Integrity, Pragmatism, Sustainability

PING HO ENVIRONMENTAL TECHNOLOGY CO., LTD.

2024 SUSTAINABILITY REPORT

Contents

1 Basic Information

1.1 About this Report

1.1.1 Reporting Period

(GRI 2-3 a.~c.)

This Report is the 2024 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 2024 fiscal year (January 1, 2024, to December 31, 2024). The Company will publish a sustainability report annually, which is also available on its website.

- This Report published: August 2025
- Next Report expected: August 2026

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, 2024, as well as after December 31, 2024; 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

(GRI 2-2 all)

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

(GRI 2-4 all)

In Section 5.1.2 "Usage of Raw Materials," only data from PHET regarding the material (flexible intermediate bulk container, FIBC) has been disclosed. Consequently, adjustments have been made to the data. See Section 5.1.2 for details.

In Section 5.4.2 "Water Withdrawal, Drainage, and Consumption," the data regarding the volume of recycled water for 2022 and 2023 has been adjusted. See Section 5.4.2 for details.

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

(GRI 2-5 all)

After the completion of this Report, the management engages an independent third-party verification body to conduct an audit and verify its adherence to GRI Standards. This year, we have appointed Green Mountain Sustainability CPA Firm to perform a limited assurance engagement in accordance with the "Assurance Criteria TWSAE 3000 - Assurance Cases of Non-Historical Audits or Reviews of Financial Information" (which was developed with reference to the International Standard on Assurance Engagements 3000 (ISAE 3000)). The relevant assurance methods and results are presented in the appendix.

1.1.7 Contact Details

(GRI 2-3 d.)

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

(GRI 2-22)

President and Chairman of the Sustainable Development Committee: Hung-Chieh Huang

PHET was officially listed on the Taiwan Innovation Board in May 2024, signifying a milestone year for the Company. Since its inception, the Company has consistently engaged in research on wastewater treatment technologies and has accumulated practical operational experience. This foundation has enabled the Company to steadily expand its service offerings and geographic reach while progressively integrating upstream and downstream resources. In addition to enhancing the group's operational growth momentum, the Company is committed to contributing positively to this beautiful island through social responsibility, climate change, and implementation of environmentally conscious actions.

The Company has formulated the "Sustainable Development Best Practice Principles," conducted related evaluations on its operational activities, and established relevant internal control methods and norms based on the principle of materiality. This ensures the provision of a safe working environment and the Company's commitment to environmental responsibility and adherence to ethical norms in business operations. Furthermore, it continues to enhance and review the effectiveness of its implementation efforts.

- Environmental Aspect

The Company operates in the wastewater treatment industry. In addition to establishing a reporting mechanism in compliance with environmental laws and regulations, the Company promptly reviews relevant procedures and submissions in response to regulatory changes, ensuring the effective implementation of compliance operations. In the efforts to mitigate climate change, apart from involvement in acidic waste recovery and recycling operations, the Company actively promotes energy-saving and carbon reduction activities through its management units. Furthermore, it plans to sustain its investment in industry-academia collaboration to enhance wastewater treatment efficiency and diminish environmental pollution. These efforts aim to reduce the Company's environmental footprint across multiple fronts. The Company has also announced plans to install a self-constructed solar power generation system with an approximate capacity of 440 kW at its subsidiaries. This initiative is designed to reduce carbon emissions by producing green electricity, thereby alleviating the effects of climate change.

- Social Aspect

The Company regularly convenes meetings of the employee welfare committee and labor-management meetings to facilitate communication with employees, and provide timely guidance on laws and regulations to prevent labor disputes. Employees can submit suggestions through communication channels such as meetings or interviews, fostering a collaborative environment where the company works with employees to cultivate a harmonious and positive labor relationship.

Employees are mainly recruited locally. In addition to actively engaging in community activities, the Company periodically sponsors events at nearby schools and community organizations to foster positive interactions within the community. Moreover, the Company maintains industry-academic cooperation with nearby universities and colleges and provides internship opportunities for enrolled students, facilitating a comprehensive exchange and utilization of both industry and academic resources. We aspire to nurture a greater number of young scholars to enter the field of environmental protection in the future, thereby enhancing overall environmental awareness and contributing to the improvement of our environment.

- Governance Aspect

The Company's Board of Directors comprises 7 members, (including 3 Independent Directors). Among the board members, Independent Directors represent 43%, while those with employee status make up 14.29%. Gender equality within the Board is also a focus, with 1 female director among the 7, accounting for a ratio of 14.29%. This aligns with the management objective of diversity policy for board members. The Board guides company strategy, oversees management, and is accountable to the Company and shareholders. All operations and arrangements in the corporate governance system are conducted in accordance with laws, the Corporate Charter, or resolutions of the Shareholders Meeting.

