, and employees.

1.3.2 Stakeholder Communication

To understand and address the concerns of our stakeholders, we provide a variety of communication channels that facilitate regular communication and engagement with stakeholders. This approach allows stakeholders to provide feedback at any time, enabling us to identify the ESG topics that are pertinent to different stakeholders, and respond with appropriate strategies or solutions to their inquiries. The stakeholder communication mechanisms and topics of concern in 2024 are summarized as follows:

PHET's Stakeholder Communication Mechanisms and Management Procedures

No.	Communication Procedures	Explanation
1	Identification of Stakeholders and Topics of Concern	· The Sustainable Development Group is responsible for gathering topics of concern from pertinent stakeholders.
2	All Relevant Responsible Units	· Pertinent feedback from stakeholders is forwarded to the appropriate responsible units, which formulate response measures to effectively address the identified topics.
3	Audit Committee	· The task force designated for each topic provides regular reports to the Audit Committee, which compiles and synthesize the findings of these topics.

No.	Communication Procedures	Explanation
4	Board of Directors	· The findings of topics are consistently communicated to the Board of Directors. Should the responsible unit be unable to address a pertinent topic, it will be escalated to the Board of Directors for direct resolution. · The Board of Directors is tasked with reviewing the effectiveness of communication.
5	External Disclosure	· The results of stakeholder engagement are published annually in sustainability reports, on the official website, and other channels.

PHET's Key Stakeholders and Communication Results

Stakeholders	Communication Channels and Frequency	Material Topics of Concern [Note 1]
Investors	1. Annual Shareholder Meetings (annually) 2. Responding to Investor Inquiries via Phone Calls and Emails (as needed) 3. Major Announcements Published on the Market Observation Post System and Company Website (as required by regulations)	1. Economic Performance 2. Anti-Corruption 3. Tax
Employees	1. Internal Communication Mailbox (as needed) 2. Survey (annually) 3. Labor-Management Meetings (quarterly)	1. Labor-Employer Relations 2. Labor-Management Relations 3. Water and Effluents 4. Occupational Health and Safety
Customers	1. Customer Service Mailbox (as needed) 2. Customer Satisfaction Survey (annually) 3. Business Interview (immediately) 4. Project Meeting (as needed)	1. Customer Privacy 2. Waste 3. Water and Effluents
Suppliers	1. Contact Email (responded to by a dedicated personnel) 2. On-site Visits (as needed)	1. Materials 2. Procurement Practices 3. Supplier Assessment
Government Agencies	1. Interaction with the Handling Personnel from Competent Authorities (as needed) 2. Audit Visits to the Factory (as needed) 3. Correspondence (as needed)	1. Waste 2. Emissions 3. Water and Effluents

Stakeholders	Communication Channels and Frequency	Material Topics of Concern [Note 1]
	4. Market Observation Post System (as required by regulations) 5. Competent Authority Reporting System (monthly)	4. Anti-Corruption
Community Residents	1. Company Public Website (as needed) 2. Internship Projects (as needed) 3. Industry-Academia Collaboration Program (as needed) 4. Social Welfare (as needed) 5. Participation in Nearby Community Activities (as needed)	1. Local Communities 2. Emissions 3. Water and Effluents

Note: This table offers a concise overview of topics that are pertinent to stakeholders. For comprehensive response measures, please consult the relevant sections of this Report.

1.4 Management of Material Topics

1.4.1 Assessment Process of Material Topics

At PHET, the Sustainable Development Group conducts an annual assessment of sustainability topics that significantly affect our stakeholders based on the impacts arising from the Company's operational activities, industry type, and value chain. The process involves stakeholder engagement and expert advisory consultation, ensuring adherence to the materiality, completeness, and stakeholder inclusivity principles as outlined in the GRI 3 Standards (GRI 2021 version). The Sustainable Development Committee holds responsibility for decision-making in this regard. Communication with stakeholders is presented to the Board of Directors on an as-needed basis. The detailed assessment process is as follows:

Step 1. Identification of Key Topics

(1) Summarizing industry attributes: An inventory is conducted regarding the operating items, business model, types of products or services offered, industry type, categories of workforce, and other pertinent factors related to PHET, and all industry attributes linked to PHET are analyzed.

(2) Identifying sustainability topics: In addition to incorporating historical material incidents—both positive and negative—the Company also considers potential risks and opportunities through stakeholder feedback, global regulations and standards, industry regulations and standards, and peer benchmark companies. This approach enables the identification of sustainability topics that are pertinent to the Company. During this reporting period, a total of 29 sustainability topics has been identified.

Step 2. Determination of Material Topics

(1) Stakeholder feedback: Through a combination of interviews, focus meetings, surveys and other engagement methods, we collaborate with our Sustainable Development Group and expert stakeholder representatives to fill in and conduct a thorough assessment of two indicators for each sustainability topic—specifically "Impact Magnitude" and "Likelihood of Occurrence." This assessment takes into account both positive and negative topics. The identification results for 2025 were carried over from 2023, with a total of 50 internal surveys collected.

(2) Assessing impact magnitude: Distinct calculation criteria tailored to the nature of sustainability topics are established. For negative topics, factors include incident severity, scope of impact, and reversibility; for positive topics, factors include the extent and breadth of impact.

(3) Assessing the likelihood of occurrence: The calculation is based on the occurrence probability of the impact.

(4) Ranking and determining material topics: Following the calculation of both the impact magnitude and likelihood of occurrence for each topic, the materiality thresholds for these two critical indicators are established to filter material topics for the current period. Upon completion of the report, these findings are submitted to the Board for review and approval.

The thresholds for impact magnitude and likelihood of occurrence during this period are established at 3.20 and 3.35, respectively. A total of nine topics has been classified as material.

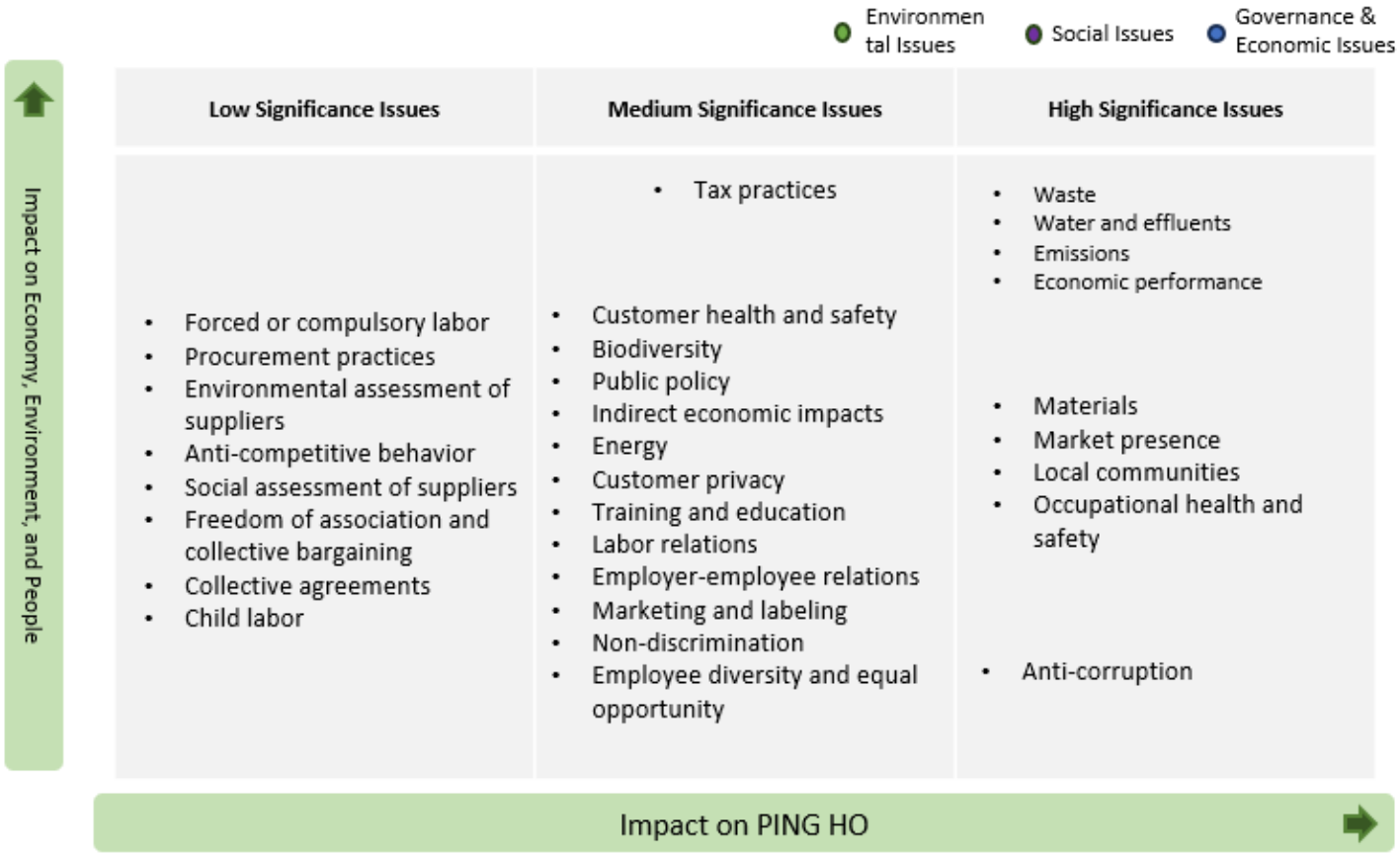
Step 3. Reporting of Material Topic Information

The Sustainable Development Group identifies pertinent international standards for material topics, reviews management policies and objectives related to these topics, gathers annual data, and ensures that all significant sustainability information is thoroughly disclosed in this Report to comprehensively address stakeholder concerns. The annual sustainability report, upon its completion, is submitted to the Board of Directors for review and resolution. This process ensures that the disclosed information is devoid of any concerns related to improper or inaccurate representations.

Step 4. Continuous Review

The implementation of material topic policies and the achievement rate of objectives are reviewed annually to optimize internal management approaches and both qualitative and quantitative objectives. Following the identification of material topics for the upcoming period, comparisons are conducted between previous and current topics to examine discrepancies, with findings presented in the report.

- **Material Topic Matrix**



1.4.2 Impact Management of Material Topics

Management Strategies of Material Topics

The Board of Directors of the Company serves as the highest decision-making and oversight unit for managing material topics at PHET. It designates the Sustainable Development Group to oversee the management items related to these topics. This includes conducting an inventory of and reviewing management approaches related to these material topics, proposing optimization and improvement recommendations, establishing diverse communication channels with stakeholders, regularly consolidating stakeholder feedback, determining the nature and impact of their opinions, formulating response measures or approaches, and reporting these results to the Board of Directors.

List of Material Topics

Material Topics in 2025: Impact Boundaries and Objective Outcomes

Material Topics	Corresponding GRI Topics	Impact		Causes of Impact	Management Objectives	KPI	Key Management Approaches	Action Plan	Corresponding Sections of the Report
		Positive Impact	Negative Impact						
Economic Performance	GRI 201	Increased revenue contributes to the stable operation of a company and enhances the willingness of shareholders and investors to engage in investment.	Companies experience image harm and resource constraint as a result of operating losses.	Company's own operations and external environmental impact	Maintain operational stability and strengthen the competitiveness of core businesses	-Annual Revenue and Operational Performance Review -Development of New Technologies or Projects	Continuously advance the development of wastewater treatment chemicals and invest in technologies for resource recycling.	1. Expand the Group's operational scale through the establishment of subsidiaries to alleviate constraints on spare capacity. 2. Engage in industry-academia collaboration to develop and execute project plans for emerging technologies, thereby augmenting the added value and treatment capacity of	2.3 Economic Performance

Material Topics	Corresponding GRI Topics	Impact		Causes of Impact	Management Objectives	KPI	Key Management Approaches	Action Plan	Corresponding Sections of the Report
		Positive Impact	Negative Impact						
								wastewater treatment.	
Market Presence	GRI 202	Employee compensation levels surpass industry averages, thereby positioning the company to attract a greater pool of talent.	The gender pay gap within the company leads to a reduction in workforce gender diversity.	Company Operations	Establish a competitive and equitable compensation system.	-Status of Periodic Remuneration Policy Reviews -Completeness of Gender Pay Gap Disclosures	Develop a compensation management policy aimed at attracting top talents to join the Company.	1. Up to two-thirds of the employees at PHET are local residents. Salaries and benefits are administered in accordance with the "Labor Standards Act," with annual salary adjustments determined by employee performance. Given the nature of the workplace, the Company ensures that female employees constitute over 15% of its workforce.	6 Workplace Management
Anti-Corruption	GRI 205	The absence of anti-corruption incidents will enhance a company's reputation.	Violations of regulations may result in fines, litigation costs, and reputational damage.	Company Operations	Strengthen regulatory compliance and foster a culture of integrity.	-Implementation Status of Integrity Management System -Execution Status of Education and Training -Incidence of	Establish internal control and monitoring mechanisms to ensure compliance with regulations.	1. Establish the "Procedures for Ethical Management and Guidelines for Conduct," promote a proper understanding of the rule of law among employees through internal advocacy initiatives,	2.4.1 Integrity Management

Material Topics	Corresponding GRI Topics	Impact		Causes of Impact	Management Objectives	KPI	Key Management Approaches	Action Plan	Corresponding Sections of the Report
		Positive Impact	Negative Impact						
						Non-Compliance Events	Strengthen compliance training to enhance employees' awareness and adherence to regulations and ethical standards. Conduct regular compliance reviews and assessments to promptly identify and address compliance risks.	and implement a whistleblowing mechanism to prevent corruption.	
Materials	GRI 301	The incorporation of new chemicals enhances the quality of treated wastewater.	Purchasing chemicals from external suppliers can expose a company to price fluctuations, thereby complicating cost control efforts.	Supplier and Company Operations	Strengthen independent R&D and formulation management of wastewater treatment chemicals to mitigate supply chain price fluctuation risks, while improving	-Implementation Status of In-House R&D and Adjustment of Wastewater Treatment Chemical Formulations -Periodic Review of Raw Material Usage and Supply Risks	Expand and enhance environmentally sustainable acid waste treatment technologies to minimize pollutant emissions. Implement routine water	1. Develop and formulate wastewater treatment chemicals internally/adjust and optimize the chemical formulations necessary for wastewater treatment processes to mitigate risks associated with price volatility.	5.1 Raw Material Management

Material Topics	Corresponding GRI Topics	Impact		Causes of Impact	Management Objectives	KPI	Key Management Approaches	Action Plan	Corresponding Sections of the Report
		Positive Impact	Negative Impact						
					material efficiency and environmental friendliness.		quality monitoring to ensure adherence to effluent standards. Increase compliance training to enhance employees' awareness and adherence to regulations and ethical standards.		
Water and Effluents	GRI 303	Compliance with statutory effluent standards for wastewater can enhance customer trust.	Wastewater discharge may lead to water pollution and ecological damage, and incur fines and litigation costs due to violation of regulations.	Company Operations	Ensure wastewater treatment and discharge water quality comply with relevant regulatory requirements, mitigating potential impacts on aquatic environments while maintaining customer trust.	-Water Quality Monitoring and Reporting Status in Accordance with Permit Regulations -Management Outcomes of Annual Effluent Compliance with Statutory Standards	Refine wastewater treatment technologies to ensure that effluent standards are in full compliance with relevant regulations.	1. Regulate effluent standards in accordance with the "Water Pollution Prevention Measures Plan and Permit" issued by the competent authorities.	5.4 Water Source Control

Material Topics	Corresponding GRI Topics	Impact		Causes of Impact	Management Objectives	KPI	Key Management Approaches	Action Plan	Corresponding Sections of the Report
		Positive Impact	Negative Impact						
Emissions	GRI 305	The implementation of renewable energy sources and low-carbon technologies is expected to decrease greenhouse gas emissions.	The utilization of fossil fuels and electricity can lead to the emission of greenhouse gases, including carbon dioxide.	Company Operations	Establish a foundation for greenhouse gas emissions management and systematically identify emission sources to serve as a basis for future carbon reduction and low-carbon transition.	-Planning and Implementation Status of Greenhouse Gas Inventory -Completion Status of Third-Party Verification or External Assurance	Monitor greenhouse gas emissions, formulate emission reduction plans and targets, and implement measures such as achieving carbon neutrality and carbon offsets in the future.	1. A carbon inventory is planned for the second quarter of 2026, which will be finalized with third-party verification. Based on the findings from this inventory, effective carbon reduction policies will be implemented.	5.3 GHG Emission Management
Waste	GRI 306	The implementation of sludge treatment technology can decrease waste generation.	Improper sludge treatment may lead to soil contamination and ecological damage.	Company Operations	Strengthen the proper disposal and resource recovery management of sludge and waste to mitigate environmental pollution risks and enhance waste management resilience.	-Implementation Status of Sludge Reduction and Resource Recovery Measures -Evaluation and Management Status of Waste Disposal Channels and Processing Facilities	Promote the resource-based utilization of sludge.	1. Identify appropriate waste disposal sites to mitigate waste disposal risks and enhance strategies for sludge reduction.	5.5 Waste Regulation
Occupational Health and Safety	GRI 403	High-standard workplace safety regulations and regular education and	The use of chemicals may pose health and safety risks to employees.	Company Operations	Establish a safe operating environment and chemical management	-Execution Status of Annual Occupational Health and	Use standard safe chemicals to reduce health risks for workers.	1. Promote knowledge and regulations regarding workplace safety through employee education	6.4 Workplace Safety

Material Topics	Corresponding GRI Topics	Impact		Causes of Impact	Management Objectives	KPI	Key Management Approaches	Action Plan	Corresponding Sections of the Report
		Positive Impact	Negative Impact						
		training programs ensure employee safety.			mechanism to reduce occupational hazards and health risks for employees.	Safety Training -Implementation Status of Employee Health Examinations	Enhance the management and storage practices of chemicals to prevent leakage and contamination. Conduct regular safety inspections and monitoring of chemicals to ensure compliance with regulatory requirements.	and training programs. 2. Conduct regular health checks for all employees.	
Local Communities	GRI 413	Hiring local residents can boost employment rates.	The company's operations lead to heavy-duty vehicles frequently entering and exiting the factory premises, thereby exacerbating traffic conditions within the local community.	Company Operations	Foster positive interactions with local communities, address community concerns, and mitigate potential negative impacts of operations on the community.	-Implementation Status of Community Engagement and Social Participation Activities -Execution Status of Philanthropic Initiatives and Community Support Investments	Engage in discussions and communications with local residents and environmental organizations, respect the opinions of local stakeholders, implement measures to	1. Actively engage in a variety of social welfare initiatives, spearhead community outreach efforts, and promote environmental conservation. Examples include: sponsoring sports , anti-drug campaigns, contributing to fire	7.1.2 Social Engagement Outcomes

Material Topics	Corresponding GRI Topics	Impact		Causes of Impact	Management Objectives	KPI	Key Management Approaches	Action Plan	Corresponding Sections of the Report
		Positive Impact	Negative Impact				protect and preserve local natural environment and culture, and strive to avoid causing irreversible impacts on local communities.	brigades, and providing scholarships to encourage student achievement.	

Note: This list of management approaches only delineates essential policies, strategies, and management objectives. For comprehensive details regarding the management approaches, please consult the relevant sections.

2 Corporate Governance

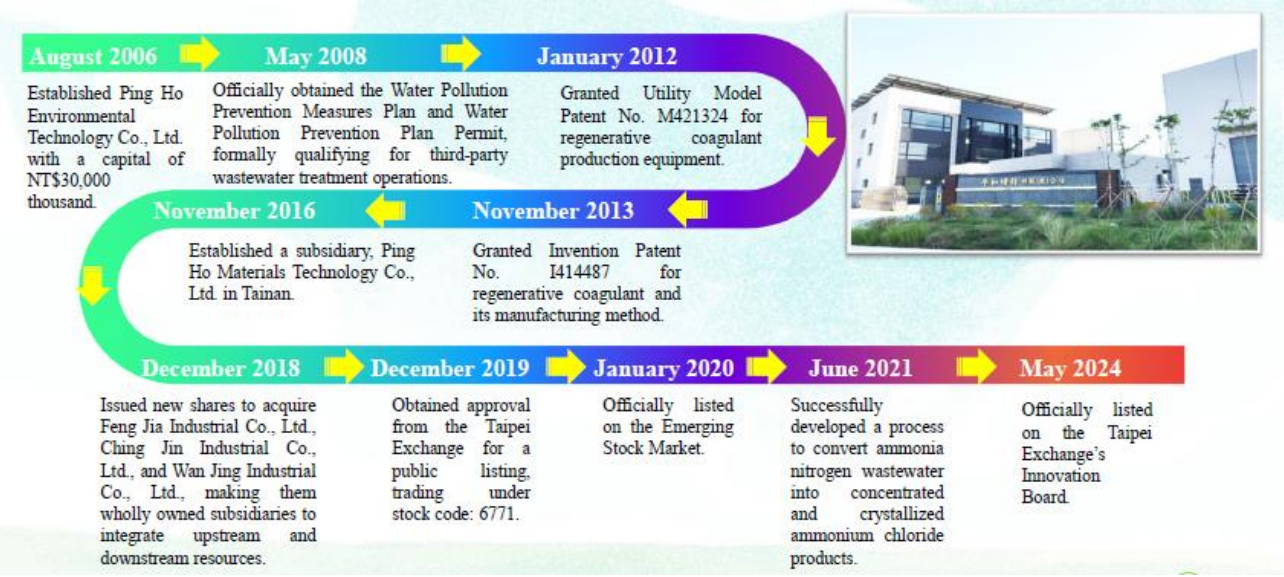
2.1 Company Overview

2.1.1 Basic Information

PHET, established in 2006 and headquartered in Gangshan District, Kaohsiung City, specializes in industrial wastewater treatment and offers a range of services including water treatment chemicals, wastewater disposal, and sludge removal through upstream and downstream integration.

Company Name	Ping Ho Environmental Technology Co., Ltd.
Company Type	Joint Stock Company
Date of Establishment	August 1, 2006
Headquarters Location	Gangshan Dist., Kaohsiung City
Industry Category	Wastewater Treatment Industry
Primary Products or Services	Wastewater Treatment
Paid-in Capital	NT$311,795,000
Number of Employees	67

- Company History



- Business Policy

  The growing environmental crises worldwide and in Taiwan region are having an increasingly noticeable impact on our daily lives. As a result, there has been a gradual shift away from the traditional emphasis of businesses solely prioritizing profit. The level of the Company's dedication and participation in Environmental, Social, and Governance (ESG) initiatives, along with other corporate social responsibilities, demonstrate its operational values to some degree. The Company is committed not only to advancing in the environmental protection sector but also to integrating upstream and downstream industries and organizing resource recycling, all in line with its development policy of "Integrity,

Pragmatism, Sustainability." Furthermore, besides emphasizing environmental protection, the Company will actively enhance corporate governance and fulfill corporate social responsibility to enhance higher shareholder value.

- Operational Management Policy

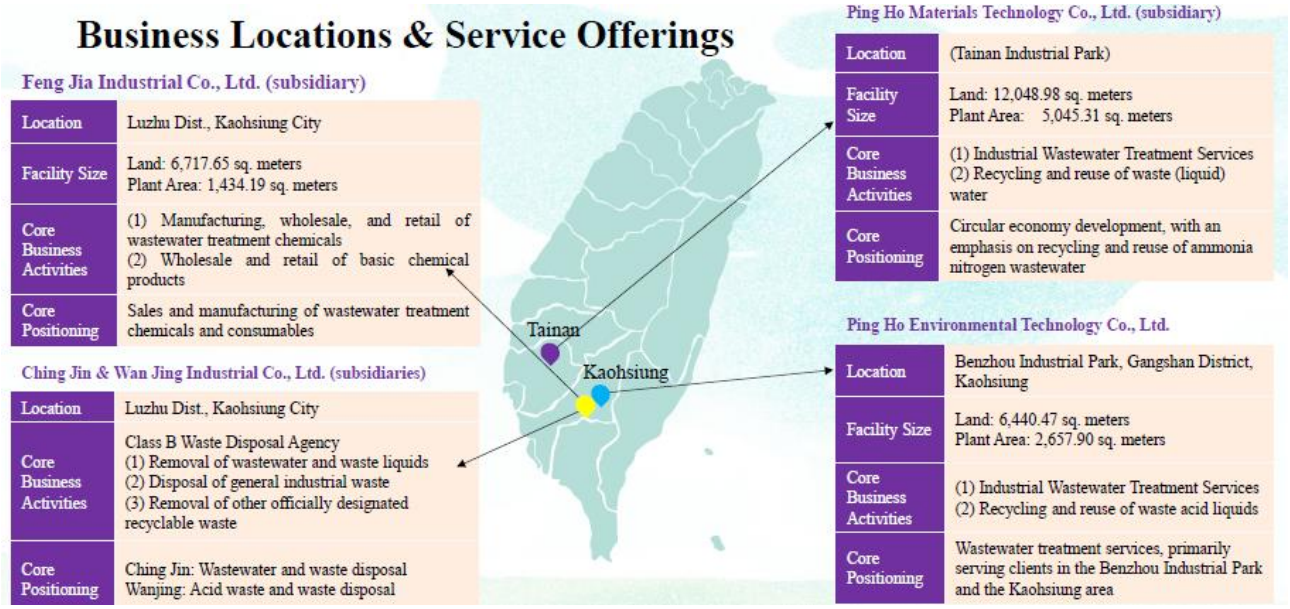
  1. Consistently monitor the quality of customer water and diligently enforce process controls to ensure to regulatory standards for discharged water.
  2. Visit customers periodically to understand their needs, enabling us to stay informed about industry changes and take responsive measures.
  3. Enhance technological development and application to broaden the scope and diversity of customer industries.

- Association Memberships

  PHET engages in industry associations and professional organizations pertinent to its business operations. Through collaboration with peers and experts, the Company facilitates the exchange of industry knowledge, information, and practical experience. This collaborative approach enables a collective response to evolving international dynamics and contributes to the enhancement of industry standards. The company participated in three public associations and societies in 2025: Kaohsiung City New Chamber of Commerce, Kaohsiung City Gangshan Benzhou Industrial Park Manufacturers Association and Taiwan SHP Industries Alliance.

Association Name	Date of Joining	Position
Kaohsiung City New Chamber of Commerce	2008/07/01	Member
Kaohsiung City Gangshan Benzhou Industrial Park Manufacturers Association	2010/04/01	Director
Taiwan SHP Industries Alliance	2025/12/11	Member

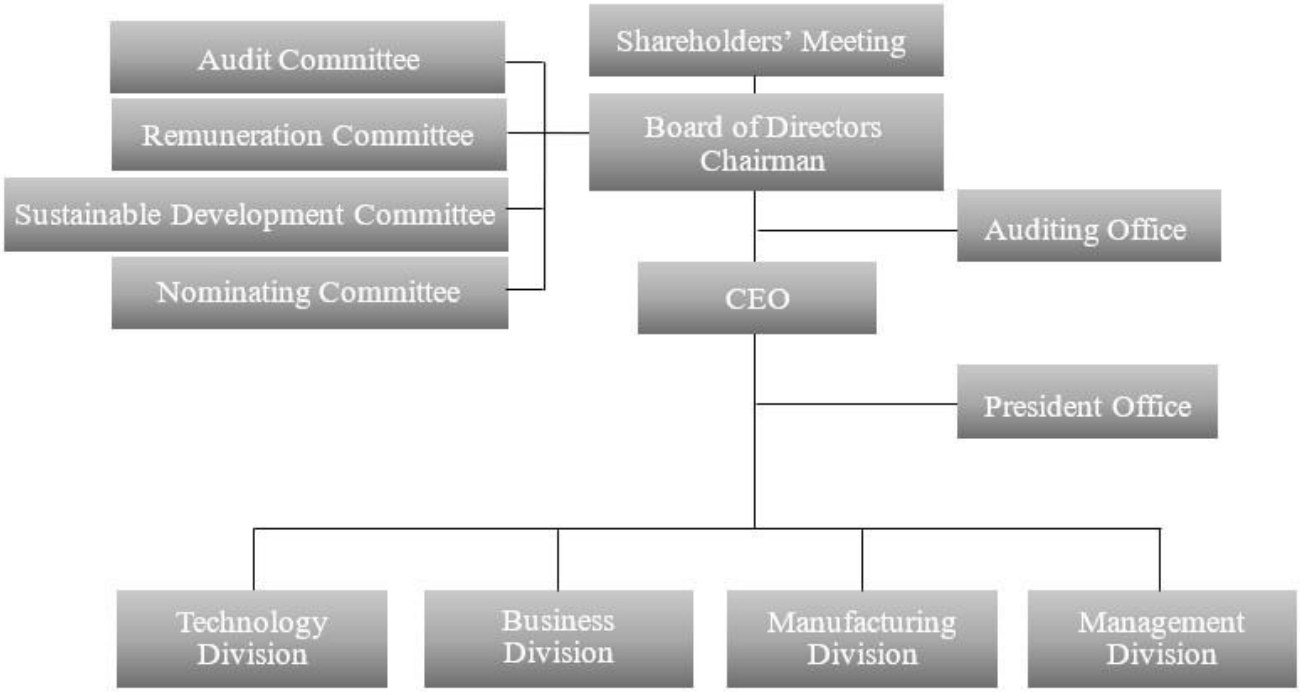
2.1.2 Operating Sites



2.2 Corporate Governance Development

2.2.1 Governance Structure

The supreme authority of the Company resides in the Shareholders' Meeting. Shareholders elect directors to constitute the Board of Directors, which serves as the Company's highest governance body tasked with making overarching operational decisions. Functional committees, including the Audit Committee, Remuneration Committee, Sustainable Development Committee, and Nominating Committee are established to oversee the Company, director compensation, financial statements, and key performance targets related to ESG. Furthermore, an Audit Office is instituted to supervise the effectiveness of the Company's internal control systems. Each committee is required to regularly report its implementation outcomes and resolutions to the Board of Directors in order to protect the interests of both the Company and all stakeholders.



Board Operations and Composition

The Board of Directors functions as a balancing and supervisory role between the Company's owners and its management. In its upward role, the Board exercises the rights and obligations conferred by shareholders, formulating operational policies that reflect stakeholder interests. In its downward capacity, the Board determines the Company's management, oversees business operations, addresses strategies related to sustainable development, and follows up the effectiveness of their implementation.

The Company's board members are elected in accordance with the "Rules for Election of Directors," which stipulate that both the election of directors and independent directors follows a cumulative voting system alongside a candidate nomination process. Shareholders holding a certain number of shares may submit a list of candidates for consideration. The term of office for directors is set at three years, with eligibility for re-election thereafter. The criteria for nomination and selection place significant emphasis on the independence of candidates as well as the relevance of their professional backgrounds to the Company’s operational development. Additionally, considerations regarding the diversity of Board composition are also taken into account. The current Board of Directors is composed of seven members, including three independent directors, and features a male-to-female ratio of 6:1.

PHET convenes board meetings on a quarterly basis in principle. In 2025, a total of seven board meetings were held, achieving an average attendance rate of 96%. For information regarding director attendance and agenda content, please consult page 18 of PHET's 2025 Annual Report.

Director Information for PHET, Current Board Term: June 25, 2025 to June 24, 2028

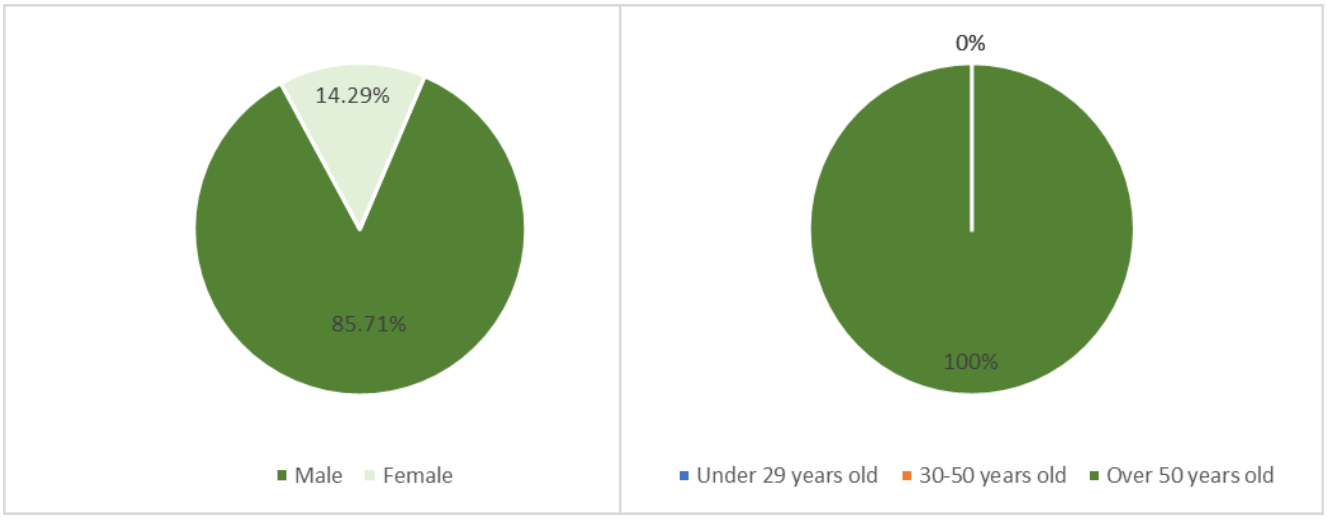
Title	Name	Term	Gender	Age	Concurrent Position with the Company	Concurrent Key Position with Other Companies	Functional Committee			
							Audit Committee	Remuneration Committee	Sustainable Development Committee	Nominating Committee
Chairman	Ming-Yang Wu	3 years	Male	61-70 years old	-	Chairman of Ping Ho Materials Technology Co., Ltd. Chairman of Walter Express Co., Ltd. Supervisor of Kaohsiung International Economy Co., Ltd.				
Director	Ming-Jen Hung	3 years	Male	61-70 years old	CEO	Chairman of Feng Jia Industrial Co., Ltd. Chairman of Ching Jin Industrial Co., Ltd. Chairman of Wan Jing Industrial Co., Ltd. Chairman of Feng Jia Construction Co., Ltd. Chairman of Ren Xiang Investment consulting Co., Ltd. President of Ping Ho Materials Technology Co., Ltd.			V	V
Director	Ming-Cheng Chung	3 years	Male	51-60 years old	-	Director of Dah Chuan Steel Pipe Corp. Director of Great River Steel Corp. Director of Cai Sheng Investment Corp. Director of Yong Chuan Brick and Tile Corp. Supervisor of Chung Yuan-Heng Steel Corp.				
Director	Chin-Lan Huang	3 years	Female	51-60 years old	-	None				

Title	Name	Term	Gender	Age	Concurrent Position with the Company	Concurrent Key Position with Other Companies	Functional Committee			
							Audit Committee	Remuneration Committee	Sustainable Development Committee	Nominating Committee
Independent Director	Chi-Shan Hung	3 years	Male	71-80 years old	-	Independent Director of Hua Yu Lien Development Co., Ltd. Director of Flexium Interconnect Inc Independent Director of Nan Liu Enterprise Co., Ltd. Independent Director of Sunonwealth Electric Machine Industry Co., Ltd.	V	V		V
Independent Director	Tao-Min Chen	3 years	Male	71-80 years old	-	None	V	V		
Independent Director	Tai-Long Chin	3 years	Male	61-70 years old	-	None	V	V		V
Independent Director (Note A)	Jun-An Chang	3 years	Male	61-70 years old	-	Engineer of Jun An Environmental Engineering Technician Office Chairman of Ace Carbon Reduction Tech Co., Ltd.	V	V		

Note A: Independent Director Jun-An Chang's term ended on June 25, 2025.

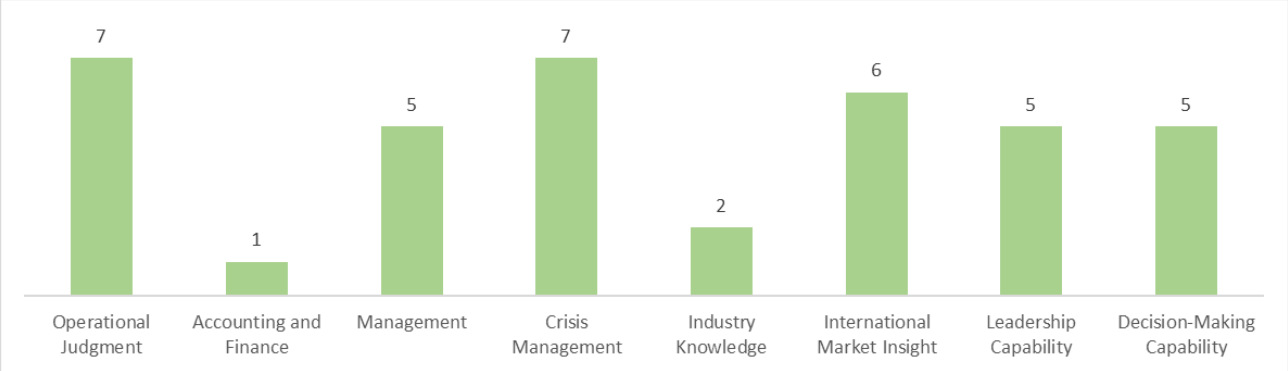
Note: For information on avoiding conflicts of interest, please refer to Section 2.2.1 Governance Structure - Managing Conflicts of Interest.

Board of Directors – Gender and Age Distribution Chart



Distribution of Directors' Professional Competencies and Experience

Title	Name	Diversification Item							
		Operational Judgment	Accounting and Finance	Management	Crisis Management	Industry Knowledge	International Market Insight	Leadership Capability	Decision-Making Capability
Chairman	Ming-Yang Wu	V		V	V		V	V	V
Director	Ming-Jen Hung	V		V	V	V	V	V	V
Director	Ming-Cheng Chung	V		V	V	V		V	V
Director	Chin-Lan Huang	V		V	V		V	V	V
Independent Director	Chi-Shan Hung	V	V	V	V		V	V	V
Independent Director	Tao-Min Chen	V			V		V		
Independent Director	Tai-Long Chin	V			V		V		



- **Director Training**

  PHET organizes annual continuing education courses for its directors, aimed at enhancing their expertise and knowledge in sustainability-related topics, thereby strengthening the professional capabilities of both directors and the Company to address operational challenges. A total of 63 hours of participation in continuing education courses was accumulated in 2025.

- **Compensation Structure for Directors and Senior Executives**

  The compensation package for directors of PHET includes director remuneration, business execution expenses, salaries, bonuses, and other related payments. The Remuneration Committee adjusts the compensation in accordance with industry standards, operational performance, and the individual performance of each director. For details regarding the remuneration for directors, range of remuneration for directors, and the payment standards for 2025, please refer to pages 13 and 14 of PHET's Annual Report for 2025. We are in the process

of developing an ESG assessment method tailored to our industry, serving as a reference for formulating remuneration program and a foundation for determining future director remuneration.

The compensation system for senior management at PHET is proposed by the Remuneration Committee to the Board of Directors and subsequently approved by the Board. In addition to fixed salaries and retirement benefits, performance bonuses are awarded based on the achievement of various performance indicators. The retirement system for senior management aligns with that of other employees. For the salaries and range table of senior management for 2025, please refer to page 15 of PHET's Annual Report.

- **Departure and Retirement Policy for Directors and Senior Management**

The notice period for directors and senior management departing from PHET is established in accordance with local government regulations, which is no different from that of other employees.

- **Performance Evaluation of the Board of Directors**

The Company conducts annual self-evaluations of performance for the Board of Directors, its functional committees (including the Audit Committee, Remuneration Committee, Sustainable Development Committee , Nominating Committee), and individual directors.

Evaluation criteria for the performance of the Board of Directors:

1. Level of Involvement in Company Operations (including participation in ESG and decision-making processes)
2. Improvement of the Quality of Board Decision-Making
3. Board Composition and Structure
4. Election and Training of Directors
5. Internal Control

Evaluation criteria for the performance of individual directors of the Company:

1. Mastery of Company Objectives and Missions
2. Understanding of Director Responsibilities
3. Level of Involvement in Company Operations
4. Internal Relationship Management and Communication
5. Director Profession and Training
6. Internal Control

Evaluation criteria for the performance of the Audit Committee:

1. Level of Involvement in Company Operations
2. Understanding of the Audit Committee Responsibilities
3. Improvement of the Quality of the Audit Committee Decision-Making

4. Composition and election of Audit Committee members
5. Internal Control

Evaluation criteria for the performance of the Remuneration Committee:

1. Level of Involvement in Company Operations
2. Understanding of the Remuneration Committee Responsibilities
3. Improvement of the Quality of the Remuneration Committee Decision-Making
4. Composition and election of Remuneration Committee members

Evaluation criteria for the performance of the Sustainable Development Committee:

1. Level of Involvement in Company Operations
2. Understanding of the Sustainable Development Committee Responsibilities
3. Improvement of the Quality of the Sustainable Development Committee Decision-Making
4. Composition and election of Sustainable Development Committee members

Evaluation criteria for the performance of the Nominating Committee:

1. Level of Involvement in Company Operations
2. Understanding of the Nominating Committee Responsibilities
3. Improvement of the Quality of the Nominating Committee Decision-Making
4. Composition and election of Nominating Committee members

- Performance Evaluation Results for 2025:

  PHET has achieved an outstanding internal evaluation this year, reflecting the effective functioning of the Board of Directors and its functional committees in accordance with company governance requirements. The evaluation results are as follows:

Implementation Status for Board of Directors and Functional Committee Evaluation

Evaluation Cycle	Evaluation Date	Evaluation Method	Scope of Evaluation	Evaluation Results
Execute once a year	January 1, 2025 to December 31, 2025	Conducted as an internal self-evaluation by the company	Board of Directors	91 points (out of 100)
Execute once a year	January 1, 2025 to December 31, 2025	Self-evaluation by members of the Board of Directors	Individual Directors Members	Average score: 90 (out of 100)
Execute once a year	January 1, 2025 to December 31, 2025	Conducted as an internal self-evaluation by the company	Audit Committee	91 points (out of 100)
Execute once a year	January 1, 2025 to December 31, 2025	Conducted as an internal self-evaluation by the company	Remuneration Committee	Average score: 90 (out of 100)
Execute once a year	January 1, 2025 to December 31, 2025	Conducted as an internal self-evaluation by the company	Sustainable Development Committee	Average score: 91 (out of 100)

Note: As the Nomination Committee of the Company was established on December 23, 2025, no performance evaluation was conducted for the year 2025. The performance evaluation will be carried out in the year 2026.

- **Managing Conflicts of Interest**

  The "Regulations Governing Procedure for Board of Directors Meetings" of PHET, along with the Audit Committee Charter and Remuneration Committee Charter, include provisions aimed at avoiding conflicts of interest. In instances where a director's proposal pertains to interests that may affect themselves, their spouse, blood relatives within the second degree of kinship, or companies under their control or influence, it is mandatory for them to disclose such interests during the relevant board meeting. If there exists a potential risk to the Company's interests, the director is required to abstain from participating in both discussion and voting on that matter and must recuse themselves accordingly. Furthermore, they are prohibited from exercising voting rights on behalf of other directors. The names of affected directors, key details regarding the conflict, and circumstances surrounding their recusal will be documented in the meeting minutes.

  For information pertaining to related-party transactions and cross-shareholdings among directors, controlling shareholders, or other stakeholders for 2025, please refer to pages 72-74 of PHET's 2025 Annual Report.

  Additionally, the Company has developed the "Procedures for Ethical Management and Guidelines for Conduct" and "Regulations Governing Procedure for Board of Directors Meetings." The Audit Office is responsible for overseeing adherence to these conduct guidelines and regularly reports implementation outcomes to the Board of Directors. As of the end of 2025, PHET has not encountered any material conflicts of interest.

2.2.2 Functional Committee

The Company has developed the "Corporate Governance Best Practice Principles" and established the Remuneration Committee, Audit Committee, and Sustainable Development Committee , and Nomination Committee as its functional committees.

- **Remuneration Committee**

  The Remuneration Committee currently comprises three members, all of whom are independent directors who meet the regulatory requirements for independence. Their term of office extends from July 4, 2025, to June 24, 2028. The Company has established the "Remuneration Committee Charter" to delineate its authority and responsibilities. The Committee is responsible for formulating and periodically evaluating the compensation systems and standards applicable to its members. In principle, the Remuneration Committee convenes meetings every six months. In 2025, it held three meetings with a 78% attendance rate among its members. The Board of Directors approved the compensation for employees and directors for the current year on March 6, 2026.

- **Audit Committee**

  The Audit Committee of the Company is composed of three independent directors. Their responsibilities include the review of the Company's financial statements, oversight of the selection and independence of certified public accountants, establishment or revision of internal control systems, and supervision of the Company's internal polices to ensure

compliance with relevant regulations. Meetings are generally held on a quarterly basis. When necessary, department heads, internal auditors, accountants, legal counsel, and other pertinent personnel are invited to attend and engage in discussions. In 2025, a total of five meetings were convened with an attendance rate among members reaching 87%.

Implementation status of the Audit Committee Page 24-27 of PHET's 2025 Annual Report.

- **Sustainable Development Committee**

  The Board of Directors has established the "Sustainable Development Committee," chaired by the President, which convenes at least once a year. The Committee is responsible for formulating, promoting, and strengthening key action plans and capital expenditures related to sustainable development (including climate-related topics) across the Group. The Committee also reviews, monitors, and revises the implementation and effectiveness of sustainability initiatives, and reports the results to the Board of Directors. The Committee is further supported by a working group composed of first-tier executives, which includes the following subgroups:

  Environmental Sustainability Subgroup, responsible for environmental management systems, compliance with environmental regulations and international standards, evaluation of sustainable transition strategies, improving resource utilization efficiency, climate change response mechanisms, and establishing dedicated environmental management units or personnel; Social Sustainability Subgroup, responsible for human rights management policies and procedures, compliance with human rights-related laws and international norms, establishing internal and external communication channels among all organizational members (e.g., employees, subsidiaries, joint ventures) and key value chain partners, evaluating related risks and management mechanisms, and promoting community and cultural development; Sustainable Governance Subgroup, responsible for legal compliance in corporate governance, establishing reasonable remuneration policies and employee performance evaluation systems, conducting training programs, and managing stakeholder communication mechanisms.