The Company arranges annual continuing education courses for directors to ensure they are well-informed about changes in relevant laws and policies, comprehend overarching environmental change trends, and improve the quality of decision-making. Moreover, the Company's official website offers contact information and email addresses to facilitate smooth communication channels with investors and other stakeholders. Dedicated personnel are assigned to address and respond to material topics promptly.

Moving forward, the Company is committed to further enhancing our ESG performance across all dimensions, striving to achieve sustainability objectives with integrity and a pragmatic approach.

1.3 Stakeholder Engagement

1.3.1 Identifying Stakeholders

(GRI 2-29)

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

(GRI 2-29) (GRI 2-12)

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)	1. Waste 2. Emissions

Stakeholders	Communication Channels and Frequency	Material Topics of Concern [Note 1]
	3. Correspondence (as needed) 4. Market Observation Post System (as required by regulations) 5. Competent Authority Reporting System (monthly)	3. Water and Effluents 4. Anti-Corruption
Community Residents	1. Company 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) 6. Company Public Website (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

(GRI 2-14, 3-1, 3-2)

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 2024 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.

(5) 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.

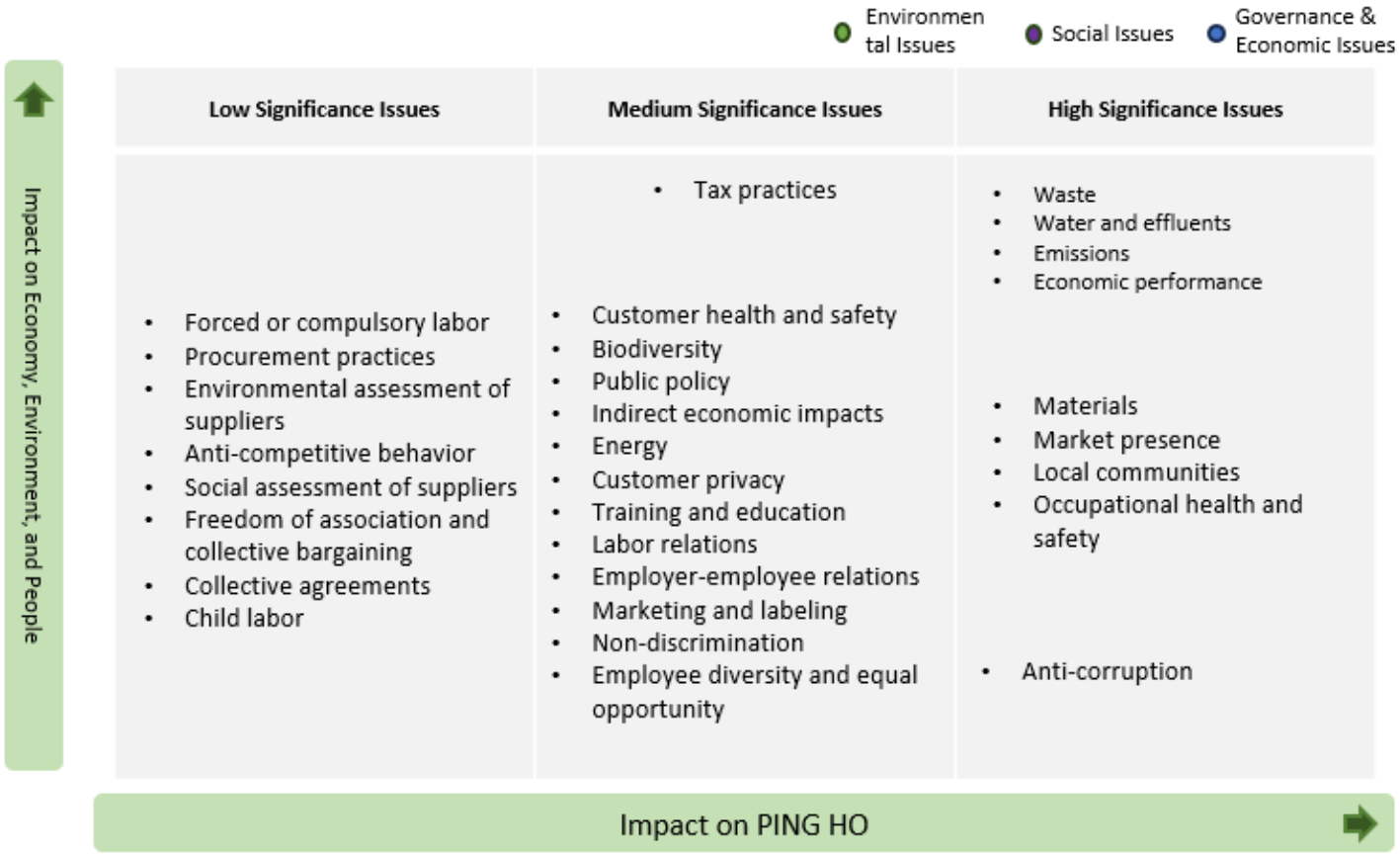
Step 3. Reporting of Material Topic Information