- The Company has established a Sustainable Development Group, designated as the unit responsible for advancing sustainable development initiatives. The Assistant Vice President of the Management Department serves as the leader of this group. The group is organized into three working groups: Corporate Governance, Environment, and Society. Department heads are appointed as leaders of each working group, tasked with driving and executing material topics and projects within their respective domains. This structure ensures that sustainability strategies are integrated into daily operations while embodying the spirit of continuous improvement and advancement in sustainability.

  - **The responsibilities of the Sustainable Development Group include:**

    I. Establish the Company's sustainability directions, strategies, and objectives, while formulating relevant management policies and specific initiatives.

    II. Monitor, review, and revise the execution status and effectiveness of the Company's sustainability initiatives.

III. Prepare and publish the Corporate Social Responsibility Report.

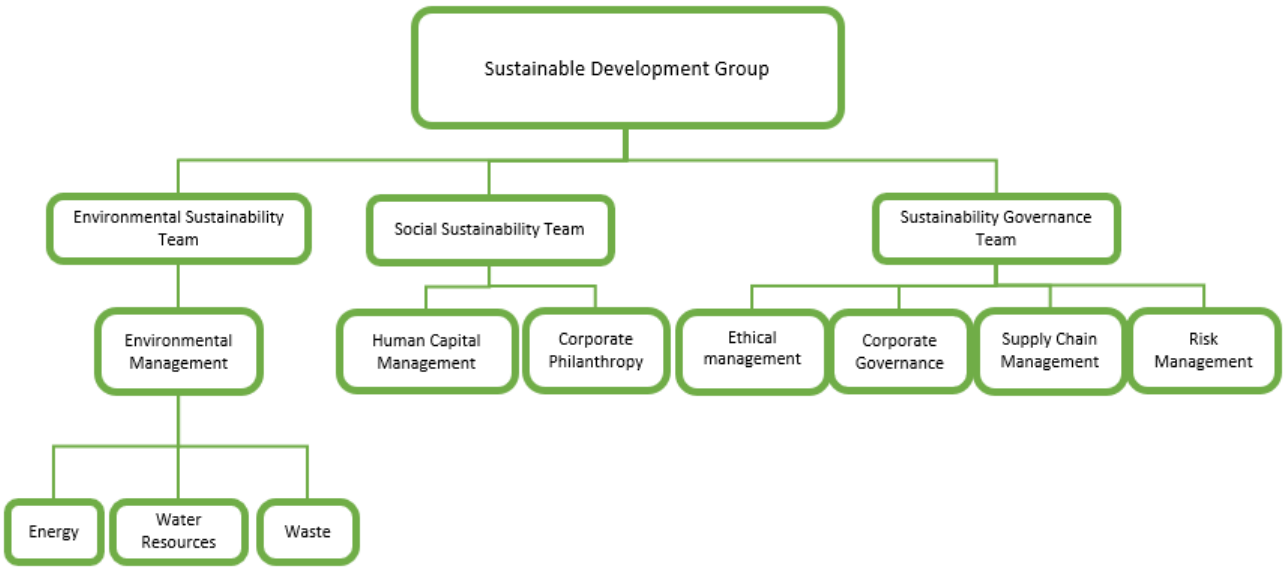
IV. Report implementation outcomes to the Board of Directors annually.

During the annual preparation of the sustainability report, the Sustainable Development Group assists in compiling and collecting pertinent indicator data within its scope of responsibility. Upon finalization, the sustainability report undergoes third-party verification prior to being submitted to the Board for approval and subsequently published.

The Sustainable Development Group convenes meetings on an as-needed basis. The preparation of the 2025 Sustainability Report is expected to be completed in the second quarter of 2026, with assurance provided by a third party.

The Company conducts annual continuing education courses for directors, covering topics such as expertise, corporate governance, and sustainable development. A total of six hours of continuing education courses were scheduled for 2025.

Organizational Chart of the Sustainable Development Group



- **Implementation Status of the Sustainable Development Group**

  The Sustainable Development Group of PHET held a total of 2 meetings regarding the planning of the 2025 Sustainability Report, and the specific recommendations proposed are as follows:

  Meeting Content for the Sustainable Development Group

Meeting Date	Meeting Nature	Agenda Items	Key Reports and Specific Recommendations
November 13, 2025	Sustainability Report Kick-off Meeting	1. GRI Standards Overview 2. Direction of Sustainability Report	Communicated GRI standards with members of the Sustainable Development Group, categorized groups

Meeting Date	Meeting Nature	Agenda Items	Key Reports and Specific Recommendations
		Preparation 3. Grouping and Scope of Responsibilities	based on the job responsibilities of different departments, and formulated the subsequent direction for compiling the sustainability report.
January 7, 2026	Progress reports and discussions by each group	1. Discussion of issues based on the progress of current data collection 2. Questions raised by each group regarding their respective areas of responsibility	Discussing the alignment of each working group with the preparation direction of the sustainability report.

- **Nomination Committee**

  The Nomination Committee of the Company is appointed by the Board of Directors and composed of at least three directors, with more than half being independent directors. The committee consists of three members: the Chief Executive Officer (CEO) and two independent directors. Its responsibilities include establishing standards for the professional knowledge, skills, experience, gender diversity background, and independence required of board members and senior executives; searching for, vetting, and nominating candidates for directors and senior executives based on these standards; conducting performance evaluations of the Board of Directors, various committees, individual directors, and senior executives; and assessing the independence of independent directors.

  In 2025, a total of one meeting were convened with an attendance rate among members reaching 100%.

2.3 Economic Performance

2.3.1 Economic Income and Distribution

Each year, during the fourth quarter, departments prepare their budgets for the forthcoming fiscal year. The Finance Department consolidates this data and generates pertinent reports, which are subsequently submitted to the Board of Directors for approval.

We maintain daily accounting records and prepare financial statements on an accrual basis, in compliance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS). In the event of substantial deviations or impacts arising from force majeure factors, the records and statements should be presented to the Board of Directors for discussion and the formulation of revised business objectives. After the finance supervisor has reviewed and finalized each quarterly financial statement, it is submitted to the accountant for examination (review) and certification. Subsequently, the statement is presented to the Audit Committee for deliberation before being forwarded to the Board of Directors for approval. Quarterly consolidated financial

reports, annual consolidated financial reports, and individual financial reports are accessible to the public on the Company's official website as well as on the Market Observation Post System.

(Unit: NT$ thousand)

Economic Value	Item/Subject	2023	2024	2025
Direct Economic Income	Net Operating Revenue	609,242	635,001	618,026
	Financial Investment Income	1,574	2,118	3,558
	Other Income	1,360	921	2,230
Direct Economic Value Generated		612,176	638,040	623,814
Economic Distribution	Operating Costs	343,548	366,213	355,134
	Employee Salaries and Benefits	87,134	102,738	101,578
	Payments to Investors	127,103	126,066	119,087
	Payments to Governments	30,494	34,607	34,337
	Community Investment	3,251	1,559	1,345
	Others	1,126	7,034	8,878
Economic Value Distributed		592,656	638,217	620,359
Economic Value Retained		19,520	(177)	3,455

Proportion of Financial Revenue from Government Sources

The Company's operating site in Taiwan region received tax reductions and credits amounting to NT$7,211 thousand, NT$8,244 thousand, and NT$9,826 thousand for 2025, 2024, and 2023, respectively. The aforementioned financial subsidies are utilized to support the Company's operations and initiatives related to sustainable development, representing a very low proportion of total revenue. This underscores the Company's significant operational independence, with its primary financial resources derived from its own funds.

2.4 Responsible Business Conduct

2.4.1 Business Integrity

Code of Integrity Management

The Company has developed the "Code of Ethical Conduct," "Fulfillment of Ethical Corporate Management," and "Work Rules" as policy guidelines to promote ethical business practices. These guidelines are established in accordance with the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies," the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies," as well as relevant regulations. The Company identifies potential adverse impacts on various stakeholders that may arise from its business relationships. For specific risks, we establish appropriate preventive measures and post-incident remediation systems. An independent oversight unit is designated to monitor follow-up actions and continuously refine the Company's commitment to responsible business conduct. This ensures that the Company meets the requirements and objectives of integrity-based operational standards. The pertinent rules are also available on the Company's official website.

The Company conducts training sessions focused on integrity management as needed and mandates that all employees sign labor contracts. In 2025, 100% of members within the governance body and 100% of employees demonstrated understanding of the Company's anti-corruption policies and procedures, effectively mitigating the risk of unethical behavior.

Whistleblowing/Grievance Mechanism

To mitigate the impact of any violations related to ethical business practices and professional conduct, PHET has established a complaint channel on its official website, enabling internal and external stakeholders to report any instances of illegal, unethical, or inappropriate behavior. (Corporate Website:https://www.pinghounion.com.tw/page/about/index.aspx?kind=75&lang=TW)

Reporting channels include a dedicated hotline and an email address for whistleblowing/grievance (sam.ph@pinghounion.com.tw). Reports are received by the Management Department, which then forwards them to the appropriate personnel for investigation of the reported issues and related evidence. If the whistleblowing case pertains to general employees, it should be submitted to their respective department heads. In cases where directors or senior executives are involved, reports should be directed to the independent directors. If it is confirmed that the accused has violated relevant laws or the Company's integrity management policies and regulations, they must be immediately instructed to cease such behavior, and appropriate actions should be taken. Furthermore, the relevant units of the Company should undertake a review of the associated internal control systems and operating procedures, subsequently proposing measures for improvement. The responsible unit of the Company should report the whistleblowing event, actions taken, and subsequent reviews and corrective measures taken to the Board of Directors.

In 2025, there were no reported violations of the "Code of Ethical Conduct" or the "Fulfillment of Ethical Corporate Management" among the Company's board members, management, or employees. Additionally, no reports were received through the whistleblowing/grievance mechanism.

Organizational Early Warning Management Countermeasures

Risk Item	Management Countermeasures
Business Cycle	Broaden our customer base across diverse industries to mitigate the impact of fluctuations in the economic conditions of any single industry.
Production Capacity Constraint	Establish a new subsidiary in Tainan to alleviate risks associated with production capacity limitations of the Company, enhance ammonia nitrogen wastewater recycling and reuse operations, and diversify business activities.
Effluent Standards	Daily effluent monitoring must comply with regulatory standards prior to the commencement of discharge operations.

2.4.2 Human Rights Policy

The Company respects human rights and fosters a harmonious labor environment as the foundation of sustainable business operations. We support and adhere to the principles set forth in international human rights conventions such as the Universal Declaration of Human Rights, the United Nations Global Compact, and the Declaration on Fundamental Principles and Rights at Work. We also comply with relevant labor laws and have established the "Human Rights Policy Management

Regulations" to safeguard employees' labor rights, including compliance with statutory working hours, remuneration and benefits in accordance with the law, and humane and non-discriminatory treatment.

The Administrative Department serves as the competent unit responsible for formulating the "Human Rights Policy Management Regulations," which are implemented upon approval by the Chairperson.

In 2025, the Company strengthened human rights-related advocacy and education training—including the Personal Data Protection Act and workplace sexual harassment prevention—totaling 41 hours.

2.4.3 Regulatory Compliance

Regulatory compliance is a material topic in the Company's operations, overseen directly by the President. We are dedicated to rigorously adhering to all pertinent environmental, social, governance, and economic regulations, ensuring that the Company's operations align with both legal and ethical standards.

In 2025, the Company maintained an excellent compliance record in both environmental protection and social responsibility, with no major violations. Regarding the violations that occurred within the governance and economic categories during the year, the Company has initiated project review and improvement procedures, and will take this as a lesson to continuously implement the highest standards of the compliance management system.

Other Regulatory Violation Statistics Over the Past Three Years

	2023	2024	2025
Number of Violations Resulting in Fines	6	0	1
Number of Violations Resulting in Warnings	0	0	0
Number of Violations of Voluntary Regulations	0	0	0
Total Number of Regulatory Violations	6	0	0

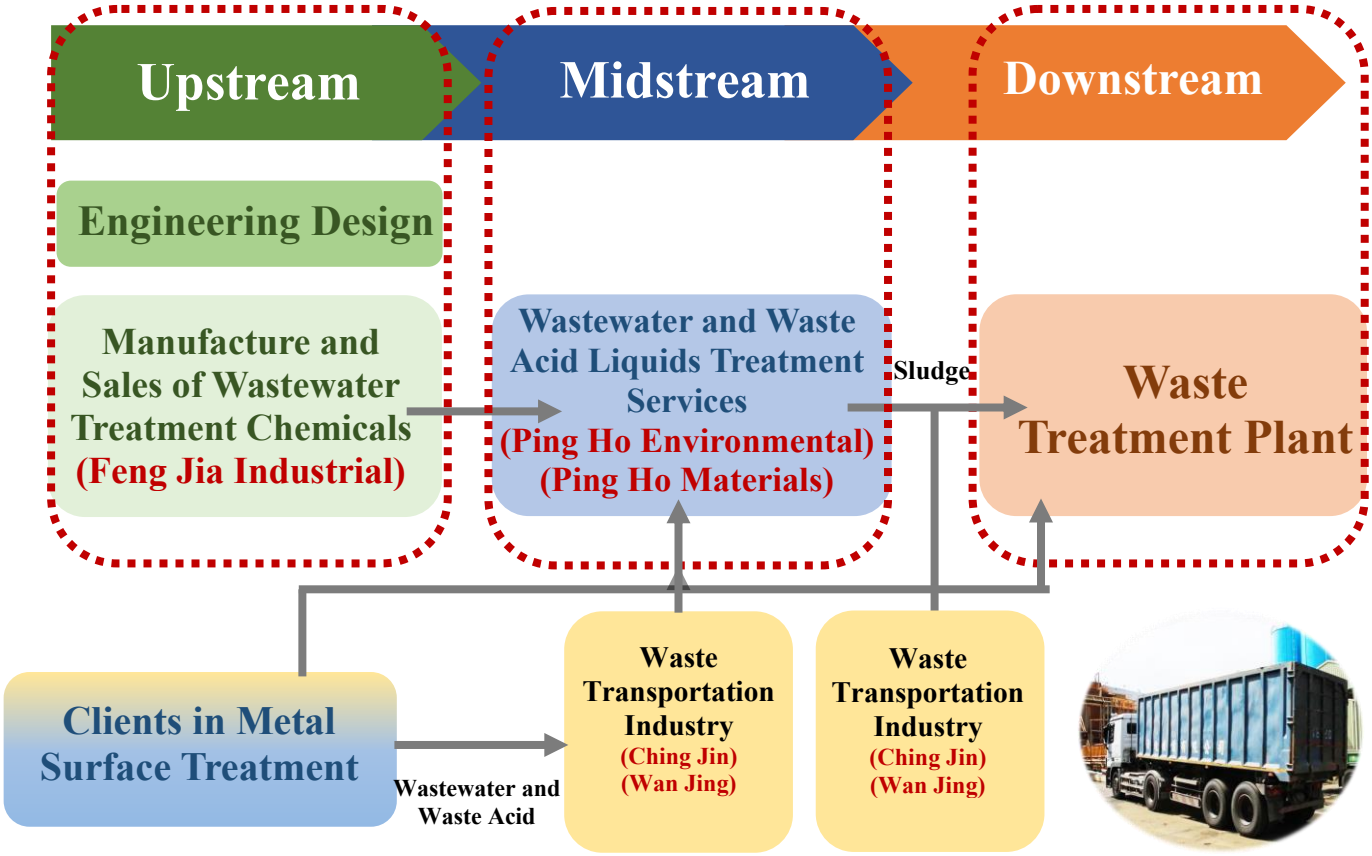
3 Product Services

3.1 Products and Services

3.1.1 Service Introduction

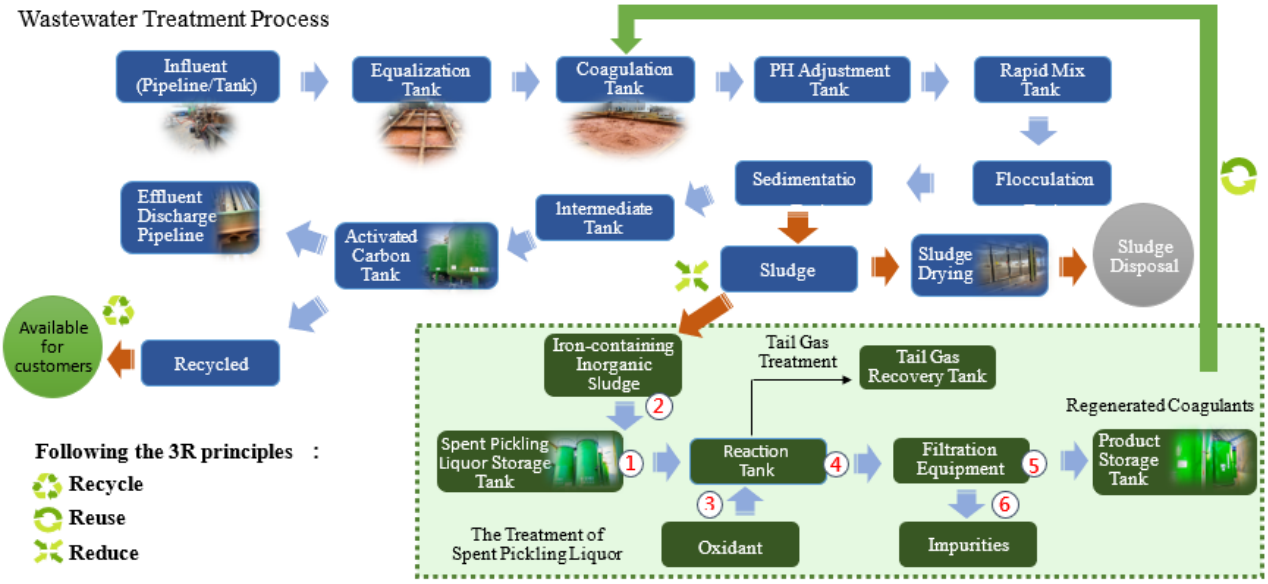
The Company primarily operates by transporting wastewater via tanker trucks or underground pipelines. It collects wastewater generated by manufacturers in industrial zones, containing general heavy metals, chromium series, nickel series, and ammonia nitrogen, and treats it to meet discharge standards through the application of chemicals or consumables, which induce physical and chemical reactions. In addition to providing core wastewater treatment services, the Company engages in purifying wastewater through delegated processing. Leveraging integration within the group's upstream and downstream operations and business specialization, it also sells wastewater treatment chemicals and consumables and offers waste removal and transportation services, providing clients with comprehensive one-stop solutions.

Services	Explanation
Wastewater Treatment	Wastewater treatment and acid waste recycling
Wastewater Treatment Chemicals and Consumables	Manufacturing and sales of wastewater treatment chemicals and consumables
Waste Transportation	Collection and transportation of waste such as sludge and spent activated carbon generated from wastewater, acid wastes, and wastewater treatment
Others	Undertaking the operation and maintenance tasks for wastewater treatment plants in industrial areas and others



3.1.2 Lifecycle Management

The Company Protection focuses on wastewater outsourcing treatment and environmental services as its core business. During operations, the company adopts the concept of life cycle management to systematically examine resource use and environmental impacts across all stages—from wastewater and raw material inputs, process treatment, and byproduct recycling to final disposal—and plans corresponding management practices to enhance resource use efficiency and reduce overall environmental loads. The related wastewater, waste acid treatment processes, and recycling mechanisms are illustrated in the figure.



Wastewater, Waste acid treatment processes, and Recycling

First, wastewater enters the equalization tank via pipelines or tank trucks, where thorough mixing stabilizes water quality conditions as a foundation for subsequent treatment. Following equalization, the wastewater flows into the coagulation tank, where coagulants are added to aggregate suspended particles, and enters the pH adjustment tank for acidity/alkalinity adjustment based on water characteristics. Subsequently, the wastewater sequentially enters the rapid-mix and slow-mix tanks to allow the coagulation reaction to proceed fully, thereby enhancing treatment efficiency.

Upon completion of the coagulation reaction, solid-liquid separation takes place in the sedimentation tank to form sludge; the settled water is temporarily stored in the intermediate tank and directed into the activated carbon tank for organic pollutant adsorption treatment, and finally discharged into municipal sewers or recycled according to water quality conditions. Part of the treated wastewater is recycled for reuse by clients, thereby reducing freshwater intake demand and enhancing overall water resource use efficiency.

Sludge Management and Resource Recovery Applications

Sludge generated during the wastewater treatment process is managed by Ping Ho Environmental Protection through classification based on its characteristics. After appropriate treatment, some inorganic sludge is reused in the wastewater treatment process as an auxiliary raw material, while

the remainder is dried, cleared, and subjected to final disposal in accordance with relevant regulations.

Ping Ho Environmental Protection continuously reviews the sources and treatment methods of sludge, reduces sludge generation through process optimization and chemical formulation adjustments, and enhances the feasibility of sludge resource recovery and utilization. This aims to reduce reliance on external disposal and minimize environmental impact.

Waste Acid Reuse and Circular Treatment Mechanism

In addition to wastewater and sludge management, Ping Ho Environmental Protection has also introduced a circular reuse mechanism for the spent pickling liquor generated during the process. After entering the reaction tank from the storage tank, the spent pickling liquor reacts with iron-containing inorganic sludge and oxidants produced during the wastewater treatment process, and impurities are separated through filtration equipment.

The treated spent pickling liquor can be converted into a recycled coagulant and reused in the wastewater treatment process as a source of chemicals for coagulation and sedimentation; the tail gas generated during the treatment process is controlled through recovery and treatment equipment to minimize environmental impact. Through this waste acid reuse mechanism, Ping Ho Environmental Protection reduces the demand for externally purchased chemical agents and decreases the final disposal volume of waste acid and sludge.

Integration of Life Cycle Management and 3R Principles

Integrating the aforementioned wastewater treatment, water recycling, sludge resource recovery, and waste acid reuse mechanisms, Ping Ho Environmental Protection implements the 3R principles within its life cycle management.

Recycle: Recycles treated wastewater for client reuse, thereby reducing freshwater intake demand.

Reuse: Converts spent pickling liquor and inorganic sludge into recycled coagulants for reuse in the wastewater treatment process.

Reduce: Decreases the external purchase volume of chemical agents and the demand for final waste disposal through process optimization and chemical reuse.

Through the integrated application of life cycle management and 3R principles, Ping Ho Environmental Protection transforms wastewater, waste acid, and sludge from "end-of-pipe treatment" into "recyclable resources", serving as an essential foundation for promoting resource circulation and sustainable operations.

3.2 Service Health and Safety

3.2.1 Service Quality Management and Risks

The Company operates in the wastewater treatment industry with strict adherence to the environmental regulations, including the "Kaohsiung City Gangshan Benzhou Industrial Park Sewerage Management Regulations," "Water Pollution Control Act," and "Waste Disposal Act." We conduct timely review of all reported operations to ensure they align with current regulatory requirements as laws and regulations evolve. We have implemented the ISO 9001:2005 Quality Management System to facilitate the processes of wastewater treatment and the recycling and reutilization of spent pickling liquor. This ensures that treated wastewater meets high-quality standards and adheres to relevant regulations. Through systematic information feedback and automated dosing mechanism, we monitor and control water quality, thereby enhancing processing technologies for both wastewater and spent pickling liquor. Additionally, we utilize a GPS system to monitor the removal process of wastewater and spent pickling liquor and mitigate the legal risks associated with engaging unscrupulous manufacturers.

Industrial wastewater that is discharged directly into marine or terrestrial environments without adequate treatment can significantly disrupt environmental and ecological balance. Furthermore, it has the potential to enter the human body through the food chain, thereby posing serious health risks.

3.2.2 Product Risk Assessment

Products and Services	Proportion in Revenue	Relevant Regulations
Wastewater Treatment	70.22%	1. Kaohsiung City Gangshan Benzhou Industrial Park Sewerage Management Regulations 2. Water Pollution Prevention Measures 3. Water Pollution Control Measures and Test Reporting Management Regulations 4. Waste Disposal Act 5. Regulations for the Management of Industrial Waste Recycling of the Ministry of Economic Affairs
Wastewater Treatment Chemicals and Consumables	8.84%	-
Waste Transportation	7.82%	Waste Disposal Act
Others	13.12%	Contract-Related Provisions

4 Supply Chain Management

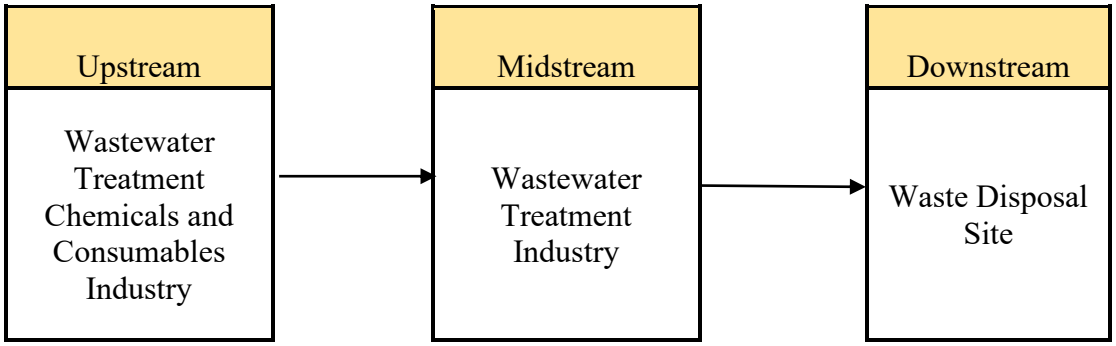
4.1 Industrial Supply Chain

4.1.1 Industry Overview

Based on information from the Ministry of Environment, wastewater can be classified by its source into enterprise wastewater, industrial park wastewater, livestock wastewater, and domestic sewage. Among these, industrial park wastewater and enterprise wastewater are most relevant to the core business of the Company. With respect to industrial park wastewater, all regulated industrial parks currently operate centralized wastewater treatment plants. These treatment plants are managed by the industrial zone service center, which examines the characteristics of each enterprise's wastewater and establishes specific water quality standards for discharge into the treatment plants. Each enterprise is mandated to treat its own wastewater in order to comply with established standards before discharging it into centralized wastewater treatment plants for centralized processing. Only after ensuring that their effluent complies with discharge standards can it be released into surface water bodies (as illustrated in the figure below). If enterprises located within the industrial park are unable to meet the required water quality standards through their own treatment plants or possess limited treatment capacity, they will engage wastewater treatment service providers to manage the treatment process.

In Taiwan, businesses related to wastewater treatment primarily include engineering and equipment manufacturing. These providers custom wastewater treatment equipment for customers, who may choose to operate this equipment independently or outsource the entire wastewater treatment process.

The value chain of the industry is illustrated below:



4.1.2 Supply Chain Structure

The wastewater treatment supply chain can be divided into three main segments: upstream, midstream, and downstream. Each segment has its specific suppliers and services, working together to ensure effective wastewater treatment.

In the upstream segment, suppliers primarily provide various materials and chemicals that are required for wastewater treatment. Chemical suppliers provide a range of substances, including alkalis, coagulants, and strong oxidants, which are essential to the wastewater treatment process. Additionally, suppliers of consumables provide filtration materials (such as activated carbon, sand filtration materials, and membrane filtration materials), pipes, and valves. These materials are used for filtering and transporting wastewater. Sensor and instrument suppliers offer equipment such as pH meters, flow meters, and turbidity meters for the monitoring and control of treatment processes. Equipment component suppliers provide a range of necessary parts for the wastewater treatment equipment, including pumps, motors, and control systems.

In the midstream segment, wastewater treatment companies are responsible for the collection, transportation, and specialized treatment of wastewater. They deliver collection and transportation services to facilitate the transfer of wastewater from generation sites to treatment facilities while operating specialized wastewater treatment plants, using biological, chemical, and physical treatment technologies to process wastewater in compliance with regulatory standards. These companies also provide technical support and training to ensure the efficient operation of the treatment process. Technical service providers deliver engineering design and construction services that facilitate the design and construction of wastewater treatment facilities, in addition to providing equipment maintenance and servicing to guarantee the smooth functioning of these facilities.

In the downstream segment, waste management companies are tasked with overseeing the treatment and final disposal of solid waste generated during this process. They handle sludge and other solid waste produced by wastewater treatment through various methods such as composting, incineration, and landfill. Furthermore, they engage in resource recovery efforts aimed at reclaiming and reusing valuable materials generated during treatment, including metals and organic substances. Professional removal and transportation companies provide services for the collection, transportation, and safe disposal of solid waste, ensuring that all waste is managed in accordance with regulatory standards.

These suppliers establish a complete supply chain for wastewater treatment, closely linking each stage from the supply of raw materials and chemicals to specialized wastewater treatment services, and the final removal and disposal of waste, ensuring that all processes are handled legally and effectively.

4.2 Supply Chain Management

4.2.1 Supply Chain Management Policy

Sustainable supply chain management practices integrate environmental protection and social contribution into the traditional supply chain while ensuring the economic viability of organizations. Both internal and external corporate practices are incorporated, enabling supply chains to achieve true sustainability across environmental, social, and economic dimensions. The scope of sustainable supply chain management practices extends from green procurement to product lifecycle management, encompassing the entire flow from suppliers through manufacturers to customers. This

approach strengthens relationships among partners by facilitating the movement of goods, information, and tangible sustainability initiatives.

The Company categorizes sustainable supply chain management into three primary pillars: sustainability standards, risk identification, and management mechanism. Risk identification tools are used to identify high-risk factors and supplier industries, subsequently employing various management mechanisms to improve supply chain management.

The Company has formulated the "Supplier Corporate Social Responsibility Measures," which aims to collaborate with suppliers in fostering balanced and sustainable economic, social, and environmental development. Suppliers are required to sign the "Supplier Corporate Social Responsibility Commitment" in order to optimize the supply chain and provide higher-quality services to customers.

The "Supplier Corporate Social Responsibility Measures" primarily address labor rights and human rights, worker health and safety, environmental protection, and standards for ethical business conduct. The relevant regulations are outlined as follows:

1. **Labor Rights and Human Rights:** Adhere to the "Labor Standards Act," including prohibitions on child labor, forced labor, discrimination, and respect for freedom of association.
2. **Worker Health and Safety:** Suppliers must comply with labor safety regulations ("Labor Standards Act," "Occupational Safety and Health Act") and establish relevant regulations.
3. **Environmental Protection:** Minimize or eliminate waste and pollutants, properly manage waste disposal, and reduce environmental impact.
4. **Ethical Business Conduct:** Adhere to principles of integrity in business operations, prohibit improper benefits and false advertising, and protect intellectual property rights.

5 Environmental Management

To deepen environmental governance and respond to material issues of concern to stakeholders, Ping Ho Environmental takes "wastewater treatment" and "resource circulation" as its core characteristics to systematically deploy an environmental management blueprint. Key dimensions—such as climate change response, raw material management, greenhouse gas emissions, water resource allocation, and waste management—are deeply rooted in short-, medium-, and long-term development goals, ensuring that environmental management aligns with corporate operational strategies to realize the sustainable vision of maximizing production efficiency and minimizing environmental impact.

The related goals are built upon three core pillars: institutional establishment, management process optimization, and management maturity enhancement. These are progressively promoted through phased targets to ensure a deep connection between environmental management and operational development direction.

PHET- Short-, Medium-, and Long-Term Environmental Management Goals

Timeline	Environmental Management Goals
Short-term Goal	Establish the "Sustainable Development Committee" to ensure regular meetings at least once a year and reporting to the Board of Directors. Complete initial risk identification for floods, droughts, and typhoons across all sites.
Medium-term Goal	Integrate climate risks into annual budget and capital expenditure planning. Promote the Environmental Sustainability Task Force to improve resource utilization rates and conduct transition assessments.
Long-term Goal	Achieve value chain member communication and risk management as planned by the Social Sustainability Task Force. Establish a climate-resilient operational strategy, fully integrating sustainable governance into compensation and performance appraisal systems.

Under the above environmental management goal framework, the company further aligns with the global net-zero trend to formulate a comprehensive climate strategy.

5.1 Climate Change Response

5.1.1 Climate Change Strategy

As the impacts of climate change on the industrial environment and regulatory changes intensify, climate risk management has become a core issue for sustainable corporate operations. Leveraging its business model centered on environmental services, wastewater treatment, and resource circulation, Ping Ho Environmental actively assesses the potential impacts of climate change on facility operations, energy allocation, and supply chain stability.

To systematically disclose management practices for climate-related risks and opportunities, Ping Ho Environmental references the framework of the Task Force on Climate-related Financial Disclosures (TCFD), detailing the company's response strategies and execution status regarding climate issues across the four core dimensions: Governance, Strategy, Risk Management, and Metrics and Targets. This phase of disclosure focuses on qualitative descriptions, aiming to demonstrate the company's determination to build a climate risk management system and serve as a transitional foundation for deepening quantitative data analysis and scenario simulations in the future.

Climate Change Management Strategy and Metrics & Targets

Aspects	Specific Initiatives
Governance	Ping Ho Environmental's senior management and relevant management units monitor the potential impacts of climate change on operations and environmental management, integrating climate-related risks and opportunities into overall operational management and risk assessment processes as a reference for operational decision-making and management.
Strategy	In response to extreme weather events, energy price fluctuations, and trends in environmental policy changes, Ping Ho Environmental continuously reviews the operation of wastewater treatment facilities, energy and resource use efficiency, greenhouse gas emission management, and waste and resource circulation practices. Through process optimization, equipment management, and service design, the company reduces potential operational and environmental impacts while seizing development opportunities arising from the growing demand for environmental services.
Risk Management	Ping Ho Environmental integrates climate change-related risks into its existing risk management mechanisms, covering physical risks, transition risks, and energy-related risks, and adopts corresponding management and response measures based on the nature of the risks to minimize potential impacts on operational stability.
Metrics and Targets	The company continuously tracks the management performance of all operational sites in aspects such as energy use, greenhouse gas emissions, water resource management, and waste management, gradually building a relevant management foundation to serve as an evaluation basis for subsequent energy conservation, emission reduction, water use efficiency improvement, and resource circulation enhancement. Related metrics and management practices will be continuously reviewed and adjusted based on operational conditions and regulatory requirements.

5.1.2 Climate-Related Risks and Opportunities

The company's identification of climate-related risks and opportunities references the classification framework recommended by the TCFD, combined with the company's operational model, service offerings, and existing risk management processes, serving as the foundation for current climate change management and information disclosure.

Climate-Related Risks/Opportunities		Description	Potential Financial Impact	Mitigation Measures
Physical Risks	Extreme weather impacting facility operations	Extreme weather events such as floods or heavy rainstorms causing facility damage, or severe droughts leading to supply chain disruptions	Increased operating costs	• Strengthen existing risk management mechanisms • Optimize resource efficiency and establish contingency measures
	Long-term climate altering supply and demand patterns	Long-term increases in average temperatures putting irreversible pressure on water resources and production factors	Decreased operational stability	• Regularly monitor long-term climate changes • Take preventive measures to enhance environmental resilience
Transition Risks	Regulatory and policy risks	Global implementation of greenhouse gas caps, carbon fee levies, and trends in renewable energy regulations	Increased operating costs	• Continuously track regulatory and policy trends • Invest in green energy equipment to improve use efficiency
	Market and demand shifts	Changes in consumer preferences for the environmental attributes of products, shifting toward low-carbon products	Increased R&D costs	• Continue R&D and innovation for low-carbon products • Increase the diversity of green products
Opportunities	Low-carbon economy leadership opportunities	Aligning with the net-zero emissions trend by developing low-carbon innovative services and plastic reduction technologies	Enhanced brand reputation and social impact	• Increase R&D budget and promote innovative services
	Resource efficiency and resilience enhancement	Building a resilient supply chain through resource allocation optimization and energy conservation	Operational cost optimization	• Establish qualitative and quantitative analysis models

In the future, the company will continue to monitor the development of climate-related policies and disclosure standards, gradually enhancing the maturity of its climate risk management and information disclosure.

5.2 Raw Material Management

5.2.1 Raw Material Management Policy

PHET sources all raw materials, supplies, and packaging materials from external suppliers. The primary raw materials include liquid caustic soda, coagulants, and various other materials. Due to the nature of the industry, all utilized raw materials are classified as non-renewable.

- Raw materials: These materials are directly linked to and used during the manufacturing process.
- Materials: These materials are used in certain manufacturing processes, primarily consumables.

5.2.2 Raw Material Usage

In 2025, PHET's total consumption of non-renewable raw materials for its products amounted to 9,896.58 metric tons. This year's usage of non-renewable raw materials experienced a slight decrease compared to 2024. This decrease is largely attributed to a drop in wastewater treatment volumes in 2025, which in turn decreased the demand for raw materials.

Raw Material Structure

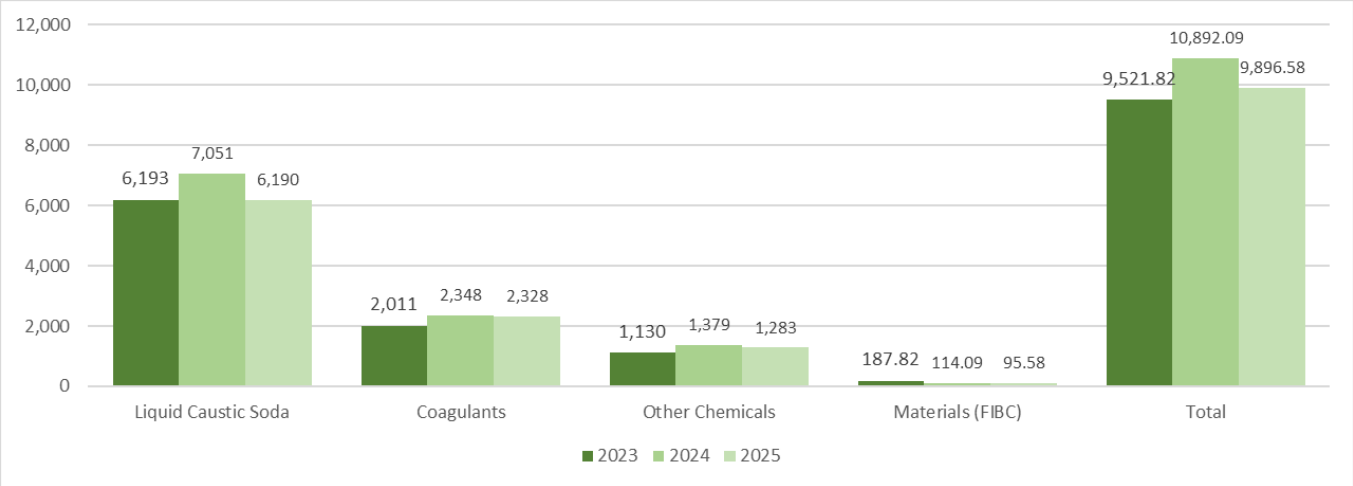
(Unit: metric ton)

Type	Non-Renewable Raw Materials		
	2023	2024	2025
Liquid Caustic Soda	6,193	7,051	6,190
Coagulants	2,011	2,348	2,328
Other Chemicals	1,130	1,379	1,283
Materials (FIBC)	187.82	114.09	95.58
Total	9,521.82	10,892.09	9,896.58

Note: The scope of raw material statistics is confined to PHET's plant.

Raw Material Usage Statistical Chart

(unit: metric ton)



5.3 Energy Governance

5.3.1 Energy Management

Energy shortage, global warming, and climate change are becoming increasingly severe challenges. As a result, energy management and transition have emerged as key priorities in international energy policy. The selection and consumption of energy are intricately linked to corporate costs, environment, and safety topics. Improving energy efficiency and reducing overall energy consumption will not only help lower expenses but also mitigate the impacts of climate change.

To effectively improve the Company's energy efficiency, the Manufacturing Department and the Management Department collaboratively oversee energy usage across all operating sites. This process involves identifying major energy sources at each site and formulating plans for energy conservation with short-, medium-, and long-term objectives. The Management Department conducts regular annual supervision of the implementation of these energy policies, making necessary adjustments to ensure that established energy-saving targets are achieved. Furthermore, the Company is committed to further promoting its energy conservation policy by organizing relevant promotional events and education and training programs aimed at enhancing employees' understanding of the concept of saving energy and reducing carbon emissions.

Energy Management Unit	Manufacturing Department	Energy User Unit
	Management Department	Data Collection and Analysis

Manufacturing Department: The Manufacturing Department is the department within the Company responsible for production activities, primarily focused on using energy resources for various manufacturing operations. The responsibilities of the Manufacturing Department include:

1. Monitoring and documenting energy consumption data, including but not limited to electricity, natural gas, and water usage.
2. Ensuring energy efficiency while adhering to relevant standards and regulations regarding energy utilization.
3. Regularly reporting energy consumption data to the Management Department for further analysis and management.

Management Department: The Management Department is tasked with overseeing internal energy management within the Company. Its primary responsibilities include:

1. Collecting energy consumption data from the Manufacturing Department and ensuring accuracy and completeness.
2. Conducting detailed analyses of the collected data and identifying trends and patterns in energy usage.
3. Determining potential for energy savings and areas for improvement based on analytical findings, while proposing specific measures and recommendations for energy conservation.
4. Preparing reports on energy usage to inform senior management about the status of energy management, along with corresponding policy recommendations.
5. Continuously monitoring and evaluating the effectiveness of energy-saving measures to ensure that conservation targets are met.

5.3.2 Energy Consumption

The total energy consumption of PHET for 2025 amounted to 17,422.19 gigajoules (GJ), with an energy intensity of 34.25 GJ per NT$ million. The majority of the Company's energy consumption was derived from purchased electricity, which accounted for approximately 98.25% of the total energy usage. The remaining energy sources comprised fossil fuels at 1.75%.

PHET Energy Consumption Analysis

(Unit: GJ)

Energy Consumption Items		Energy Consumption [note]			Percentage of Energy Consumption		
		2023	2024	2025	2023	2024	2025
Purchased Non-renewable Energy	Fossil Fuel (primarily derived from the chemical removal and transportation volume)	184.74	217.38	305.41	1.03%	1.14%	1.75%
	Purchased Electricity (primarily derived from wastewater treatment volume)	17,702.95	18,897.32	17,116.78	98.97%	98.86%	98.25%
Total Consumption of Non-renewable Energy		17,887.69	19,114.70	17,422.19	100.00%	100.00%	100.00%
Total Energy Consumption		17,887.69	19,114.70	17,422.19	Note: 1. Calorific values are based on data provided by the Energy Administration, Ministry of Economic Affairs. Energy consumption is calculated by multiplying energy usage by the unit calorific value and converting the result to gigajoules (GJ). Note: 2. The Company uses NT$ 1 million as the density denominator.		
Energy Intensity (GJ/NT$ 1 million)		34.46	36.87	34.25			

Note: Calorific values are derived from the most recent unit calorific value table for energy products, as published on the website of the Energy Administration, Ministry of Economic Affairs. Energy consumption is calculated by multiplying energy usage by the unit calorific value and converting the result to gigajoules (GJ).

Note: The scope of energy statistics is confined to PHET's plant.

5.3.3 Energy Conservation Measures

In 2025, an automated graphic control system was implemented for chromium-containing wastewater treatment, along with the installation of related energy-saving variable-frequency drives (VFDs) to improve energy efficiency and optimize both the quality and quantity of wastewater treatment. The total expenditure amounted to approximately NT$3.7 million.

5.4 Greenhouse Gas Emission Management

This section includes environmental data statistics pertaining to PHET parent company and its subsidiaries.

5.4.1 Greenhouse Gas Inventory

Greenhouse Gas Inventory Standard

PHET, Ping Ho Materials, and Feng Jia have been conducting annual greenhouse gas inventories in accordance with ISO 14064-1:2018 since 2023, with verification carried out by a third party. For the inventory conducted in 2024, the scope was expanded to include Ching Jin and Wan Jing.

Organizational Boundary and Reporting Boundary

PHET, Ping Ho Materials, Feng Jia, Ching Jin and Wan Jing use the operational control approach to delineate their organizational boundaries, including emission facilities located within their premises over which they exert operational control.

The organizational greenhouse gas inventory in 2025 includes the following greenhouse gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), and nitrogen trifluoride (NF3).

In terms of emission categories, PHET, Ping Ho Materials, Feng Jia, Ching Jin and Wan Jing apply materiality assessment criteria to ascertain whether emissions from Category 3 through Category 6 should be incorporated into the inventory. Materiality assessment criteria include five factors: occurrence frequency, control level, carbon reduction opportunities, activity data, and emission factor. If the total score of an emission source exceeds 14 points, it will be included in the inventory scope.

Following the materiality assessment, the 2025 greenhouse gas inventories for PHET, Ping Ho Materials, Feng Jia, Ching Jin and Wan Jing exclusively included Category 1 (direct greenhouse gas emissions) and Category 2 (energy indirect greenhouse gas emissions), while excluding emissions from Categories 3 to 6.

Emission Factor and Global Warming Potential

For the 2025 greenhouse gas inventories of PHET, Ping Ho Materials, Feng Jia, Ching Jin and Wan Jing, emission factors were prioritized based on measurement or mass balance methods. National emission factors were considered as a secondary priority. In cases where applicable emission factors are not available nationally, internationally published relevant factors are utilized. The Global Warming Potential (GWP) is referenced from the IPCC Sixth Assessment Report.

Greenhouse Gas Emissions

PHET's total Category 1 and Category 2 greenhouse gas emissions for 2025 amounted to 2,281.1530 metric tons of CO_2e. Category 1 emissions were recorded at 27.9570 metric tons of CO_2e, representing 1.23% of the total emissions; Category 2 emissions totaled 2,253.1960 metric tons of CO_2e, accounting for 98.77% of the overall emissions.

Ping Ho Materials' total Category 1 and Category 2 greenhouse gas emissions for 2025 amounted to 224.2080 metric tons of CO_2e. Category 1 emissions were recorded at 6.7790 metric tons of CO2e, representing 3.02% of the total emissions; Category 2 emissions totaled 217.4290 metric tons of CO2e, accounting for 96.98% of the overall emissions.

Feng Jia's total Category 1 and Category 2 greenhouse gas emissions for 2025 amounted to 102.0521 metric tons of CO_2e. Category 1 emissions were recorded at 71.2371 metric tons of CO2e, representing 69.80% of the total emissions; Category 2 emissions totaled 30.8150 metric tons of CO2e, accounting for 30.20% of the overall emissions.

Ching Jin's total greenhouse gas emissions for 2025 amounted to 320.2738 metric tons of CO_2e. Category 1 emissions were 320.2738 metric tons of CO2e, representing 100% of the total emissions.