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

(GRI 2-12, 2-13, 2-15, 3-2, 3-3)

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 2024: Impact Boundaries and Objective Outcomes

(GRI 2-25)

Material Topics	Corresponding GRI Topics	Impact		Causes of Impact	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	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	2.3 Economic Performance

Material Topics	Corresponding GRI Topics	Impact		Causes of Impact	Key Management Approaches	Action Plan	Corresponding Sections of the Report
		Positive Impact	Negative Impact				
						emerging technologies, thereby augmenting the added value and treatment capacity of 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	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 20% of its workforce.	6 Workplace Management

Material Topics	Corresponding GRI Topics	Impact		Causes of Impact	Key Management Approaches	Action Plan	Corresponding Sections of the Report
		Positive Impact	Negative Impact				
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	Establish internal control and monitoring mechanisms to ensure compliance with regulations. 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.	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, and implement a whistleblowing mechanism to prevent corruption.	2.4.1 Integrity Management
Materials	GRI 301	The incorporation of new chemicals	Purchasing chemicals from external suppliers can	Supplier and Company Operations	Expand and enhance environmentally sustainable acidic	1. Develop and formulate wastewater treatment chemicals	5.1 Raw Material Management

Material Topics	Corresponding GRI Topics	Impact		Causes of Impact	Key Management Approaches	Action Plan	Corresponding Sections of the Report
		Positive Impact	Negative Impact				
		enhances the quality of treated wastewater.	expose a company to price fluctuations, thereby complicating cost control efforts.		waste treatment technologies to minimize pollutant emissions. Implement routine water quality monitoring to ensure adherence to effluent standards. Increase compliance training to enhance employees' awareness and adherence to regulations and ethical standards.	internally/adjust and optimize the chemical formulations necessary for wastewater treatment processes to mitigate risks associated with price volatility.	
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	Company Operations	Refine wastewater treatment technologies to ensure that effluent standards are in full compliance with	1. Regulate effluent standards in accordance with the "Water Pollution Prevention Measures Plan and Permit" issued by	5.4 Water Source Control

Material Topics	Corresponding GRI Topics	Impact		Causes of Impact	Key Management Approaches	Action Plan	Corresponding Sections of the Report
		Positive Impact	Negative Impact				
			litigation costs due to violation of regulations.		relevant regulations.	the competent authorities.	
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	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 2025, 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	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

Material Topics	Corresponding GRI Topics	Impact		Causes of Impact	Key Management Approaches	Action Plan	Corresponding Sections of the Report
		Positive Impact	Negative Impact				
Occupational Health and Safety	GRI 403	High-standard workplace safety regulations and regular education and training programs ensure employee safety.	The use of chemicals may pose health and safety risks to employees.	Company Operations	Use standard safe chemicals to reduce health risks for workers. 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.	1. Promote knowledge and regulations regarding workplace safety through employee education and training programs. 2. Conduct regular health checks for all employees.	6.4 Workplace Safety

Material Topics	Corresponding GRI Topics	Impact		Causes of Impact	Key Management Approaches	Action Plan	Corresponding Sections of the Report
		Positive Impact	Negative Impact				
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	Engage in discussions and communications with local residents and environmental organizations, respect the opinions of local stakeholders, implement measures to protect and preserve local natural environment and culture, and strive to avoid causing irreversible impacts on local communities.	1. Actively engage in a variety of social welfare initiatives, spearhead community outreach efforts, and promote environmental conservation. Examples include: contributing to fire brigades, providing scholarships to encourage student achievement, engaging in youth employment programs, and fostering collaborations between industry and academia to cultivate industrial talent, advance social inclusion, and support sustainable development.	7.1.2 Social Engagement Outcomes