Wan Jing's total greenhouse gas emissions for 2025 amounted to 138.2948 metric tons of CO_2e. Category 1 emissions were 138.2948 metric tons of CO2e, representing 100% of the total emissions.

	Emissions (Unit: tCO2e)								
	2023			2024			2025		
Year	Category 1	Category 2	Total	Category 1	Category 2	Total	Category 1	Category 2	Total
PHET	**26.5999**	**2,428.6843**	**2,455.2842**	**35.2230**	**2,592.5421**	**2,627.7651**	**27.9570**	**2,253.1960**	**2,281.1530**
Ping Ho Materials	**5.3997**	**21.8277**	**27.2274**	**5.7056**	**190.7067**	**196.4123**	**6.7790**	**217.4290**	**224.2080**
Feng Jia	**65.4038**	**29.8094**	**95.2132**	**71.3160**	**31.2636**	**102.5796**	**71.2371**	**30.8150**	**102.0521**
Ching Jin	-	-	-	**298.5939**	-	**298.5939**	**320.2738**	-	**320.2738**
Wan Jing	-	-	-	**104.8813**	-	**104.8813**	**138.2948**	-	**138.2948**

	Percentage of emissions (%)								
	2023			2024			2025		
Year	Category 1	Category 2	Total	Category 1	Category 2	Total	Category 1	Category 2	Total
PHET	**1.08%**	**98.92%**	**100%**	**1.34%**	**98.66%**	**100%**	**1.23%**	**98.77%**	**100%**
Ping Ho Materials	**19.83%**	**80.17%**	**100%**	**2.90%**	**97.10%**	**100%**	**3.02%**	**96.98%**	**100%**
Feng Jia	**68.69%**	**31.31%**	**100%**	**69.52%**	**30.48%**	**100%**	**69.80%**	**30.20%**	**100%**
Ching Jin	-	-	-	**100%**	-	**100%**	**100%**	-	**100%**
Wan Jing	-	-	-	**100%**	-	**100%**	**100%**	-	**100%**

Greenhouse Gas Emissions and Intensity

PHET calculates greenhouse gas emission intensity based on annual NT$1 million revenue. The intensity serves as an indicator of the Company's performance in reducing greenhouse gas emissions, expressed in terms of metric tons. In 2025, the Company reported a greenhouse gas emission intensity of 4.4839 (tCO_2e/NT$1 million).

- **PHET Greenhouse Gas Emission Analysis**

Year Category	2023 Value	2024 Value	2025 Value	Unit
Category 1 Emissions	26.5999	35.2230	27.9570	(tCO_2e/year)
Category 2 Emissions	2,428.6843	2,592.5421	2,253.1960	(tCO_2e/year)
Total Greenhouse Gas Emissions	2,455.2842	2,627.7651	2,281.1530	(tCO_2e/year)
Greenhouse Gas Emission Intensity (metric tons CO2e/NT$1 million)	4.7300	5.0690	4.4839	(tCO_2e/NT$1 million)

Note: The operating revenue corresponds to the scope of greenhouse gas disclosures for PHET, based on individual financial data.

- **Greenhouse Gas Emission Analysis for PHET Parent Company and Its Subsidiaries**

Year Category	2023 Value	2024 Value	2025 Value	Unit
Category 1 Emissions	97.4034	515.7198	564.5417	(tCO_2e/year)
Category 2 Emissions	2,480.3214	2,814.5124	2,501.4400	(tCO_2e/year)
Total Greenhouse Gas Emissions	2,577.7248	3,330.2322	3,065.9817	(tCO_2e/year)
Greenhouse Gas Emission Intensity (metric tons CO2e/NT$1 million)	4.2310	5.2445	4.9609	(tCO_2e/NT$1 million)

Note: The operating revenue corresponds to the scope of greenhouse gas disclosures for PHET parent company and its subsidiaries, based on consolidated financial data.

5.4.2 Greenhouse Gas Emission Reduction

The subsidiary, Feng Jia, contracted out the construction of its self-owned solar power generation systems in 2025. The initial capacity is anticipated to be approximately 440 kW. This initiative aims to increase the utilization of green electricity and reduce carbon emissions through concrete actions to reduce greenhouse gas emissions.

5.4.3 Other Air Pollutant Emissions

The Company is not subject to the requirements of reporting air pollutants under the "Air Pollution Control Act" and therefore has no air pollutant emission records.

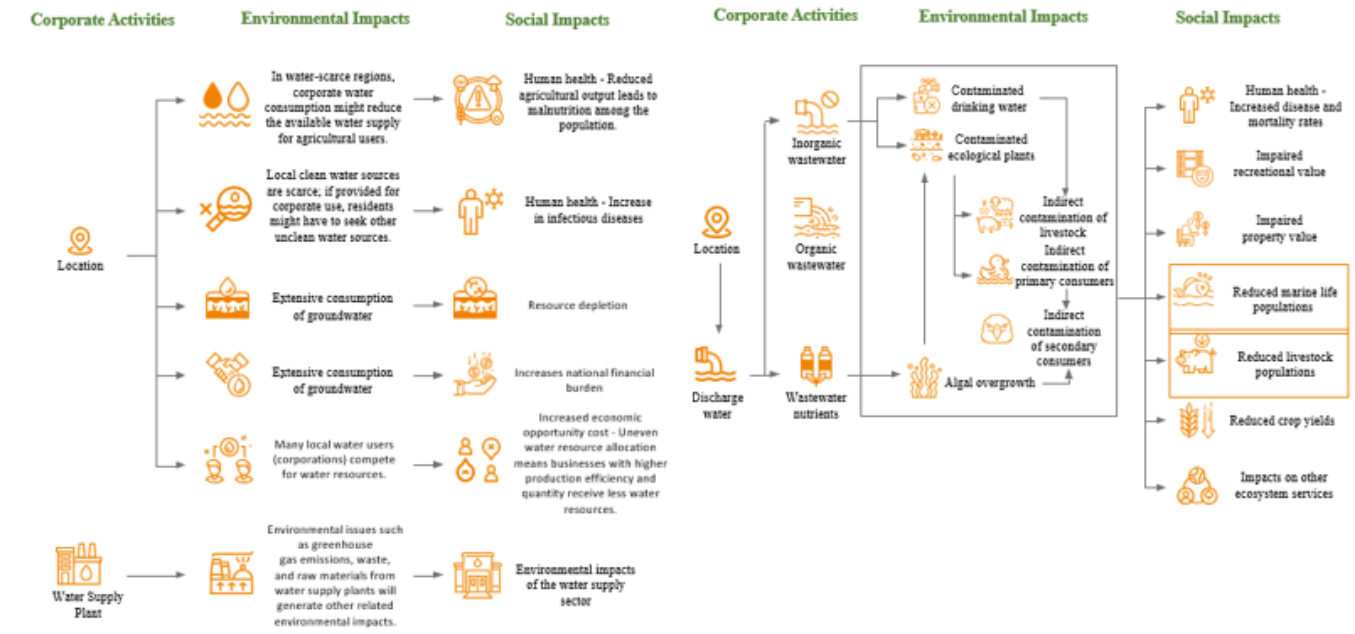
5.5 Water Source Control

5.5.1 Water Resource Impact Assessment

Preface

The climate in Taiwan region has been affected by global changes, leading to alterations in its existing rainfall patterns and resulting in a highly uneven temporal and spatial distribution of precipitation. Compounded by the island's steep topography, much of the rainfall rapidly runs off into the sea, frequently causing regional water shortages and complicating the utilization of water

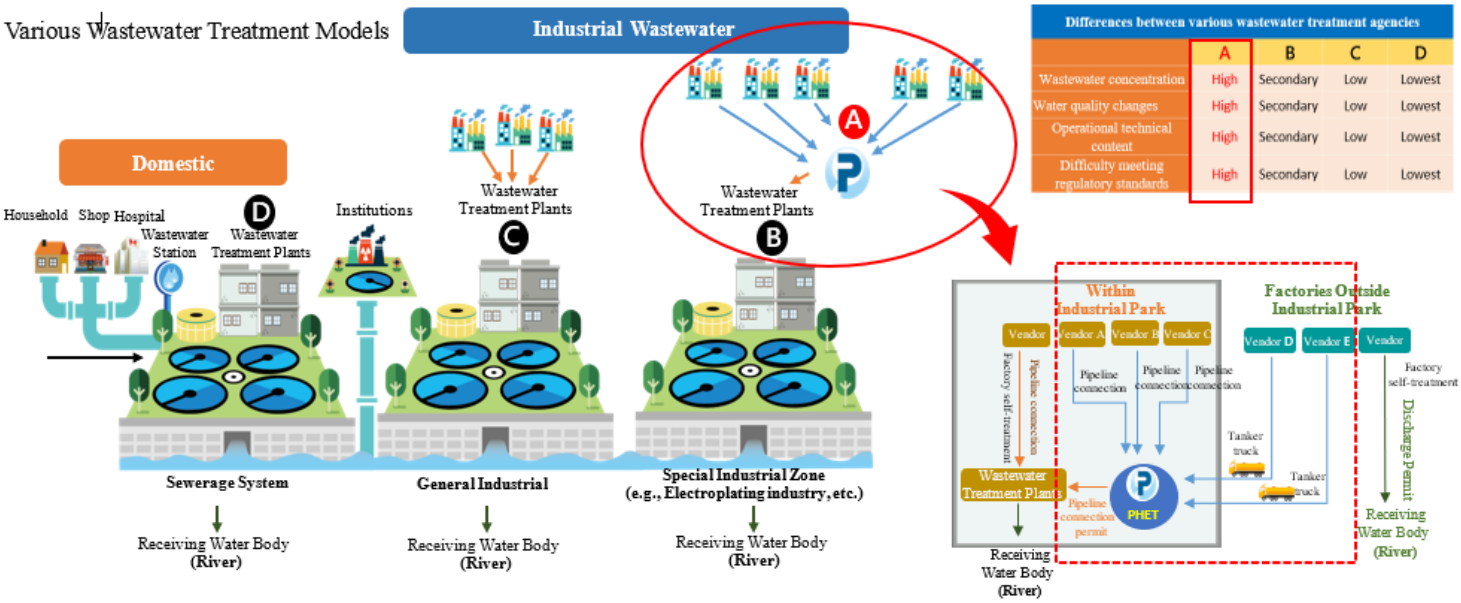
resources. According to assessments conducted by the International Water Association (IWA), Taiwan's annual average rainfall has decreased by 0.9% per year as a consequence of climate change, with drought cycles shortening from 17 years to approximately 9-10 years. Projections suggest that by 2025, while rainfall during wet seasons is expected to increase, dry season precipitation will decrease by 5-10%. This clearly indicates that the Taiwan region will continue to face challenges in ensuring a stable water supply over the next three decades.



Water Resource Relationship Diagram

PHET conducts regular assessment and review of the impacts on water resources and discharge-related effects to establish targets for water resource improvement.

- **Water Resource Relationship Diagram**





Water Resource Impact Assessment Method

The Company uses the Water Risk Atlas of the World Resources Institute (WRI) as a reference to identify water resource pressures and risk levels at each operating site. Additionally, drawing on PwC's environmental impact pathway report, we assess each site's water source origins, discharge destinations, and the quality of both raw water and wastewater. This enables us to map the water resource context for each site, evaluating impacts on the surrounding environment and society, along with their severity.

Effluent Water Quality Standards

The Company establishes effluent water quality standards in accordance with local regulations. All wastewater processed on behalf of other parties undergoes proper internal treatment before being discharged in compliance with relevant requirements.

Site	Region	Water Quality Standards	Regulatory Minimum Standards	PHET Water Quality Standards	Water Quality Testing Results
PHET Plant - General	Gangshan District, Kaohsiung	pH	5-9.5 mg/l	5-9.5 mg/l	All water quality testing conducted by the Company is in full compliance with local regulatory standards, and all associated charges adhere to legal requirements.
		Suspended Solids (SS)	330 mg/l	330 mg/l	
		Chemical Oxygen Demand (COD)	710 mg/l	710 mg/l	
		Dissolved Iron	10 mg/l	10 mg/l	
		Zinc	5 mg/l	5 mg/l	
		Nickel	0.9 mg/l	0.9 mg/l	
		Ammonia Nitrogen	150 mg/l	150 mg/l	
		Boron	5 mg/l	5 mg/l	
PHET Plant - Dedicated Pipeline	Gangshan District, Kaohsiung	pH	>5 mg/l	>5 mg/l	
		Suspended Solids (SS)	330 mg/l	330 mg/l	
		Chemical Oxygen Demand (COD)	710 mg/l	710 mg/l	
		Dissolved Iron	10 mg/l	10 mg/l	
		Zinc	60 mg/l	60 mg/l	
		Nickel	0.9 mg/l	0.9 mg/l	
		Ammonia Nitrogen	1500 mg/l	1500 mg/l	
		Molybdenum	8 mg/l	8 mg/l	
		Boron	5 mg/l	5 mg/l	

5.5.2 Water Withdrawal, Discharge, and Consumption

In 2025, PHET's total water withdrawal was 509.80 thousand cubic meters (million liters), total discharge was 497.63 thousand cubic meters (million liters), and total water consumption was 12.17 thousand cubic meters (million liters).

- **Water Withdrawal**

(unit: thousand cubic meters (million liters))

Categories of Water Withdrawal Source	Water Quality Standards	Water Withdrawal					
		2023		2024		2025	
		All Regions	Water-Stressed Regions	All Regions	Water-Stressed Regions	All Regions	Water-Stressed Regions
Third-Party Water	Freshwater	1.73	0.00	1.94	0.00	1.88	0.00
	Other Water	522.15	0.00	543.82	0.00	507.92	0.00
Total Water Withdrawal		523.88	0.00	545.76	0.00	509.80	0.00

The Company's primary operations are situated in Taiwan, a region that is not categorized as water-stressed according to the definition provided by the World Resources Institute.

- **Water Discharge**

(unit: thousand cubic meters (million liters))

Categories of Discharge Endpoint	Water Quality Standards	Water Discharge					
		2023		2024		2025	
		All Regions	Water-Stressed Regions	All Regions	Water-Stressed Regions	All Regions	Water-Stressed Regions
Third-Party Water	Freshwater	0.00	0.00	0.00	0.00	0.00	0.00
	Other Water	458.37	0.00	520.52	0.00	482.51	0.00
	Piped Back to Customers	20.85	0.00	18.15	0.00	15.12	0.00
Total Water Discharge		479.22	0.00	538.67	0.00	497.63	0.00

- **Water Consumption**

(unit: thousand cubic meters (million liters))

Items	2023		2024		2025	
	All Regions	Water-Stressed Regions	All Regions	Water-Stressed Regions	All Regions	Water-Stressed Regions
Total Water Withdrawal	523.88	0.00	545.76	0.00	509.80	0.00
Total Water Discharge	479.22	0.00	538.67	0.00	497.63	0.00
Total Water Consumption	44.66	0.00	7.09	0.00	12.17	0.00

- **Reclaimed Water**

(unit: metric ton)

	2023	2024	2025
Internal Use	121	11	160
Customer Use	20,847	18,153	15,117
Total Reclaimed Water	20,968	18,164	15,277

5.6 Waste Regulation

5.6.1 Waste Impact Assessment

Preface

The Company consults both domestic and international environmental impact reports, taking into account each stage of the product lifecycle, including raw material extraction, manufacturing, sales and distribution, product use, and waste disposal. We identify the waste generated by our operational activities within our organization as well as throughout the upstream and downstream value chain. By assessing the potential environmental and social impacts of the waste, we effectively map the Company's value chain in relation to its waste impact context.

Waste Impact Assessment

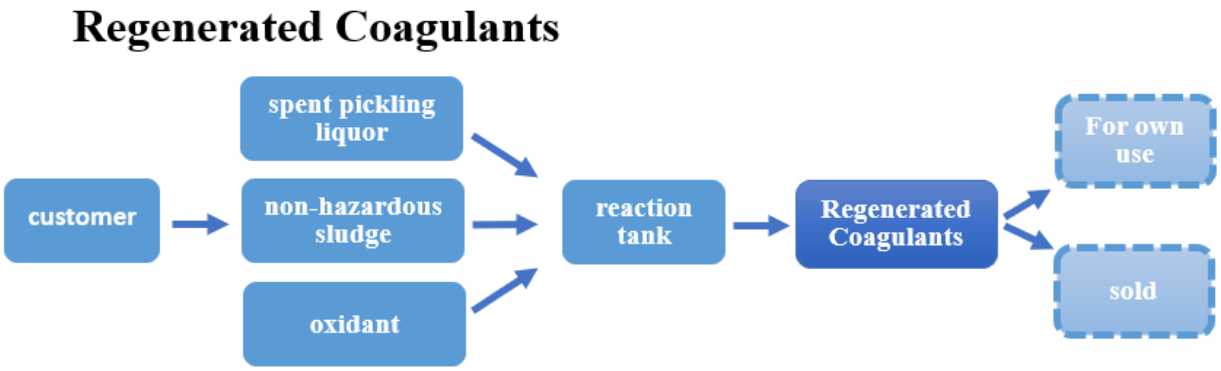
The waste produced by the Company encompasses both hazardous and non-hazardous industrial waste, with sludge and spent activated carbon representing the majority. We have implemented specific management measures tailored to address the potential impacts associated with each type of waste. The waste management unit conducts regular monitoring and evaluation to assess the effectiveness of these measures in mitigating or preventing negative effects on internal organizational operations as well as on the external environment.

Category	Hazardous industrial waste	Non-hazardous industrial waste	Non-hazardous industrial waste
Type	Process-generated hazardous industrial waste	General industrial waste	Announced recyclable or reusable waste
Treatment Methods	Collected and transported by specialized vendors to professional treatment facilities for solidification.	Collected and transported by specialized vendors to professional treatment facilities for thermal treatment and stabilization. Additionally, 1.55% of general industrial waste is subjected to chemical treatment conducted by the Company.	Transported by specialized vendors to professional treatment facilities for thermal treatment.
Chemical Treatment (%)	-	1.55%	-
Landfilling (%)	100%	-	-
Thermal Treatment (%)	-	32.96%	100%
Stabilization Treatment (%)	-	65.49%	-
Other Methods (%)	-	-	-

The process flow for the chemical treatment of general industrial waste conducted by the Company is outlined as follows:

The spent pickling liquor is a waste product generated by the metal surface treatment industry, where concentrated hydrochloric acid is used to clean metal surfaces and remove rust from iron surfaces. As a result, the waste liquid contains iron ions. In wastewater treatment plants, during the coagulation and sedimentation process, iron salt or aluminum salt coagulants are added, resulting in sludge containing iron or aluminum hydroxide after sedimentation. Additionally, an oxidizing agent

is added to oxidize the organic substances in the sludge. The sludge, spent pickling liquor, and oxidant are then mixed to produce a regenerated coagulant. Furthermore, this regenerated coagulant can be utilized in the wastewater treatment process as a chemical agent for sludge coagulation and precipitation.



5.6.2 Waste Management Policy

Waste Management Unit

The Company has established a dedicated unit responsible for the management, disposal, and reporting of industrial waste generated from its operations. This unit is tasked with preparing and submitting industrial waste disposal plans in accordance with local regulations, including "Kaohsiung City Gangshan Benzhou Industrial Park Sewerage Management Regulations," "Water Pollution Prevention Measures," "Water Pollution Control Measures and Test Reporting Management Regulations," "Waste Disposal Act" and "Regulations for the Management of Industrial Waste Recycling of the Ministry of Economic Affairs." All methods of waste disposal are carried out in strict compliance with these local regulations.

Responsible Units for Environmental Waste Management at PHET:

- Waste Classification: Manufacturing Department
- Waste Storage: Manufacturing Department
- Waste Data Collection: Technology Department
- Waste Reporting: Technology Department
- Waste Disposal - Self-Handling: Manufacturing Department
- Waste Disposal - Outsourced Handling: Management Department

Waste Disposal Methods - The Company manages a portion of its waste internally while outsourcing the remainder, ensuring that there is no waste diverted from disposal.

The Company records various types of waste and their quantities, tracking the flow of waste through its management system. To optimize the utilization of waste resources, the Company processes certain inorganic sludge in-house using proprietary technology. However, other types of waste, such as spent activated carbon, cannot be treated internally due to technical or regulatory requirements. Consequently, these materials are collected, transported and disposed of by qualified contractors. For outsourced waste disposal, it is essential to verify the consistency of the measured quantity

(weight) within the facility against the triplicate waste collection form issued by the external waste collection and transportation contractors. Through regular audits, we ensure that contractors manage industrial waste in compliance with the Company's standards.

5.6.3 Waste Collection, Transportation and Disposal

Overview of Amount of Waste Generated and Disposal Methods

The total amount of waste collected and transported by the Company in 2025 (amount directed to disposal) was 7,678.26 metric tons. Of this total, hazardous industrial waste constituted 644.94 metric tons, representing 8.40%, while non-hazardous industrial waste accounted for 7,033.32 metric tons, or 91.60%.

In addition to our commitment to reducing waste generation at its source, PHET is dedicated to maximizing the resource value of existing waste. In compliance with local regulations and leveraging currently available technologies, the Company prioritizes recycling methods to ensure that waste resources are utilized as effectively as possible.

Summary of Amount of Directly Disposed, Self-Processed, and Generated Industrial Waste

(aggregated across PHET sites; unit: metric tons)

Year	Item (note)	Explanation	Generated Amount	Self-Processed Amount	Waste Directly Disposed
2023	Hazardous industrial waste	Hazardous sludge	485.88	0.00	485.88
	Non-hazardous industrial waste	Non-hazardous sludge	5,786.45	109.00	5,677.45
		Spent activated carbon	361.52	0.00	361.52
	Total amount		6,633.85	109.00	6,524.85
2024	Hazardous industrial waste	Hazardous sludge	622.23	0.00	622.23
	Non-hazardous industrial waste	Non-hazardous sludge	6,817.21	124.80	6,692.41
		Spent activated carbon	210.65	0.00	210.65
	Total amount		7,650.09	124.80	7,525.29
2025	Hazardous industrial waste	Hazardous sludge	644.94	0.00	644.94
	Non-hazardous industrial waste	Non-hazardous sludge	6,939.06	107.68	6,831.38
		Spent activated carbon	201.94	0.00	201.94
	Total amount		7,785.94	107.68	7,678.26

Note: The classification of waste into hazardous and non-hazardous is governed by local regulations applicable to each site.

Note:The amount designated for direct disposal is managed by specialized vendors specializing in collection, transportation and disposal.

Explanation of Self-Disposal Methods for Industrial Waste

The Company's self-disposal methods for non-hazardous sludge involve chemical treatment, with the resulting material utilized as a raw material in the production of regenerated coagulants.

Self-Processed Waste

(aggregated across PHET sites; unit: metric tons)

Items	Self-Processing Methods	2023			2024			2025		
		On-site	Off-site	Subtotal	On-site	Off-site	Subtotal	On-site	Off-site	Subtotal
Non-hazardous industrial waste	Used as raw materials	109.00	0.00	109.00	124.80	0.00	124.80	107.68	0.00	107.68

Explanation of Direct Disposal of Industrial Waste

In addition to the previously mentioned waste types, both hazardous and non-hazardous industrial waste are entrusted to specialized vendors for collection, transportation and disposal. The methods employed for disposal are outlined below.