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

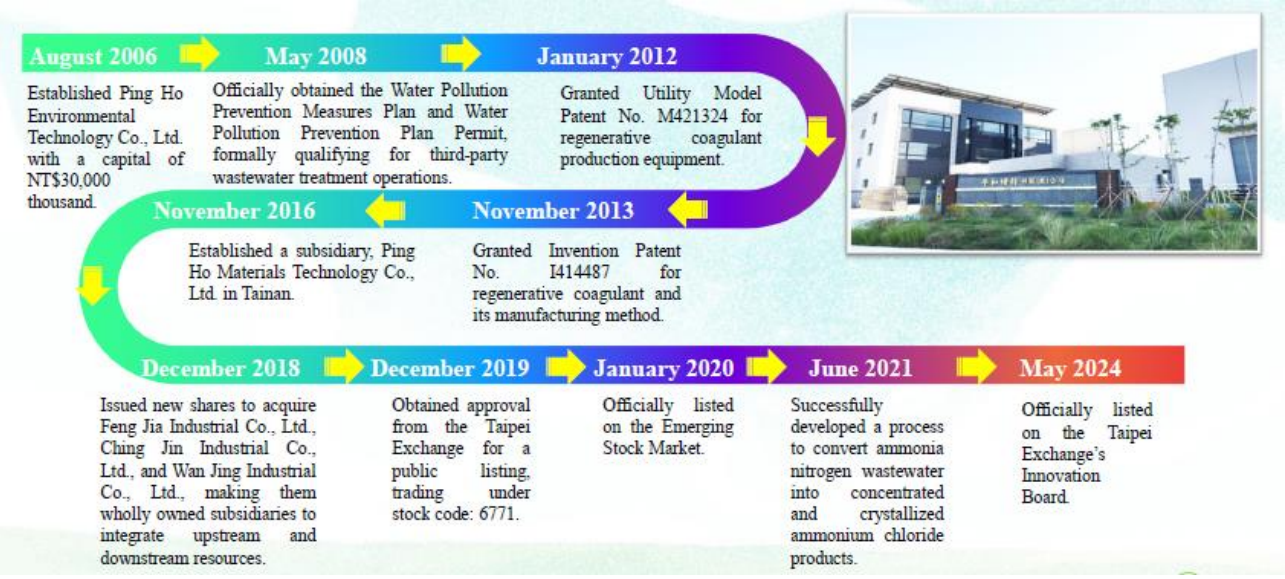
2.1.1 Basic Information

(GRI Index：2-1, 2-7, 2-8, 2-28)

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	72

- 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

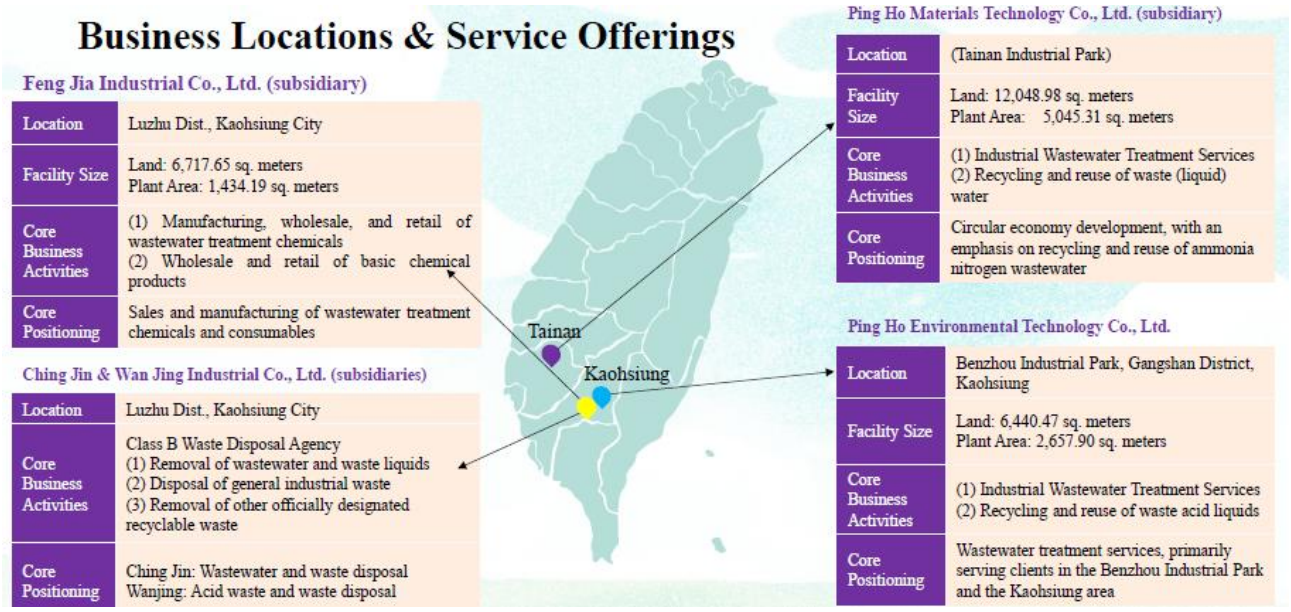
  1. Consistently monitor the quality of customer water and diligently enforce process controls to ensure to regulatory standards for discharged water.
  2. Visit customers periodically to understand their needs, enabling us to stay informed about industry changes and take responsive measures.
  3. Enhance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

- Association Memberships **(GRI 2-28)**

  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. In 2024, the Company became a member of two public associations: Kaohsiung City New Chamber of Commerce and Kaohsiung City Gangshan Benzhou Industrial Park Manufacturers Association.