Waste Directly Disposed of Through Disposal Operations

(aggregated across PHET sites; unit: metric tons)

Items		Direct Disposal Methods	2023			2024			2025		
			On-site	Off-site	Subtotal	On-site	Off-site	Subtotal	On-site	Off-site	Subtotal
Hazardous industrial waste	Hazardous sludge	Solidification	0.00	485.88	485.88	0.00	622.23	622.23	0.00	644.94	644.94
		Total amount	0.00	485.88	485.88	0.00	622.23	622.23	0.00	644.94	644.94
Non-hazardous industrial waste	Non-hazardous sludge	Landfilling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Thermal treatment	0.00	5,462.95	5,462.95	0.00	4,772.75	4772.75	0.00	2,341.31	2,341.31
		Stabilization treatment	0.00	214.50	214.50	0.00	1,919.66	1,919.66	0.00	4,490.07	4,490.07
		Physical treatment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Spent activated carbon	Thermal treatment	0.00	361.52	361.52	0.00	210.65	210.65	0.00	201.94	201.94
	Total amount		0.00	6,038.97	6,038.97	0.00	6,903.06	6,903.06	0.00	7,033.32	7,033.32

6 Workplace Management

6.1 Human Capital

6.1.1 Human Resource Management

PHET considers its employees to be the Company's most valuable asset. Accordingly, in alignment with labor laws and regulations applicable in the regions where we operate, we have established operating procedures, reward mechanisms, and work regulations for human resource management. We conduct regular reviews of the latest legal requirements to ensure the protection of our employees' fundamental labor rights. The Company strictly prohibits child labor, discrimination, workplace sexual harassment, and forced labor. We have implemented independent grievance channels to provide our employees with a safe, equitable, and supportive working environment.

The Company places a strong emphasis on academic qualifications, professional skills, integrity, and enthusiasm during the hiring process. We are also committed to legally employing individuals with disabilities to protect their workplace rights. Employees at the same level (capability) receive uniform benefits, salary structures, and training programs, ensuring the absence of discrimination based on gender, age, nationality, or other factors. Annual performance evaluations are conducted to assess employee retention, promotion, salary adjustment, and bonus distribution.

6.1.2 Talent Recruitment

Year-End Employee Composition

As of the end of 2025, PHET employed a total workforce of 67 individuals, consisting of 67 regular employees. By employment type, this included 67 full-time employees, 0 part-time employees, and 0 employee without guaranteed hours. There have been no significant changes in staffing levels over the past three years , and all employees are located in the Taiwan region.

2025 Year-End Employee Structure

(unit: person)

Taiwan region	Gender	2023	2024	2025
All Employees	Male	55	58	54
	Female	15	14	13
	Others	0	0	0
Total Number of Employees		70	72	67
Regular Employee	Male	54	56	54
	Female	15	14	13
	Others	0	0	0
Number of Regular Employees		69	70	67
Temporary Employee	Male	1	2	0
	Female	0	0	0
	Others	0	0	0
Number of Temporary Employees		1	2	0
Full-Time Employee	Male	54	57	54
	Female	15	14	13
	Others	0	0	0
Number of Full-time Employees		69	71	67
Part-Time Employee	Male	1	1	0
	Female	0	0	0
	Others	0	0	0
Number of Part-Time Employees		1	1	0
Non-guaranteed Hours Employee	Male	0	0	0
	Female	0	0	0
	Others	0	0	0
Number of Non-guaranteed Hours Employees		0	0	0

Definition:

- Regular employee: An employee who holds an indefinite-term employment contract (open-ended contract).
- Temporary employee: An employee who is engaged under a fixed-term employment contract (fixed-term contract).
- Full-time employee: An employee whose weekly working hours fulfill the local legal criteria for full-time status.
- Part-time employee: An employee whose weekly working hours do not meet the local legal criteria for full-time status.
- Non-guaranteed hours employee: An employee with irregular weekly working hours, such as on-call employees.

Number of Employees in the Past Three Years

(unit: person)

Year	2023	2024	2025
Number of Male Employees	55	58	54
Number of Female Employees	15	14	13
Number of Other Employees	0	0	0
Total Number of Employees	70	72	67

Employee Diversity

The gender distribution of the Company's workforce is comprised of 81% male and 19% female employees, with individuals aged 30 to 50 representing 57% of the total employees. In alignment with our commitment to diversity and equality, we have legally employed 1 individual with disabilities and 11 foreign nationals.

To promote a diverse workforce, we actively seek global talent, resulting in employees from two different nationalities. Non-local employees constitute approximately 16% of our overall workforce. When recruiting non-national and overseas employees, the Company adheres to relevant domestic and international regulations and conducts thorough assessments of potential risks, including immigration and visa regulations, while providing assistance in effectively managing work-related regulations and rights such as visas, work permits, and relocation. Additionally, we collaborate with local organizational units to furnish information regarding local living conditions. This approach facilitates a smooth adaptation process for employees to the environment and ensures a perfect workplace. Moreover, the majority of our senior management positions are occupied by local employees; this year, 100% of our senior executives are residents of the locality.

Disclosure of All Diversity Indicators

Total Number of Employees by Function and Diversity Indicators at Year-End 2025

(unit: person)

Year	Function	Management Department	Technology Department	Manufacturing Department	Total
2023	Total Number of Employees by Function	18	11	41	70
	Percentage of Total Employees by Function (%)	25.71%	15.71%	58.58%	100%
2024	Total Number of Employees by Function	17	12	43	72
	Percentage of Total Employees by Function (%)	23.61%	16.67%	59.72%	100%
2025	Total Number of Employees by Function	14	12	41	67
	Percentage of Total Employees by Function (%)	20.90%	17.91%	61.19%	100%

Year	Diversity Indicators		Management Department	Technology Department	Manufacturing Department	Total
2023	Gender	Male	7	8	40	55
		Female	11	3	1	15
		Others	0	0	0	0
	Age	Under 29 years old	0	1	12	13
		30-50 years old	15	10	26	51
		≧ 51 years old	3	0	3	6
	Indigenous people		0	0	0	0
	Foreign employees		0	0	9	9
	Persons with disabilities		1	0	0	1
	Academic background	Master's degree or higher	3	5	2	10
		Bachelor's degree	7	4	15	26
		Associate degree	3	2	1	6
		High school or below	5	0	23	28
2024	Gender	Male	7	10	41	58
		Female	10	2	2	14
		Others	0	0	0	0
	Age	Under 29 years old	1	4	14	19
		30-50 years old	9	8	26	43
		≧ 51 years old	7	0	3	10
	Indigenous people		0	0	0	0
	Foreign employees		0	0	11	11
	Persons with disabilities		1	0	0	1
	Academic background	Master's degree or higher	2	5	0	7
		Bachelor's degree	8	4	11	23
		Associate degree	2	2	2	6
		High school or below	5	1	30	36
2025	Gender	Male	5	10	39	54
		Female	9	2	2	13

Year	Diversity Indicators		Management Department	Technology Department	Manufacturing Department	Total
		Others	0	0	0	0
	Age	Under 29 years old	0	4	13	17
		30-50 years old	8	8	25	41
		≧ 51 years old	6	0	3	9
	Indigenous people		0	0	0	0
	Foreign employees		0	0	11	11
	Persons with disabilities		1	0	0	1
	Academic background	Master's degree or higher	2	5	0	7
		Bachelor's degree	7	4	10	21
		Associate degree	1	2	2	5
		High school or below	4	1	29	34

Percentage of Employees by Function and Diversity Indicators at Year-End 2025

(unit:%)

Year	Diversity Indicators		Management Department	Technology Department	Manufacturing Department
2023	Gender	Male	38.89%	72.73%	97.56%
		Female	61.11%	27.27%	2.44%
		Others	0.00%	0.00%	0.00%
	Age	Under 29 years old	0.00%	9.09%	29.27%
		30-50 years old	83.33%	90.91%	63.41%
		≧ 51 years old	16.67%	0.00%	7.32%
	Indigenous people		0.00%	0.00%	0.00%
	Foreign employees		0.00%	0.00%	21.95%
	Persons with disabilities		5.56%	0.00%	0.00%
	Academic background	Master's degree or higher	16.67%	45.46%	4.88%
		Bachelor's degree	38.89%	36.36%	36.58%
		Associate degree	16.67%	18.18%	2.44%
		High school or below	27.77%	0.00%	56.10%
2024	Gender	Male	41.18%	83.33%	95.35%
		Female	58.82%	16.67%	4.65%
		Others	0.00%	0.00%	0.00%
	Age	Under 29 years old	5.88%	33.33%	32.56%
		30-50 years old	52.94%	66.67%	60.47%
		≧ 51 years old	41.18%	0.00%	6.97%
	Indigenous people		0.00%	0.00%	0.00%
	Foreign employees		0.00%	0.00%	25.58%
	Persons with disabilities		5.88%	0.00%	0.00%
	Academic background	Master's degree or higher	11.76%	41.67%	0.00%
		Bachelor's degree	47.06%	33.33%	25.58%
		Associate degree	11.76%	16.67%	4.65%
		High school or below	29.42%	8.33%	69.77%
2025	Gender	Male	35.71%	83.33%	95.12%
		Female	64.29%	16.67%	4.88%

Year	Diversity Indicators		Management Department	Technology Department	Manufacturing Department
		Others	0.00%	0.00%	0.00%
	Age	Under 29 years old	0.00%	33.33%	31.71%
		30-50 years old	57.14%	66.67%	60.98%
		≧ 51 years old	42.86%	0.00%	7.31%
	Indigenous people		0.00%	0.00%	0.00%
	Foreign employees		0.00%	0.00%	26.83%
	Persons with disabilities		7.14%	0.00%	0.00%
	Academic background	Master's degree or higher	14.29%	41.67%	0.00%
		Bachelor's degree	50.00%	33.33%	24.39%
		Associate degree	7.14%	16.67%	4.88%
		High school or below	28.57%	8.33%	70.73%

Note: The percentages presented in this table are derived from persons categorized by identical function and type. For instance, the male proportion within the Manufacturing Department is calculated as follows: Number of male employees in the Manufacturing Department ÷ Total number of employees in the Manufacturing Department.

Personnel Turnover

We uphold a comprehensive recruitment system that promotes mutual growth between employees and the Company, while also respecting individual career transition choices. In 2025, the Company welcomed 18 new employees, consisting of 15 males and 3 females, with the majority being aged 29 or younger. Additionally, we experienced departures from 20 employees, which included 18 males and 2 females. To protect employee rights and enhance our recruitment system, the supervisor of the responsible unit conducts exit interviews with all departing employees to yield insight into the reasons for their departure and serve as reference for future improvements in human resources management.

- PHET Notice Period for Severance

In accordance with the "Labor Standards Act," in the event of significant operational changes—such as organizational restructuring, adjustments to staffing requirements, force majeure factors, or determinations regarding employee unsuitability—the Company is obligated to provide advance notice to employees within the statutory notice period specified by the "Labor Standards Act" and to pay severance benefits.

- Employment duration of 3 months or more but less than 1 year: 10 days' notice
- Employment duration of 1 year or more but less than 3 years: 20 days' notice
- Employment duration of 3 years or more: 30 days' notice

Total Number of New Hires and Proportion

Gender	Year	2023		2024		2025	
	Age	Number (Taiwan)	Recruitment Rate (%)	Number (Taiwan)	Recruitment Rate (%)	Number (Taiwan)	Recruitment Rate (%)
Male	Under 29 years old	4	38.18%	14	36.21%	12	27.78%
	30-50 years old	16		7		3	
	≧ 51 years old	1		0		0	
	Subtotal	21		21		15	
Female	Under 29 years old	0	13.33%	0	14.29%	3	23.08%
	30-50 years old	2		2		0	
	≧ 51 years old	0		0		0	
	Subtotal	2		2		3	
Total		23	32.86%	23	31.94%	18	26.87%

Note: Recruitment rate (%) = Number of new hires in the category ÷ Annual total number of employees in the category ×100%.

Total Number of Departing Employees and Proportion

Gender	Year	2023		2024		2025	
	Age	Number (Taiwan)	Turnover Rate (%)	Number (Taiwan)	Turnover Rate (%)	Number (Taiwan)	Turnover Rate (%)
Male	Under 29 years old	2	30.91%	6	31.03%	10	33.33%
	30-50 years old	15		12		8	
	≧ 51 years old	0		0		0	
	Subtotal	17		18		18	
Female	Under 29 years old	0	6.67%	1	21.43%	1	15.38%
	30-50 years old	1		2		0	
	≧ 51 years old	0		0		1	
	Subtotal	1		3		2	
Total		18	25.71%	21	29.17%	20	29.85%

Note: Turnover rate (%) = Number of departures in the category/Annual total number of employees in the category ×100%.

Note 1: Male: The number of resignations remained stable, and the slight fluctuation in the turnover rate was due to changes in the male employee headcount base.

Note 2: Female: The decrease in the turnover rate was primarily due to the transfer of one female employee from our company to a subsidiary in 2024.

6.1.3 Labor-Management Agreement

PHET is dedicated to establishing a harmonious and equitable communication platform between employees and the Company. We implement diverse and open communication channels, including labor-management meetings, employee feedback mailboxes, and employee opinion surveys. These initiatives protect the rights and responsibilities of both labor and management while facilitating timely enhancements to the working environment and labor-management regulations.

The Company does not currently have a union or collective bargaining agreement in place. Labor-management meetings are conducted once every three months.

- **Types of Employee Communication Channels**

Communication Channels	Explanation
Labor-Management Meetings	All labor-management meetings consist of employee representatives who are formally elected by the total workforce through an official voting process, in conjunction with representatives appointed by management. This year, four such meetings were convened.
Employee Feedback Mailbox	An official email address on the Company's website is provided for employees to submit their opinions or suggestions in a timely manner.
Employee Opinion Survey	This survey is conducted to gain insights into employee perspectives regarding organizational work culture, core company values, managerial leadership styles, and various recommendations.

- **2025 Labor-Management Meetings**

  In 2025, four labor-management meetings were held. Discussions addressed issues impacting all employees, including employee health and safety, health checkups, traffic safety, adjustments to holiday schedules, and announcements of significant matters.

Meeting Name	Number of Participants	Content
Labor-Management Meetings	6 people	· Advocacy for a zero-tolerance policy towards drunk driving · Employee Health Examination
Labor-Management Meetings	6 people	· Advocacy for a zero-tolerance policy towards drunk driving · Promotion of precautions during shift handover
Labor-Management Meetings	6 people	· Advocacy for a zero-tolerance policy towards drunk driving · Promotion of precautions during shift handover
Labor-Management Meetings	6 people	· Advocacy for a zero-tolerance policy towards drunk driving · Establishment of dedicated personnel for dengue fever prevention and control, and formulation of a dengue fever prevention and control self-management plan

6.2 Compensation and Benefits

6.2.1 Equal and Generous Compensation

PHET places a strong emphasis on talent retention and development, dedicating itself to providing competitive compensation packages along with comprehensive employee benefits. Our salary structures are established in accordance with local regulations, industry benchmarks, and local living standard. We are committed to ensuring that these structures remain impartial and unaffected by factors such as gender, race, language, religion, age, political affiliation, or marital status. In this equitable and inclusive workplace environment, starting salaries are equal for both women and men. However, final compensation—comprising base salary plus compensation—varies based on factors such as years of service, experience, or differential pay. Employee compensation includes base salary, meal cost, various bonuses, and subsidies. Annual salary adjustments are determined by operational performance, while bonuses are awarded based on individual employee performance to motivate employees and foster talent development in alignment with the Company's growth.

《Gender Compensation Ratio by Function》

(Male : Female)

Major Operating Sites	Management Department	Technology Department	Manufacturing Department
PHET	1：0.41	1：1.09	1：0.84

Compensation for Non-management Full-Time Employees

Items	PHET		
	2024	2025	Change (%)
Number of Non-management Full-Time Employees (people)	64	66	3.13%
Total Compensation for Non-management Full-Time Employees (NT$ thousand)	39,160	40,598	3.67%
Average Compensation for Non-management Full-Time Employees (NT$ thousand)	612	615	0.49%
Median Compensation for Non-management Full-Time Employees (NT$ thousand)	573	583	1.75%

Note: The statistical scope includes all employees with a length of service of six months or more in the current year.

Annual Total Compensation Ratio

The ratio of the annual total compensation of the highest-paid individual to the median annual total compensation of all employees (excluding the highest-paid individual, employed throughout 2025) at Ping Ho Environmental was 6.93 times in fiscal year 2025. Additionally, regarding the percentage increase in employee annual total compensation, for employees who were continuously employed by Ping Ho Environmental throughout both fiscal year 2024 and fiscal year 2025, their percentage increases in compensation between the two years were calculated and ranked to determine the

median. The ratio of the percentage increase in compensation of the highest-paid individual to the median percentage increase in employee compensation was 1.16 times.

Note: The aforementioned compensation includes basic monthly salaries, various allowances, and bonuses. Calculations are based on employees who were fully employed throughout both fiscal year 2024 and fiscal year 2025 to prevent any discrepancies between the median statistical results and actual conditions.

Ratio of Entry-level Wage to Local Statutory Minimum Wage

The Company is dedicated to ensuring full compliance with all relevant local labor laws in the regions where we operate. In Taiwan, our standard starting salary exceeds the minimum wage stipulated by the "Labor Standards Act." In other regions, we also comply with local minimum wage regulations. The average monthly base salary for frontline employees at all major operating sites in 2025 exceeds the statutory minimum wage by 1.00 to 1.50 times (the monthly statutory minimum wage in Taiwan for 2025 is NT$28,590).

6.2.2 Comprehensive Welfare Measures

In order to enhance employee cohesion and strengthen market competitiveness, PHET has implemented a range of welfare initiatives. A dedicated Employee Welfare Committee, comprised of employees from various departments, is tasked with the planning and execution of diverse employee benefit programs. The current welfare provisions offered by the Company include:

(1) Bonus system

(2) Annual salary adjustments are based on performance evaluations

(3) Labor insurance, health insurance, labor pension contributions, and group insurance

(4) Physical examination for employees

(5) Parental leave

- **PHET Welfare Provisions**

Items	Explanation
Bonus system	Year-end bonuses, holiday bonuses, vouchers as birthday gifts, and employee cash dividends
Labor insurance, health insurance, labor pension contributions, and group insurance	Life insurance: Death compensation Medical insurance: Coverage for medical expenses and daily hospitalization allowances Disability insurance: Compensation for disability and severe burn injuries Retirement system: A contribution of 6% of the employee's salary is made to their individual retirement account at the Bureau of Labor Insurance.
Physical examination for	Regular medical examination for employees

Items	Explanation
employees	
Parental leave	Under the "Labor Standards Act," employees who have been employed for a minimum of six months are eligible to apply for leave if their child is under three years of age

Retirement Benefits System

To safeguard the rights of retired employees, the Company administers its retirement program in accordance with the "Labor Standards Act." Additionally, under the "Labor Pension Act" (the new pension system), contributions to retirement are deposited into a "Labor Pension Individual Account." Upon meeting retirement conditions, employees may apply to the competent authority to withdraw this retirement fund.

Retirement System		Contribution Status
New System	Employees in Taiwan region are governed by the "Labor Standards Act" and the "Labor Pension Act." Those who were hired on or before June 30, 2005, are eligible for pension service years under the previous system. Employees who were hired on or after July 1, 2005, are entitled to pension service years under the new system.	In accordance with the "Labor Pension Act," 6% of an employee's total monthly salary is contributed to the "Labor Pension Individual Account," which is administered by the Bureau of Labor Insurance. Upon meeting retirement conditions, employees may apply to the competent authority to withdraw this retirement fund.

Note: For detailed information regarding contribution pension amounts, please refer to page 34 of this year's consolidated financial statements.
https://www.pinghounion.com.tw/page/about/index.aspx?kind=52&lang=TW

6.2.3 Parenting-Friendly Workplace

We are dedicated to cultivating a parenting-friendly environment, achieving a 0% application rate for parental leave in 2025.

Analysis of Employees on Parental Leave

	2024			2025		
	Male	Female	Total	Male	Female	Total
Number of employees eligible for parental leave in the current year (A)	1	1	2	0	0	0
Number of employees who actually applied for parental leave in the current year (B)	0	1	1	0	0	0
Number of employees required to return to work after parental leave in the current year (C)	0	1	1	0	0	0
Number of employees who actually returned to work after parental leave in the current year (D)	0	0	0	0	0	0
Number of employees who actually returned to work after parental leave in the previous year (E)	0	0	0	0	0	0
Number of employees who remained employed 12 months after returning from parental leave in	0	0	0	0	0	0

	2024			2025		
	Male	Female	Total	Male	Female	Total
the previous year (F)						
Parental leave application rate (%) (=B/A)	0%	100%	50%	0%	0%	0%
Reinstatement rate (%) (=D/C)	0%	0%	0%	0%	0%	0%
Retention rate (%) (=F/E)	0%	0%	0%	0%	0%	0%

6.3 Diversified Development

6.3.1 Education and Training

Introduction to Education and Training Course Types

PHET places a high priority on the professional development of its employees, firmly believing that only through continuous and up-to-date education and training can both employees and the Company achieve mutual growth. We provide courses based on job functions, ensuring that each employee possesses the professional skills and knowledge necessary for their respective positions, and ensuring their practical application in the workplace. Meanwhile, we encourage each employee to proactively share knowledge to facilitate learning and experience transfer. We have revamped our new employee training system to facilitate their rapid integration into the organization. Upon on board, we initiate education and training sessions for new hires, followed by a three-month work study and training program implemented by their respective departments. This approach enables new staff to swiftly grasp the company's operational environment and swiftly engage in their roles, thereby reducing the adaptation period.

Training Courses	Explanation
New Employee Training	New employees receive pre-service training and orientation sessions, supplemented by a mentorship program to aid their integration into the work environment and company culture.
Professional/ Functional Training	The abilities required for work include skills in Production, Research and Development, Finance, Management, Procurement, Information, etc.
Liberal Education Training	The Company's mission, corporate culture, company values, quality awareness, and occupational safety and health.
Direct Personnel Training	Training on the indispensable knowledge, skills, and operational methods required for on-site in their work.

Overview of Annual Training Sessions, Number of Trainees, and Training Hours

In 2025, a total of 75 training sessions were conducted, engaging 79 individuals and accumulating a total of 279 person-hours. On average, each participant received approximately 4.16 hours of training.

2025 Annual Education and Training Sessions, Number of Trainees and Person-hours

Course Categories	Number of Trainees	Course Hours	Total Person-hours
Internal Training Course	11	2	22
	6	1	6
	8	6	48
	31	4	124
	8	1	8
	6	2	12
Funded External Training or Education	1	2	2
	1	6	6
	1	3	3
	1	12	12
	1	6	6
	1	6	6
	1	12	12
	1	6	6
	1	6	6
Total	79	75	279

Average Training Hours by Gender

Our employee education and training policy is designed to be gender-neutral. In 2025, the average training hours for male employees were recorded at 3.72 hours, whereas female employees averaged 6.00 hours. The higher average training hours for females can be attributed to a larger proportion of female employees within the Management Department and an increase in training hours allocated to technology departments this year.

Average Training Hours by Function

The average training hours by function for 2025 are presented in the table below. Overall, there has been an increase in average training hours compared to the previous year, reflecting the Company's commitment to fostering employee professional growth and continuous learning. This also highlights our proactive investment in resources aimed at enhancing professional capabilities across all functions.

Average Training Hours by Function

Function	2023	2024	2025
Management Department	2.86	3.75	8.64
Technology Department	0.00	4.00	5.33
Manufacturing Department	2.95	4.66	2.29
Total	2.46	4.35	4.16

Note: Average training hours = Total training hours by function ÷ Total number of employees by function at year-end.

Employee Transition Assistance Policy for Retirement or Resignation

- Employee Transition Assistance Policy

  Currently, the Company has not established a formal employee transition assistance policy. We acknowledge that providing appropriate support and guidance during various stages of an employee's career—including career transition, retirement, or departure—is essential for ensuring employee well-being and protecting the Company's reputation. Although there are currently no specific transition assistance policies in place, we prioritize the career development and well-being of our employees. Looking ahead, we intend to assess and explore various employee transition assistance mechanisms to ensure that our employee receive the necessary support and resources.

6.3.2 Performance Appraisal

Performance Appraisal Policy Statement

The Company has established procedures for employee performance assessment. Through assessments conducted for new hires after the probationary period and annual performance assessment system for employees, we aim to accurately reflect employee performance, provide constructive feedback, and set goals for self-improvement in the upcoming year.

Furthermore, the Company's personnel regulations incorporate a system for employee reward and punishment. When an employee's workplace performance or conduct aligns with or contravenes the standards for reward and punishment, department heads will submit a reward and punishment report form to the Chief Executive Officer for decision-making and subsequent announcement. Records of employee reward and punishment, in conjunction with annual performance appraisal results, serve as the foundation for decisions regarding promotion, salary adjustment, and bonus allocation.

In addition, the Company has implemented various measures such as work rules, salary and attendance management policies, and evaluation management procedures to ensure that employees understand relevant labor laws and their basic rights. During annual employee performance evaluations, supervisors take into account colleagues' daily performance as part of the overall evaluation.

Status of Annual Employee Performance Appraisal

All new hires at the Company in 2025 have successfully completed their probationary period appraisal. Regarding the annual performance appraisal, all full-time employees—excluding those who resigned, joined, or took unpaid leave for the year—have finalized their assessments.

Percentage of Employees by Gender Who Completed Annual Performance Appraisal

Gender	Number Receiving Appraisal	Number of Employees	Proportion
Male	54	54	100%
Female	13	13	100%
Total	67	67	100%

Note: Percentage of employees assessed by gender = Number of employees assessed by gender ÷ Total number of employees by gender at year-end * 100%.

Percentage of Employees by Function Who Completed Annual Performance Appraisal

Function	Number Receiving Appraisal	Number of Employees	Proportion
Management Department	14	14	100%
Technology Department	12	12	100%
Manufacturing Department	41	41	100%

Note: Percentage of employees assessed by function = Number of employees assessed by function ÷ Total number of employees by function at year-end * 100%.

6.4 Workplace Safety

6.4.1 Occupational Safety and Health Management

Employees are essential components of a company's operational activities. Any safety or health risks present in the workplace can have a significant impact on a company's financial performance, as well as on the health and lives of both employees and external workers. PHET has established its occupational safety and health management system based on the concept of PDCA cycle (Plan, Do, Check, Act), which serves as the foundational management framework in compliance with responsibility-driven management and legal requirements. Although the Company has not yet established an Occupational Safety and Health Management Committee, we place a high priority on the occupational safety and health of our employees. We are committed to implementing various measures to ensure a safe and healthy work environment.

Current Measures:

1. Safety Training and Education: Occupational safety and health training sessions are provided for new employees, complemented by periodic educational training.
2. Promotional Events: The Company promotes occupational safety and health information during labor-management meetings and organizes annual educational training plans, occupational health services, and health promotion activities.
3. Health Check: Full-time employees are eligible for subsidized general physical examinations every two years. Follow-up management is implemented for those exhibiting moderate to high-level abnormalities in their health examination results. A thorough assessment takes into account employee age, health examination values in the past three years, as well as prevalent major diseases investigated by the Department of Health.
4. Safety Equipment and Facilities: In order to minimize employee exposure to excessive hazardous substances during operations, protective gear is provided for employees. This includes items such as hard hats, safety shoes, and other equipment.
5. Regular Fire Drills: Annual fire drills are conducted.

To continuously strengthen occupational safety and health management and reduce the risk of occupational accidents, the company has planned short-, medium-, and long-term workplace safety goals based on current management practices as follows:

Timeline	Workplace Safety Goals
Short-term Goal	Ensure 100% of employees are covered by the occupational safety and health management system, conduct occupational safety and health education and training as well as fire drills at least once a year, and complete health check-ups in accordance with relevant laws and regulations.
Medium-term Goal	Continuously improve the working environment and chemical management processes to maintain a 100% coverage rate for safety management and education and training related to high-risk operations.
Long-term Goal	Foster a workplace culture that prioritizes safety and health, integrate occupational safety and health management into daily operational standard operating procedures, and enhance overall organizational resilience.

6.4.2 Occupational Injuries and Occupational Diseases

Accident Investigation Procedure

In the event of an occupational safety and health incident, it is imperative that the injured, the supervisor of the affected work area, or any other personnel present promptly report the occurrence to the Management Department. The report must include details regarding the nature of the incident, identification of the injured, location where the incident took place, causes contributing to the incident, and extent of injuries sustained by the personnel. Upon receiving notification, the Management Department will categorize incidents according to their severity and simultaneously inform the HR Department or relevant medical institution. It will collaborate to investigate whether any deficiencies or anomalies were present in the work environment, personnel operations, or standard operating procedures at the time of the incident. Following the determination of the accident's cause, both the Management Department and the supervisor of the affected department must report their investigation findings along with an improvement plan. They shall jointly decide on measures to enhance the work environment or standard procedures while reinforcing occupational safety training and promoting safe work practices.

Occupational Accident Records

In fiscal year 2025, PHET achieved the goal of "zero occupational injuries and illnesses," with no general occupational injuries, special hazard incidents, or major occupational accidents recorded throughout the year.

◆ **Statistical Table of Occupational Injuries and Occupational Diseases for Employees**

Statistical Item (unit)	2023	2024	2025
Total Working Hours (hours)	130,150	139,230	140,014
Number of Occupational Injury Death (occurrence)	0	0	0
Occupational Injury Death Rate Note 1	0	0	0
Number of Serious Occupational Injuries (occurrence) Note 2	0	0	0
Serious Occupational Injury Rate Note 3	0	0	0
Number of Recordable Incidents (occurrence) Note 4	0	1	0

Statistical Item (unit)	2023	2024	2025
Recordable Incident Rate Note 5	0	1.4	0
Number of Occupational Disease Cases (case)	0	0	0
Occupational Disease Incidence Rate Note 6	0	0	0

Note 1: Occupational injury death rate = number of occupational injury deaths ÷ total working hours × 200,000.
Note 2: Serious occupational injuries are defined as those that result in employees being unable or unlikely to regain their pre-injury health status within a six-month period, excluding fatalities.
Note 3: Serious occupational injury rate = number of serious occupational injuries ÷ total working hours × 200,000.
Note 4: Number of recordable incidents includes all events of occupational injuries that occur within the year, including both the number of serious occupational injuries and the number of occupational injury death.
Note 5: Recordable incident rate = number of recordable occupational injuries ÷ total working hours × 200,000.
Note 6: Occupational disease incidence rate = number of occupational diseases ÷ total working hours × 200,000.

◆ Analysis of Employee Occupational Disease Incidents by Year

(unit: number of person)

Incident Type	2023		2024		2025	
	Recordable Occupational Disease Incident	Occupational Disease Death	Recordable Occupational Disease Incident	Occupational Disease Death	Recordable Occupational Disease Incident	Occupational Disease Death
Physical Hazard	0	0	0	0	0	0
Chemical Hazard	0	0	0	0	0	0
Biological Hazard	0	0	0	0	0	0
Human Factor Hazard	0	0	0	0	0	0
Psychosocial Hazard	0	0	0	0	0	0
Total	0	0	0	0	0	0

- Occupational Injury Records for Non-Employee Workers

  No occupational accidents (including serious or fatal incidents) involving external workers occurred at the workplaces of PHET in 2025.

◆ Statistical Table of Occupational Injuries and Occupational Diseases for Non-Employee Workers

Statistical Item (unit)	2023	2024	2025
Total Working Hours (hours)	0	0	0
Number of Occupational Injury Death (occurrence)	0	0	0
Occupational Injury Death Rate Note 1	0	0	0
Number of Serious Occupational Injuries (occurrence)Note 2	0	0	0
Serious Occupational Injury Rate Note 3	0	0	0
Number of Recordable Incidents (occurrence)Note 4	0	0	0
Recordable Incident Rate Note 5	0	0	0
Number of Occupational Disease Cases (case)	0	0	0
Occupational Disease Incidence Rate Note 6	0	0	0

Note 1: Occupational injury death rate = number of occupational injury deaths ÷ total working hours × 200,000.
Note 2: Serious occupational injuries are defined as those that result in employees being unable or unlikely to regain their pre-injury health status within a six-month period, excluding fatalities.

Note 3: Serious occupational injury rate = number of serious occupational injuries ÷ total working hours × 200,000.
Note 4: Number of recordable incidents includes all events of occupational injuries that occur within the year, including both the number of serious occupational injuries and the number of occupational injury death.
Note 5: Recordable incident rate = number of recordable occupational injuries ÷ total working hours × 200,000.
Note 6: Occupational disease incidence rate = number of occupational diseases ÷ total working hours × 200,000.

◆ Analysis of Non-Employee Worker Occupational Disease Incidents by Year

(unit: number of person)

Incident Type	2023		2024		2025	
	Recordable Occupational Disease Incident	Occupational Disease Death	Recordable Occupational Disease Incident	Occupational Disease Death	Recordable Occupational Disease Incident	Occupational Disease Death
Physical Hazard	0	0	0	0	0	0
Chemical Hazard	0	0	0	0	0	0
Biological Hazard	0	0	0	0	0	0
Human Factor Hazard	0	0	0	0	0	0
Psychosocial Hazard	0	0	0	0	0	0
Total	0	0	0	0	0	0

7 Social Harmony

7.1 Social Investment

7.1.1 Social Investment Strategy

PHET is dedicated to engaging with stakeholders and allocating corporate resources towards social engagement, guided by the framework of the United Nations Sustainable Development Goals (SDGs) for our social engagement. Leveraging our operational capabilities, we connect with and respond to key goals through tangible actions, including SDG 3 Good Health and Well-being, SDG 5 Gender Equality, and SDG 6 Clean Water and Sanitation.

We structure our social engagement process through a step comprising assessment, planning, implementation, and feedback.

Assessment: Assessing the company's negative and positive impacts on the SDGs.

Planning: Proposing plans and strategies to mitigate negative impacts and enhance positive impacts.

Implementation: Executing our activities and programs in accordance with the plan to reduce negative impacts and enhance positive impacts.

Feedback: Evaluating the performance of plans, activities, and programs to confirm whether objectives are met, serving as a basis for future adjustments to plans, activities, and programs.

PHET will persist in its investment efforts and regularly monitor advancements, with the objective of achieving optimal resource allocation and enhancing social engagement.

To ensure that social investment and social participation strategies have a clear direction for implementation and a continuous improvement mechanism, Ping Ho Environmental has planned short-, medium-, and long-term goals for social investment based on the aforementioned social investment process, serving as the basis for reviewing and refining subsequent social participation outcomes.

Timeline	Social Participation Goals
Short-term Goal	Implement at least 1–2 social investment or social participation initiatives annually, and complete basic planning and execution records.
Medium-term Goal	Steadily promote social investment and social participation, maintaining an annual initiative count of ≥ 3, and conduct outcome reviews.
Long-term Goal	Establish an institutionalized social investment management mechanism, and continuously deepen cooperative relationships with communities and stakeholders.

7.1.2 Social Engagement Outcomes

Community Care and Giving Back

PHET upholds the spirit of giving back to society by engaging in diverse community care initiatives. Beneficiaries include Lujhu Senior High School and the Kaohsiung City Volunteer Criminal Investigation Corps. The company also actively participates in local affairs, collaborating with the

Gangshan Benzhou Community Development Association and the Lujhu Xiakeng Community Development Association to strengthen community bonds and cultural cohesion. Furthermore, these efforts extend to campuses, featuring a lecture at Chia Nan University of Pharmacy and Science on the practical design of net-zero sustainable product ecologization, thereby shaping a cohesive community environment and implementing sustainable education.

Youth Flagship Program

Dedicated to promoting youth employment and nurturing industrial talent, PHET actively participated in the government's youth employment flagship program in 2025, investing approximately NT$500,000 in program support funding. We successfully recruited three young individuals to join the wastewater treatment and engineering technology sector, where they serve as wastewater treatment technicians and assistant engineers. Their responsibilities include water quality sampling, testing, and equipment operation, allowing them to gain practical experience within the industry. By integrating expertise in wastewater treatment, chemical application, and waste transportation, this program fosters cross-disciplinary collaboration and practical skills, and bridges the gap between academic knowledge and real-world application in the workplace, thereby strengthening their workplace competitiveness while underscoring the Company's practices of social inclusion and sustainable development.

Industry-Academia Collaboration

To enhance joint education initiatives between industry and academia, PHET has established a partnership with National Kaohsiung University of Science and Technology, Chung Hwa University of Medical Technology and Chia Nan University of Pharmacy & Science for its 2025 internship program, investing approximately NT$750,000 in program support funding. Seven students engaged in wastewater treatment process operations and data analysis, deepening their understanding of the industry while strengthening their practical skills. This collaboration between industry and academia offers professional learning opportunities that align with workplace demands, fostering the development of environmental protection specialists while enhancing students' adaptability to the workplace and their professional competitiveness. Furthermore, it contributes to building a future talent pool for the Company, promoting sustainable industrial development.

In addition to the aforementioned internship program, the company is committed to optimizing process efficiency. In 2025, it collaborated with Fooyin University on industry-academia cooperation, investing approximately NT$400,000 in technology development costs to conduct testing and research on equipment upgrades, aiming to increase processing capacity, reduce energy use and carbon emissions, and decrease equipment space utilization.

8 Appendix

8.1 GRI Standards Index Table

Usage Statement: PHET has reported ESG information for the period from January 1 to December 31, 2025, in accordance with GRI Standards.

General GRI 1: Foundation 2021

General Disclosure Items

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
GRI 2: General Disclosures 2021	2-1 Organizational Details	2.1 Company Overview	22	
	2-2 Entities Included in the Organization's Sustainability Reporting	1.1.3 Boundaries and Scope	5	
	2-3 Reporting Period, Frequency, and Contact Person	1.1.1 Reporting Period	5	
		1.1.7 Contact Details	6	
	2-4 Restatements of Information	1.1.4 Restatements of Information	5	
	2-5 External Assurance	1.1.6 External Assurance	6	
	2-6 Activities, Value Chain and Other Business Relationships	2.1 Company Overview	22	
	2-7 Employees	6.1.2 Talent Recruitment	60	
	2-8 Non-employee Worker	6.4.2 Occupational Injuries and Occupational Diseases	76	Non-employee Worker of the Company
	2-9 Governance Structure and Composition	2.2.1 Governance Structure	24	
		2.2.2 Functional Committee	30	
	2-10 Nomination and Selection of the Highest Governance Body	2.2.1 Governance Structure	24	
	2-11 Chair of the Highest Governance Body	2.2.1 Governance Structure	24	
	2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts	2.2.2 Functional Committee	30	
		1.4.2 Impact Management of Material Topics	15	

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
	2-13 Delegation of Responsibility for Managing Impacts	1.4.2 Impact Management of Material Topics	15	
		2.2.2 Functional Committee	30	
	2-14 Role of the Highest Governance Body in Sustainability Reporting	2.2.2 Functional Committee	30	
	2-15 Conflicts of Interest	2.2.1 Governance Structure	24	
	2-16 Communication of Critical Concerns	1.3.2 Stakeholder Communication	10	
	2-17 Collective Knowledge of the Highest Governance Body	2.2.1 Governance Structure	24	
	2-18 Evaluation of the Performance of the Highest Governance Body	2.2.1 Governance Structure	24	
	2-19 Remuneration Policies	2.2.1 Governance Structure	24	
	2-20 Process to Determine Remuneration	2.2.1 Governance Structure	24	
	2-21 Annual Total Compensation Ratio	6.2.1 Equal and Generous Compensation	69	
	2-22 Statement on Sustainable Development Strategy	1.2.1 Message from the President	7	
	2-23 Policy Commitment	2.4.1 Business Integrity	34	
		2.4.2 Human Rights Policy	35	
	2-24 Embedding Policy Commitments	2.4.1 Business Integrity	34	
		2.4.2 Human Rights Policy	35	
	2-25 Processes to Remediate Negative Impacts	1.4.2 Impact Management of Material Topics	15	
	2-26 Mechanisms for Seeking Advice and Raising Concerns	2.4.1 Business Integrity	34	
	2-27 Regulatory Compliance	2.4.3 Regulatory Compliance	36	

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
	2-28 Membership of Associations	2.1.1 Basic Information	22	
	2-29 Approach to Stakeholder Engagement	1.3.1 Identifying Stakeholders	10	
		1.3.2 Stakeholder Communication	10	
	2-30 Collective Bargaining Agreements	6.1.3 Labor-Management Agreement	68	The Company does not currently have a union or collective bargaining agreement in place.
GRI 3: Material Topics (2021)	3-1 Process to Determine Material topics	1.4.1 Assessment Process of Material Topics	12	
	3-2 List of Material Topics	1.4.2 Impact Management of Material Topics	15	

Disclosure Items for Specific Topics

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
GRI 101：Biodiversity 2024	101-4 Site Information	N/A		
	101-5 Significant Impacts in the Supply Chain			
	101-6 Impact Details			
	101-7 Impact Drivers			
	101-8 Ecosystem State Changes			
GRI 201: Economic Performance 2016	201-1 Direct Economic Value Generated and Distributed by the Organization	2.3.1 Economic Income and Distribution	33	
	201-2 Financial Impacts and Other Risks and Opportunities due to Climate Change	N/A	-	
	201-3 Defined Benefit Plan Obligations and Other Retirement Plans	6.2.2 Comprehensive Welfare Measures	70	
	201-4 Financial Assistance Received from Government	2.3.1 Economic Income and Distribution	33	
GRI 202: Market Presence 2016	202-1 Ratio of Standard Entry-level Wage by Gender to Local Minimum Wage	6.2.1 Equal and Generous Compensation	69	
	202-2 Proportion of Local Residents Employed in	6.1.2 Talent Recruitment	60	

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
	Senior Management Positions			
GRI 203: Indirect Economic Impacts 2016	203-1 Investment in Infrastructure and Development and Impact of Support Services	7.1.2 Social Engagement Outcomes	79	
	203-2 Significant Indirect Economic Impacts	N/A	-	
GRI 204: Procurement Practices 2016	204-1 Proportion of Spending on Local Suppliers	N/A	-	
GRI 205: Anti-Corruption 2016	205-1 Operating Sites Assessed for Corruption Risks	2.4.1 Business Integrity	34	
	205-2 Communication and Training on Anti-Corruption Policies and Procedures	2.4.1 Business Integrity	34	
	205-3 Confirmed Corruption Incidents and Actions Taken	2.4.1 Business Integrity	34	
GRI 206: Anti-Competitive Behavior 2019	206-1 Legal Actions for Anti-competitive Behavior, Anti-trust, and Monopoly Practices	2.4.1 Business Integrity	34	
GRI 207: Tax 2019	207-1 Approach to Tax	N/A		
	207-2 Tax Governance, Control, and Risk Management			
	207-3 Stakeholder Engagement and Management of Concerns Related to Tax			
	207-4 Country-by-Country Reporting			
GRI 301: Materials 2016	301-1 Materials Used by Weight or Volume	5.2.2 Raw Material Usage	47	
	301-2 Recycled Input Materials Used	5.2.2 Raw Material Usage	47	The Company does not recycle materials, products, or packaging materials.
	301-3 Reclaimed Products and Their Packaging Materials	5.2.2 Raw Material Usage	47	
GRI 302: Energy 2016	302-1 Energy Consumption Within the Organization	5.3.2 Energy Consumption	48	
	302-2 Energy Consumption Outside of the Organization	N/A	-	
	302-3 Energy Intensity	5.3.2 Energy	48	

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
		Consumption		
	302-4 Reduction of Energy Consumption	5.3.3 Energy Conservayion Measures	49	
	302-5 Reductions in Energy Requirements of Products and Services	N/A	-	
GRI 303: Water and Effluents 2018	303-1 Mutual Impacts of Shared Water Resources	5.5.1 Water Resource Impact Assessment	52	
	303-2 Management of Impacts Related to Effluent	5.5.1 Water Resource Impact Assessment	52	
	303-3 Water Withdrawal	5.5.2 Water Withdrawal, Discharge, and Consumption	54	
	303-4 Water Discharge	5.5.2 Water Withdrawal, Discharge, and Consumption	54	
	303-5 Water Consumption	5.5.2 Water Withdrawal, Discharge, and Consumption	54	
GRI 304: Biodiversity 2016	304-1 Operating Sites Owned, Leased, Managed in, or Adjacent to, Protected Areas and Areas of High Biodiversity Value Outside Protected Areas	N/A		
	304-2 Significant Impacts of Activities, Products and Services on Biodiversity			
	304-3 Habitats Protected or Restored			
	304-4 IUCN Red List Species and National Conservation List Species with Habitats in Areas Affected by Operations			

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
GRI 305: Emissions 2016	305-1 Direct (Scope 1) Greenhouse Gas Emissions	5.4.1 Greenhouse Gas Inventory	50	
	305-2 Energy Indirect (Scope 2) Greenhouse Gas Emissions	5.4.1 Greenhouse Gas Inventory	50	
	305-3 Other Indirect (Scope 3) Greenhouse Gas Emissions	N/A	-	Following the materiality assessment, emissions from Categories 3 to 6 are not included.
	305-4 Greenhouse Gas Emissions Intensity	5.4.1 Greenhouse Gas Inventory	50	
	305-5 Greenhouse Gas Emission Reduction	5.4.2 Greenhouse Gas Emission Reduction	52	
	305-6 Emission of Ozone Depleting Substances (ODS)	5.4.3 Other Air Pollutant Emissions	52	The Company is not subject to the requirements of reporting air pollutants under the "Air Pollution Control Act" and therefore has no air pollutant emission records.
	305-7 Nitrogen Oxides (Nox), Sulfur Oxides (Sox), and Other Significant Air Emissions	5.4.3 Other Air Pollutant Emissions	52	
GRI 306: Waste 2020	306-1 Waste Generation and Significant Waste-Related Impacts	5.6.1 Waste Impact Assessment	56	
	306-2 Management of Significant Waste-Related Impacts	5.6.1 Waste Impact Assessment	56	
		5.6.2 Waste Management Policy	57	
	306-3 Waste Generated	5.6.3 Waste Collection, Transportation and Disposal	58	
	306-4 Waste Diverted from Disposal	5.6.3 Waste Collection, Transportation and Disposal	58	
	306-5 Waste Directed to Disposal	5.6.3 Waste Collection, Transportation and	58	