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

2.1.2 Operating Sites

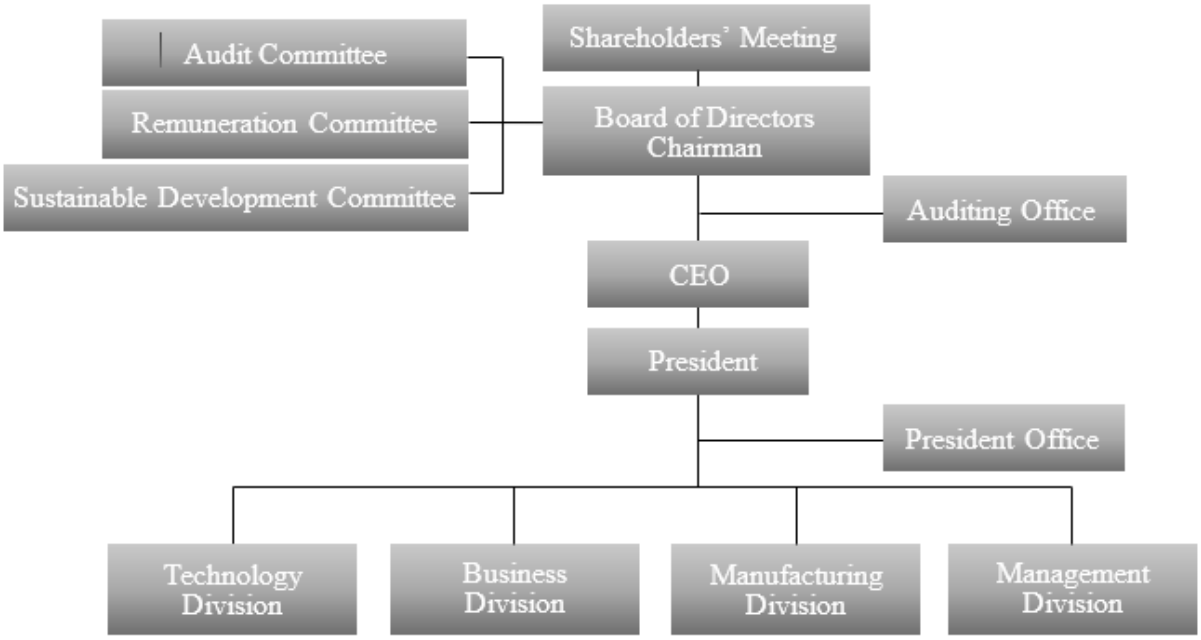


2.2 Governance Framework

2.2.1 Governance Structure

(GRI 2-9)

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, and Sustainable Development 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

(GRI 2-9, 2-10, 2-11, 2-15, 405-1 a.)

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 "Procedure for Appointment of Director," 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 2024, a total of five board meetings were held, achieving an average attendance rate of 100%. For information regarding director attendance and agenda content, please consult page 18 of PHET's 2024 Annual Report. https://www.pinghounion.com.tw/page/about/index.aspx?kind=59&lang=TW 。

Director Information for PHET, Current Board Term: June 15, 2022 to June 14, 2025