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
		Disposal		
GRI 308: Supplier Environmental Assessment 2016	308-1 New Suppliers Screened Using Environmental Criteria	N/A	-	
	308-2 Negative Environmental Impacts in the Supply Chain and Actions Taken	5.6.1 Waste Impact Assessment	56	
GRI 401: Employment 2016	401-1 New Employee Hires and Employee Turnover	6.1.2 Talent Recruitment	60	
	401-2 Benefits Provided to Full-time Employees (Excluding Temporary or Part-time Employees)	6.2.2 Comprehensive Welfare Measures	70	
	401-3 Parental Leave	6.2.3 Parenting-Friendly Workplace	71	
GRI 402: Labor-Management Relations 2018	402-1 Minimum Notice Period Regarding Operational Changes	6.1.2 Talent Recruitment	60	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management System	6.4.1 Occupational Safety and Health Management	75	
	403-2 Hazard Identification, Risk Assessment, and Incident Investigation	6.4.2 Occupational Injuries and Occupational Diseases	76	
	403-3 Occupational Health Services	6.4.1 Occupational Safety and Health Management	75	
	403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety	N/A	-	An Occupational Safety and Health Management Committee has not yet been established.
	403-5 Worker Training on Occupational Health and Safety	6.4.1 Occupational Safety and Health Management	75	
	403-6 Promotion of Worker Health	6.4.1 Occupational Safety and Health Management	75	
	403-7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by	N/A	-	

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
	Business Relationships			
	403-8 Workers Covered by an Occupational Health and Safety Management System	N/A	-	An Occupational Safety and Health Management Committee has not yet been established.
	403-9 Occupational Injuries	6.4.2 Occupational Injuries and Occupational Diseases	76	
	403-10 Occupational Diseases	6.4.2 Occupational Injuries and Occupational Diseases	76	
GRI 404: Training and Education 2016	404-1 Average Hours of Training Per Employee Per Year	6.3.1 Education and Training	72	
	404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs	6.3.1 Education and Training	72	
	404-3 Percentage of Employees Receiving Regular Performance and Career Development Reviews	6.3.2 Performance Appraisal	74	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of Governance Bodies and Employees	6.1.2 Talent Recruitment	60	
	405-2 Ratio of Women's Basic Salary to Men's Basic Salary	6.2.1 Equal and Generous Compensation	69	
GRI 406: Non-Discrimination 2016	406-1 Discrimination Incidents and Remedial Actions Taken by the Organization	6.1.1 Human Resource Management	60	The Company has not encountered any such incidents.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operating Sites and Suppliers in Which the Right to Freedom of Association and Collective Bargaining May Be at Risk	4.2.1 Supply Chain Management Policy	42	The Company has not encountered any such incidents.
GRI 408: Child Labor 2016	408-1 Operating Sites and Suppliers at Significant Risk for Incidents of Child	6.1.1 Human Resource Management	60	The Company explicitly prohibits the employment of

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
	Labor			child labor.
GRI 409: Forced or Compulsory Labor 2016	409-1 Sites and Suppliers with Significant Risk of Forced or Compulsory Labor Incidents	4.2.1 Supply Chain Management Policy	42	The Company has not encountered any such incidents.
GRI 410: Security Practices 2016	410-1 Security Personnel Trained in Human Rights Policies or Procedures	N/A	-	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents Involving Violations of Indigenous Rights	N/A	-	
GRI 413: Local Communities 2016	413-1 Operations with Local Community Engagement, Impact Assessments, and Development Programs	7.1.2 Social Engagement Outcomes	79	
	413-2 Operation with Significant Actual or Potential Negative Impacts on Local Communities			
GRI 414: Supplier Social Assessment 2016	414-1 New Suppliers that Were Screened Using Social Criteria	N/A	-	
	414-2 Negative Social Impacts in the Supply Chain and Actions Taken	N/A	-	
GRI 415: Public Policy 2016	415-1 Political Contributions	N/A	-	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of Health and Safety Impacts of Product and Service Categories	N/A	-	
	416-2 Incidents of Non-Compliance with Regulations Concerning the Health and Safety of Products and Services	N/A	-	
GRI 417: Marketing and Labeling 2016	417-1Requirements for Product and Service Information and Labeling	N/A	-	
	417-2 Incidents with Non-Compliance Concerning Product and Service	N/A	-	

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
	Information and Labeling			
	417-3 Incidents with Non-Compliance Concerning Marketing Communications	N/A	-	
GRI 418: Customer Privacy 2016	418-1 Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	N/A	-	

8.2 SASB Indicator Index Table

Topic	Code	Disclosure Indicators	Response Section	Response Description	Page No.
Greenhouse Gas Emissions	**IF-WM-110a.1**	(1) Global Scope 1 Total Emissions (2) Emission Limitation Regulations (3) Percentage Covered by Emission Reporting Regulations	5.4.1 Greenhouse Gas Inventory		50
	IF-WM-110a.2	(1) Total Volume of Landfill Gas Generated (2) Percentage of Biogas Combusted (3) Percentage of Biogas Used for Energy	5.6.1 Waste Impact Assessment	The Company specializes in providing industrial wastewater treatment services and does not participate in any related landfill operations.	56
	IF-WM-110a.3	Discuss and manage long-term and short-term strategies or plans for Scope 1 emissions, emission reduction goals, and performance analysis against these goals.	5.3.3 Energy-Conservation Measures		49
Fleet Fuel Management	**IF-WM-110b.1**	(1) Fleet Fuel Consumption (2) Percentage of Natural Gas (3) Percentage of Renewable Energy	As described on the right	Disclosure of data pertaining to subsidiaries within the company group. Ching Jin_Gasoline Consumption 172.29 (GJ) Diesel Consumption 4,064.49 (GJ) Wan Jing_Gasoline Consumption 1,826.25 (GJ) Total Fleet Fuel Consumption 6,063.03 (GJ)	-
	IF-WM-110b.2	Percentage of Alternative Fuel Vehicles in the Fleet	N/A		-

Topic	Code	Disclosure Indicators	Response Section	Response Description	Page No.
Air Quality	**IF-WM-120a.1**	Pollutant Emissions: 1. NOx (Excluding NO), 2. SOx, 3. VOCs, 4. HAPs	5.4.3 Other Air Pollutant Emissions		52
	IF-WM-120a.2	Number of Plants Located in or Near Densely Populated Areas			
	IF-WM-120a.3	Number of Non-compliance Incidents Related to Air Quality Permits, Standards, and Regulations			
Management of Leachate and Hazardous Waste	**IF-WM-150a.1**	(1) Toxics Release Inventory (TRI) (2) Percentage Released to Water Bodies	5.5.1 Water Resource Impact Assessment	The Company establishes effluent water quality standards in accordance with local regulations. All wastewater processed on behalf of other parties undergoes proper internal treatment before being discharged in compliance with relevant requirements.	52
	IF-WM-150a.2	Number of Corrective Actions Implemented for Landfill Emissions	N/A		-
	IF-WM-150a.3	Number of Non-compliance Incidents Related to Environmental Impact	2.4.3 Regulatory Compliance		36
Labor Practices	**IF-WM-310a.1**	Percentage of Active Workforce Employed Under Collective Agreements	6.1.3 Labor-Management Agreement	No union is established to sign collective bargaining agreements; however, the labor-management relations maintain smooth communication channels through the labor-management committee and employees.	68
	IF-WM-310a.2	(1) Number of Work Stoppages (2) Total Idle Days	N/A	No such incidents occurred at the Company this year.	-
Employee Health and Safety	**IF-WM-320a.1**	Direct Employees and Subcontractor/Contractor Employees (1) Total Recordable Injury Rate (TRIR) (2) Death Rate (3) Near Miss Frequency Rate (NMFR)	6.4.2 Occupational Injuries and Occupational Diseases		76
	IF-WM-320a.3	Number of Road Accidents and Incidents	2.4.3 Regulatory Compliance		36
Recycling and	**IF-WM-**	(1) Amount of Waste	N/A		-

Topic	Code	Disclosure Indicators	Response Section	Response Description	Page No.
Resource Recovery	**420a.1**	Incinerated (2) Percentage of Hazardous Waste (3) Percentage Used for Energy Recovery			
	IF-WM-420a.2	By Customer Type (1) Resource Recovery (2) Percentage of Customers Using Composting Services	N/A		-
	IF-WM-420a.3	(1) Recovery (2) Composting (3) Total Materials Processed as Waste-to-Energy	5.5.2 Water Withdrawal, Discharge, and Consumption		54
	IF-WM-420a.4	(1) Total Amount of Collected Electronic Waste (2) Percentage Recycled and Reused	N/A		-

8.3 SASB Activity Indicator Index Table

Code	Category	Units of measurement	Activity Indicator	PHET
IF-WM-000.A	Quantitative	Quantity	Number of Customers by Category: (1) Municipal, (2) Commercial, (3) Industrial, (4) Residential, (5) Other	Municipal: 1; Industrial: 103
IF-WM-000.B	Quantitative	Quantity	Fleet Size	14 Vehicles Ching Jin: 9 Wan Jing: 5
IF-WM-000.C	Quantitative	Quantity	(1) Landfill, (2) Transfer Station, (3) Resource Recovery Center, (4) Composting Center, (5) Incinerator, (6) Number of All Other Facilities	The Company specializes in providing industrial wastewater treatment services and does not operate any related facilities.
IF-WM-000.D	Quantitative	Quantity	Total Management Materials by Customer Category: (1) Municipal, (2) Commercial, (3) Industrial, (4) Residential, (5) Others	Ping Ho: 505,143 metric tons Wastewater Plant: 1,322,117 metric tons Total Treated Volume: 1,827,260 metric tons

8.4 Climate-Related Information

Item	Implementation Status
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	In response to the high uncertainty of climate change and the rapid shifts in policies and market conditions, the Company regularly convenes senior executives from various departments to identify major climate-related risks and opportunities. Additionally, the Company evaluates potential risks to its operational sites posed by floods, droughts, typhoons, and high temperatures. These efforts aim to enhance awareness of external climate changes and market dynamics, and to incorporate such considerations more comprehensively into overall business strategy planning. The Board of Directors has established the "Sustainable Development Committee," chaired by the President, which convenes at least once a year. The Committee is responsible for formulating, promoting, and strengthening key action plans and capital expenditures related to sustainable development (including climate-related issues) across the Group. The committee also reviews, monitors, and revises the implementation and effectiveness of sustainability initiatives, and reports the results to the Board of Directors. The committee is further supported by a working group composed of first-tier executives, which includes the following subgroups: Sustainable Governance Subgroup, responsible for legal compliance in corporate governance, establishing reasonable remuneration policies and employee performance evaluation systems, conducting training programs, and managing stakeholder communication mechanisms; Environmental Sustainability Subgroup, responsible for environmental management systems, compliance with environmental regulations and international standards, evaluation of sustainable transition strategies, improving resource utilization efficiency, climate change response mechanisms, and establishing dedicated environmental management units or personnel; Social Sustainability Subgroup, responsible for human rights management policies and procedures, compliance with human rights-related laws and international norms, establishing internal and external communication channels among all organizational members (e.g., employees, subsidiaries, joint ventures) and key value chain partners, evaluating related risks and management mechanisms, and promoting community and cultural development.

2. Describe how the identified climate-related risks and opportunities impact the company's business, strategy, and financial planning (short, medium, and long term).

The Company actively develops solutions aimed at reducing the operational and financial impacts brought about by climate change, thereby enhancing organizational climate resilience. The Company also defines short term as 1–5 years, medium term as 6–10 years, and long term as over 10 years. It evaluates the potential operational and financial impacts of identified climate-related risks and opportunities across these timeframes, and develops corresponding action plans to address them.

	Type of risk and opportunity	Short-term (1–5 years)	Medium-term (6–10 years)	Long-term (more than 10 years)
Risk	**Transition risk** Risks arising from efforts to shift toward a low-carbon economy. The transition risks include policy, legal, technological, market, and reputational risks.	Setting a greenhouse gas total reduction goal of 1%	Transitioning to low-carbon and plastic reduction technologies, with new renewable energy regulations being introduced	Trend toward achieving net zero emissions
	Physical risks Immediate physical risks arise from weather-related events such as storms, floods, droughts, or heatwaves, with increasing severity and frequency. Long-term physical risks stem from prolonged changes in climate patterns, including shifts in precipitation and temperature, which may lead to sea-level rise, reduced water	Extreme changes in climate patterns cause increased flooding, damaging company operational assets	Increased droughts cause disruptions in the supply chain.	Rising average temperatures

	availability, loss of biodiversity, and changes in soil productivity.			
Opportunities	Positive impacts arising from climate change on the organization. Efforts to mitigate and adapt to climate change can create climate-related opportunities for the organization.	Research and innovation in new low-carbon services	Improving resource use efficiency	Enhancing corporate reputation

The Company has evaluated the above risks and identified climate-related risks and opportunities that may cause significant financial impacts, along with corresponding response strategies as follows:

Transition risks / Climate opportunities		
R (Risk) / O (Opportunity)	Financial Impact: – / +	Response Strategy:
R: Introduction of new renewable energy regulations O: Construction of renewable energy facilities	–Increased operating costs due to the purchase of renewable energy certificates –Fines and penalties incurred from non-compliance with regulations, increasing operating expenses + Increased revenue from electricity sales	Improve energy efficiency and invest in green energy equipment
R: Trend toward achieving net zero emissions	–Increased costs for installation and operation of carbon reduction equipment	· Continue implementing greenhouse gas reduction measures · Encourage suppliers to take climate mitigation and adaptation actions

		R: Extreme changes in climate patterns cause increased flooding Risk: Supply chain disruption (drought)	–Operational sites may halt, leading to revenue decline –Damage to machinery and equipment causing asset losses	· Consider flood risk when selecting locations for new operational sites · Evaluate flood risk at existing production sites and implement mitigation measures · Seek suppliers in alternative regions	
3. Describe the financial impacts of extreme climate events and transition actions.	Through internal discussions, inventory, and evaluations, the Company has identified potential risks to product operations and service phases posed by floods, droughts, changes in precipitation patterns, and extreme shifts in climate patterns.				
4. Describe how the identification, evaluation, and management of climate risks are integrated into the overall risk management system.	The Board of Directors serves as the highest decision-making body for risk control across all subsidiaries within the Group, directly overseeing the risk governance framework of each subsidiary. To enhance risk evaluation and strengthen management capabilities, the Sustainability Development Committee conducts an annual risk re-identification. Based on the results, each department develops response strategies to integrate and manage risks that may impact operations and profitability. The committee reports to the Board of Directors at least once a year, aiming to reinforce the Company's overall resilience.				
5. If scenario analysis is used to evaluate resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and key financial impacts should be disclosed.	Although scenario analysis does not predict the future, it enables companies to better understand how climate change may affect them. In essence, scenario analysis is a critical tool for strategic planning, risk management, and evaluating the resilience of a company's strategy. The Company conducts both qualitative and quantitative climate modeling analyses across the value chain to evaluate our resilience to climate-related risks under varying external conditions. Parameters, assumptions, and analytical factors 1. The Company's current operations and value chain status are based on a model constructed using historical data. As a result, the model does not account for the potential impact of future actions outlined in the Company's recently announced "Net Zero Roadmap." 2. The model integrates both physical and business data specific to the Company: Physical data includes the quantity and sourcing locations of raw materials, the locations of operational sites, as well as the treatment volume and transportation methods. Business data includes sales revenue and profit segmented by market. 3. The scenario analysis is based on publicly available data sources, including evaluations and reports on energy net-zero emission pathways published by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). 4. In light of the complexity and uncertainty surrounding the interrelation of risks, each risk factor is evaluated				

through a standalone model, without incorporating interdependencies or potential offsets among risks.

5. The timeframe used spans from 2025 to 2050.

The Company adopts risk classifications aligned with the recommendations of the TCFD, and conducts simulations to evaluate the potential impacts of both transition and physical risk factors on the business.

Transition risk

Under transition risks, the shift toward a low-carbon economy may involve extensive changes in policies, regulations, technologies, and changes in market conditions. Depending on the nature, pace, and focus of these developments, factors such as total greenhouse gas emissions caps, carbon pricing, renewable energy regulations, and shifts in consumer demand and preferences could potentially increase operating costs or reduce market sales over the analysis timeframe. The Company continues to focus on research, innovation, and diversification of related product lines. As market sales are not significantly impacted under the various scenarios, the Company places emphasis on analyzing the effects on operating costs.

According to the evaluation reports published by the IPCC, four Representative Concentration Pathways (RCPs) are proposed to describe possible climate change scenarios, summarized as follows 1:

(1) RCP2.6: A low-emissions scenario, aiming to limit global warming to below 2°C compared to pre-industrial levels. This pathway is expected to result in approximately1.7°C of warming.

(2) RCP4.5 is a medium-emissions scenario, which does not meet the 2°C limit or the 1.5°C goal. This pathway is expected to result in approximately 2.1°C of warming.

(3) RCP6.0 is a medium-high emissions scenario, in which greenhouse gas emissions peak around 2060 and begin to decline toward the end of the century. This pathway may lead to 2.5°C of warming.

(4) RCP8.5 is a high-emissions scenario that aligns with current policy trajectories, with potential warming reaching 4.3°C. It is also referred to as the business-as-usual scenario.

1. In 2021, the IPCC released its Sixth evaluation Report (AR6), which considered combinations of Shared Socioeconomic Pathways (SSPs) and RCPs, along with additional scenarios. However, for the purpose of this analysis, the emissions scenarios from the Fifth evaluation Report are used as the basis of discussion.

   Evaluation of Key Financial Impacts Under Different Transition Risk Scenarios

   The Company has selected two distinct climate change scenarios for evaluation, as outlined below:

Scenario	Estimated Potential Financial Impact
RCP8.5 – High Emissions Scenario No additional carbon reduction measures beyond current national policies. Global carbon price 2: US$ 15-25 per metric ton (estimated to 2030)	No material impact identified

	RCP2.6 – Low Emissions Scenario Net-zero emissions globally by 2050 Global carbon price 2: US$ 730-980 per metric ton (target value)	No material impact identified

2. The carbon prices are based on scenario parameters published by the NGFS, using the REMIND-MAgPIE 2.1-4.2 model. The figures reflect the assumed global carbon prices for the year 2035. Source:NGFS Phase 4 Scenario Explorer (iiasa.ac.at).

The Company plans to address these transition risks by implementing energy-saving and carbon reduction initiatives aimed at minimizing the impact of its operations and supply chain on climate change, specifically targeting reductions in energy consumption, water usage, and waste generation. Efforts will also focus on improving energy efficiency, investing in green energy technologies, and dedicating resources to research and development of innovative green products that meet evolving consumer demands.

Physical risks.

Physical risks may manifest as either immediate or long-term impacts. Immediate risks are already occurring, such as increased flooding caused by extreme shifts in climate patterns, leading to operational disruptions at business sites and resulting in revenue declines or financial losses. Similarly, heightened drought frequency is causing supply chain interruptions, with expectations that these events will become more severe and frequent. Long-term risks are more likely to emerge around mid-century and beyond. Forecasting climate changes beyond 2050 presents significant challenges. A reasonable assumption is that long-term (and potentially irreversible) changes in climate patterns, such as rising average temperatures, will intensify over time.

The Company conducts physical risk scenario analyses to evaluate the potential impacts of climate change on its operations and resource allocation under the SSP5-8.5 and SSP1-1.9 scenarios. Under the high-emission SSP5-8.5 scenario, rising temperatures, along with increased frequency and intensity of extreme weather events, such as floods, droughts, and heavy rainfall, may exacerbate uncertainties related to water resources and agricultural conditions critical to the Company. Given that the Company operates in regions where water is a key production factor, fluctuations in water availability could directly threaten production stability, subsequently affecting cost control and supply chain coordination.

Conversely, under the more optimistic SSP1-1.9 scenario, global efforts to aggressively reduce greenhouse gas emissions result in a smaller increase in temperature and a lower likelihood of extreme weather events. Accordingly, risks related to water resources, infrastructure, and operational efficiency are comparatively manageable. However, even under low-risk scenarios, proactive adaptation measures are necessary to enhance resilience. Based on a comprehensive evaluation, the financial impact of physical risks on the Company will vary depending on the scenario and climate developments. Nevertheless, continuous monitoring and the implementation of appropriate strategies remain essential in the long term.

6. If transition plans are in place to address climate-related risks, describe the plan's details, including the key indicators and goals used to identify and manage both physical and transition risks.	Regarding the transition plans for managing climate-related risks, the Company is currently closely monitoring and evaluating the situation. Details will be provided once the plans are finalized. Ultimately, to achieve net-zero emissions, the Company will develop a comprehensive low-carbon transition plan targeting reductions in direct emissions from operations (Scope 1), indirect emissions from energy use (Scope 2), and indirect emissions across the value chain (Scope 3). The implementation plan includes: Enhancing operational efficiency: Improving energy productivity and usage efficiency to minimize carbon emissions during the manufacturing process. Investing in renewable energy: Committing to renewable energy investments and participating in carbon offset projects to compensate for unavoidable emissions or those limited by current reduction technologies.
7. If internal carbon pricing is used as a planning tool, describe the basis for setting the price.	Currently, the Company has no plans to implement an internal carbon pricing mechanism and will await further clarification of greenhouse gas-related regulations or guidelines from government authorities.
8. If climate-related goals have been established, describe the activities covered, the scopes of greenhouse gas emissions included, the planned timeline, and annual progress toward achieving these goals; if carbon offsets or Renewable Energy Certificates (RECs) are used to meet these goals, describe the sources and quantities of the offsets or the number of RECs involved.	The Company is committed to environmental protection in the long term, aiming to create a green operation model that "maximizes production efficiency while minimizing environmental impact," thereby achieving a harmonious balance between economic and environmental goals. The sources and quantities of carbon offsets or Renewable Energy Certificates (RECs) will be disclosed and planned in accordance with regulatory requirements.
9. Greenhouse gas inventory and verification status, reduction goals, strategies, and specific action plans.	Please refer to the table below.

1-1 Recent two-year company greenhouse gas inventory and verification status

1-1-1 Greenhouse gas inventory information

Describe the greenhouse gas emissions for the most recent two years (in metric tons of CO_2e), intensity (metric tons of CO_2e per million NT dollars), and the scope of data coverage.

The emissions data for the most recent two years are as follows:

Year	Scope 1 Emission(tCO2e)	Scope 2 Emission(tCO2e)	Emission intensity (tCO2e/ million NTD)
2024	35.2230	2,592.5421	5.0690
2025	27.9570	2,253.1960	4.4839

1-1-2 Greenhouse gas assurance information

Describe the assurance status for the most recent two years, including the scope of assurance, assurance provider, assurance standards, and assurance opinion.

The Company continues to implement greenhouse gas reduction management. In 2024 and 2025, inventories covering all sites of individual companies and consolidated subsidiaries were conducted under ISO 14064-1:2018 and the GHG Protocol. Reports were verified by Green Mountain Sustainability CPAs Firm in accordance with TWSAE 3000, confirming compliance with GRI Standards. Scope 1 and Scope 2 were assured under TWSAE 3410, with results indicating limited assurance, resulting in a reasonable assurance level for Scope 1 and 2.

1-2 Greenhouse gas reduction goals, strategies, and specific action plans

Describe the baseline year and data for greenhouse gas emissions, reduction goals, strategies, specific action plans, and progress toward achieving the reduction goals.

For chromium-based wastewater treatment, an automated graphical control system was introduced in 2025, along with the installation of related energy-saving variable frequency equipment, to improve energy efficiency and optimize the quality and quantity of treated wastewater. The total expenditure amounted to approximately NT$3.7 million.