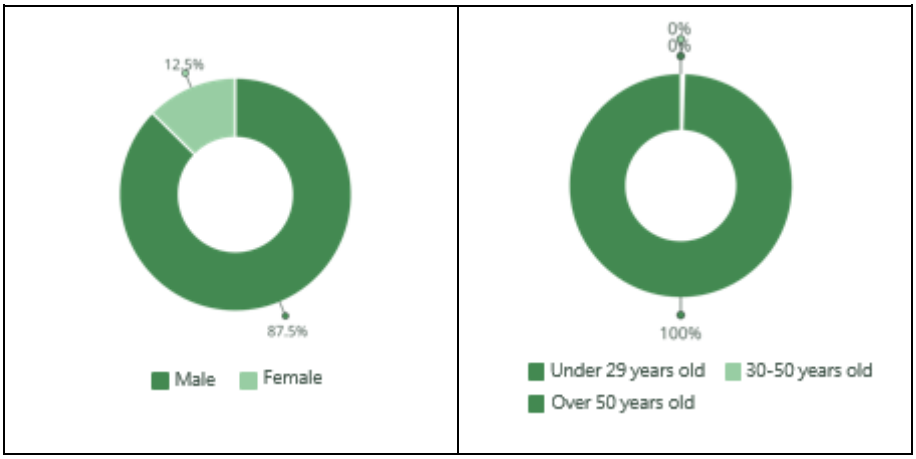
Title	Name	Term	Gender	Age	Concurrent Position with the Company	Concurrent Key Position with Other Companies	Functional Committee	
							Audit Committee	Remuneration Committee
Chairman	Ming-Yang Wu	3 years	Male	61-70 years old	-	Chairman of Ping Ho Materials Technology Co., Ltd. Chairman of Walter Express 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.		
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		

Title	Name	Term	Gender	Age	Concurrent Position with the Company	Concurrent Key Position with Other Companies	Functional Committee	
							Audit Committee	Remuneration Committee
						Yuan-Heng Steel Corp.		
Director (Note A)	Chin-Lan Huang	3 years	Female	51-60 years old	-	None		
Director (Note A)	Ming Sun	3 years	Male	51-60 years old	-	Chairman of SHIH-TSUN CO. Chairman of Gao Ding Scaffolding Co., Ltd.		
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
Independent Director	Tao-Min Chen	3 years	Male	61-70 years old	-	None	V	V
Independent Director	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: Director Ming Sun resigned on November 2, 2023. Director Chin-Lan Huang was elected to fill the vacancy during the extraordinary shareholders' meeting convened on November 3, 2023.

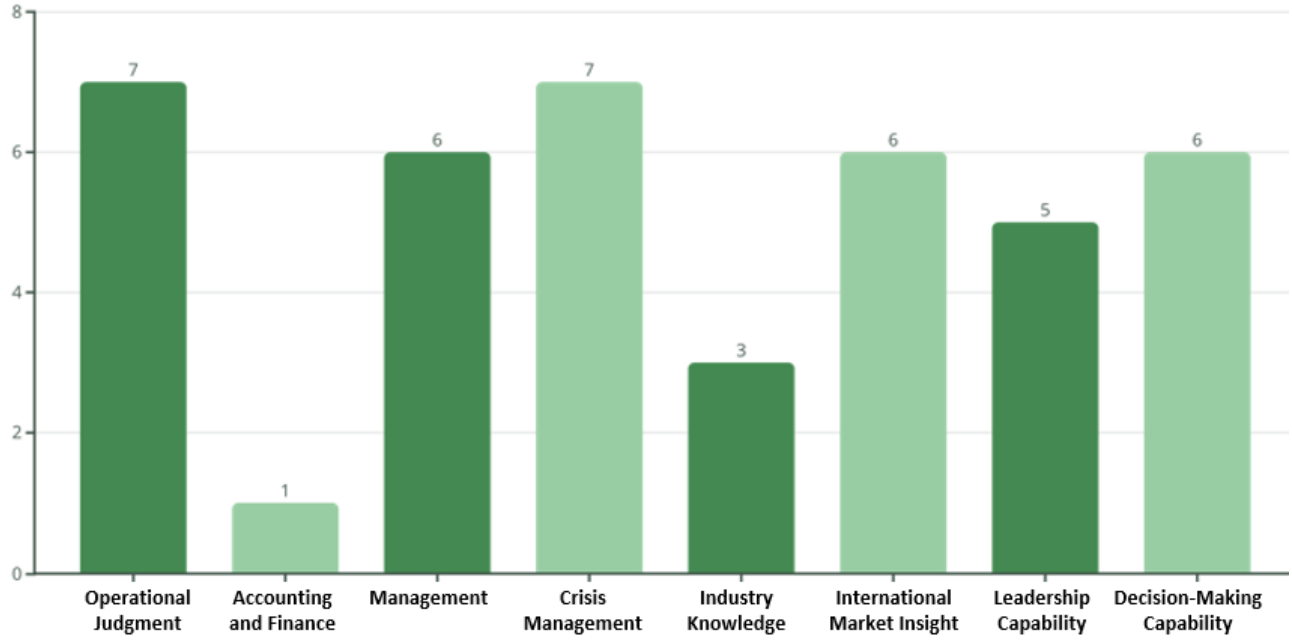
Note: For information on avoiding conflicts of interest, please refer to Section 2.2.1 Governance Structure - Managing Conflicts of Interest.

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	Jun-An Chang	V		V	V	V	V		V



- **Director Training**

  (GRI 2-17)

  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 51 hours of participation in continuing education courses was accumulated in 2024. https://www.pinghounion.com.tw/page/about/index.aspx?kind=59&lang=TW。

- **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 2024, please refer to pages 13 and 14 of PHET's Annual Report for 2024. 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. *It is recommended that the graphic designer incorporate hyperlinks to the annual report.

  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 2024, please refer to page 15 of PHET's Annual Report.
  https://www.pinghounion.com.tw/page/about/index.aspx?kind=59&lang=TW。

- **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. The duration of the notice period and the method for calculating severance pay are consistent with those applicable to other employees. In addition to severance pay, no additional monetary payments or in-kind benefits are provided to departing directors or senior management.

- **Performance Evaluation of the Board**

  (GRI 2-18)

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

  The evaluation of Board performance includes the following five key aspects:

  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

  The performance evaluation for individual directors of the Company includes the following six key aspects:

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

- Performance Evaluation Results for 2024:

  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 2024 evaluation score stands at 90 points (out of 100).

Implementation Status for Board Evaluation

Evaluation Cycle	Evaluation Date	Evaluation Method	Scope of Evaluation	Evaluation results
Execute once a year	January 1, 2024 to December 31, 2024	Internal self-evaluation by the Board of Directors	Board of Directors	90 points (out of 100)
Execute once a year	January 1, 2024 to December 31, 2024	Internal self-evaluation by the Board of Directors	Individual Directors Members	Average score: 90 (out of 100)

- **Managing Conflicts of Interest**

  (GRI 2-15)

  The "Regulations Governing Procedure for Board of Directors Meetings" of PHET, along with the organizational regulations governing the Audit Committee and Remuneration Committee, 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 2024, please refer to pages 59-61 of PHET's 2024 Annual Report.
  https://www.pinghounion.com.tw/page/about/index.aspx?kind=59&lang=TW。

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 2024, PHET has not encountered any material conflicts of interest.

2.2.2 Functional Committee

(GRI 2-9, 2-14)

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

- **Remuneration Committee**

  (GRI 2-19, 2-20)

  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 June 29, 2022, to June 14, 2025. 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 2024, it held three meetings with a 100% attendance rate among its members. The Board of Directors approved the compensation for employees and directors for the current year on March 12, 2024.

- **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 2024, a total of five meetings were convened with an attendance rate among members reaching 100%.

  Implementation status of the Audit Committee Page 23 of PHET's 2024 Annual Report https://www.pinghounion.com.tw/page/about/index.aspx?kind=59&lang=TW。

- **Sustainable Development Committee**

  (GRI 2-12, 2-13, 2-14, 2-17)

  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: Corporate 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; Sustainable Environment 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 Responsibility 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; Sustainability Disclosure Subgroup, responsible for sustainability information management policies, compliance with sustainability-related disclosure laws and international standards, ensuring the transparent disclosure of material and reliable sustainability information, and holding interdepartmental meetings as needed to coordinate and achieve environmental sustainability goals.

- 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.

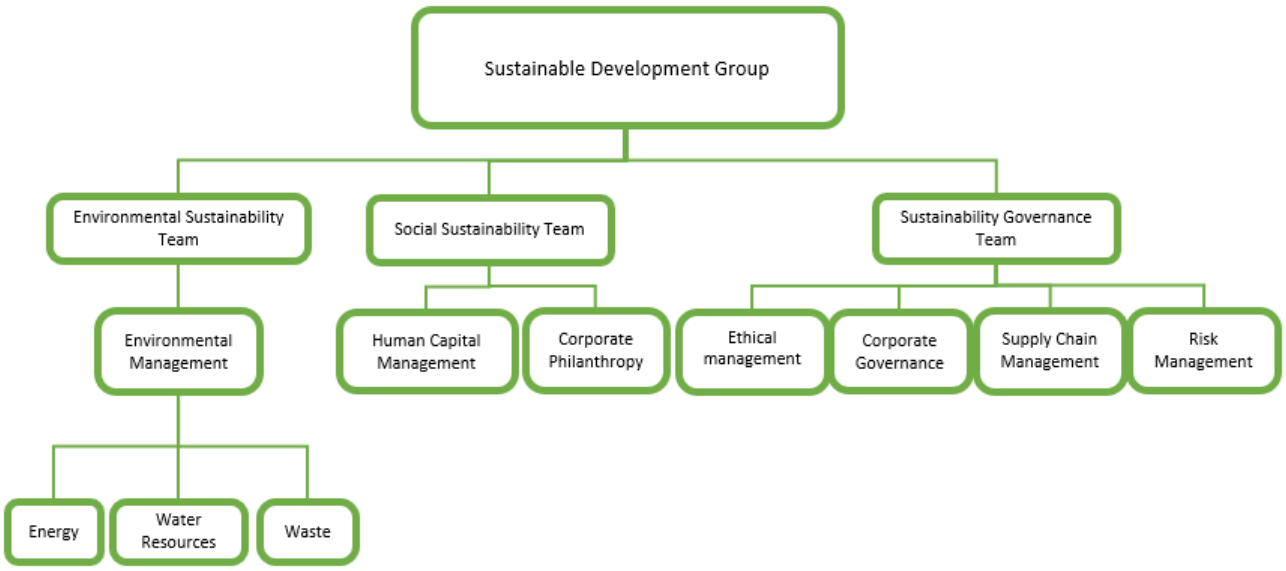
    IV. Report implementation outcomes to the Board of Directors annually.

  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 2024 Sustainability Report is expected to be completed in the third quarter of 2025, 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 2024.

Organizational Chart of the Sustainable Development Group



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

  (GRI 2-16)

  The Sustainable Development Group of PHET convened two meetings in 2024. The content of these meetings and the specific recommendations are outlined as follows:

  Meeting Content for the 2024 Sustainable Development Group

Meeting Date	Meeting Nature	Agenda Items	Key Reports and Specific Recommendations
March 15, 2024	Progress reports and discussions of the Sustainability Report by each group	1. Identification of material topics 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.
May 28, 2024	Discussion on data collection progress for each group	1. Discussion on the provision of data requiring cross-departmental collaboration 2. Confirmation of report content and definitions	For data requiring cross-departmental collaboration for provision, verifying relevant figures and reconfirming whether the content and definitions of report-related topics are consistent to facilitate subsequent report preparation.

2.3 Economic Performance

2.3.1 Economic Income and Distribution

(GRI 201-1, 201-4)

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	2022	2023	2024
Direct Economic Income	Net Operating Revenue	672,972	609,242	635,001
	Financial Investment Income	579	1,574	2,118
	Other Income	1,680	1,360	921
Direct Economic Value Generated		675,231	612,176	638,040
Economic Distribution	Operating Costs	394,379	343,548	366,213
	Employee Salaries and Benefits	93,020	87,134	102,738
	Payments to Investors	131,533	127,103	126,066
	Payments to Governments	28,377	30,494	34,607
	Community Investment	1,907	3,251	1,559
	Others	792	1,126	7,034
Economic Value Distributed		650,008	592,656	638,217
Economic Value Retained		25,223	19,520	(177)

Proportion of Financial Revenue from Government Sources

The Company's operating site in Taiwan region received tax reductions and credits amounting to NT$8,325 thousand, NT$9,306 thousand, and NT$19,379 thousand for 2024, 2023, and 2022, 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

(GRI 2-23, 2-24, 2-26, 205-1, 205-2, 205-3, 206)

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 2024, 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. (Company 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 2024, 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 is committed to upholding international human rights conventions, including gender equality, the right to work, and the prohibition of discrimination. To protect the fundamental rights of employees and stakeholders, the Company has established the "Sustainable Development Best Practice Principles."

To ensure that suppliers also adhere to the Company's human rights protection policies, we have developed the "Supplier Corporate Social Responsibility Measures." These measures apply to all suppliers engaged in collaboration with the Company. This approach guarantees that human rights policies are implemented consistently at the supplier level.

In 2024, there were no violations of the human rights standards mandated by either the "Sustainable Development Best Practice Principles" or the "Supplier Corporate Social Responsibility Measures" among members of the Company's board, management, employees, or public entities. Furthermore, no instances of inequality or human rights violations were reported.

2.4.3 Regulatory Compliance

(GRI2-27)

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 2024, the Company recorded no significant violations of environmental, social, governance, or economic regulations. This reflects our unremitting efforts and the high priority we place on compliance management and corporate social responsibility.

Other Regulatory Violation Statistics Over the Past Three Years

	2022	2023	2024
Number of Violations Resulting in Fines	8	6	0
Number of Violations Resulting in Warnings	0	0	0
Number of Violations of Voluntary Regulations	0	0	0
Total Number of Regulatory Violations	8	6	0

Note: In 2023, there were six cases of violations that resulted in fines, all of which pertained to traffic offenses. These incidents did not have any impact on the Company's operations or its stakeholders.

In 2024, the Company enhanced the management of official vehicle usage and conducted education and training for users on traffic safety and relevant regulations. Throughout the year, no incidents of regulatory violations, traffic offenses, or traffic fines were recorded.

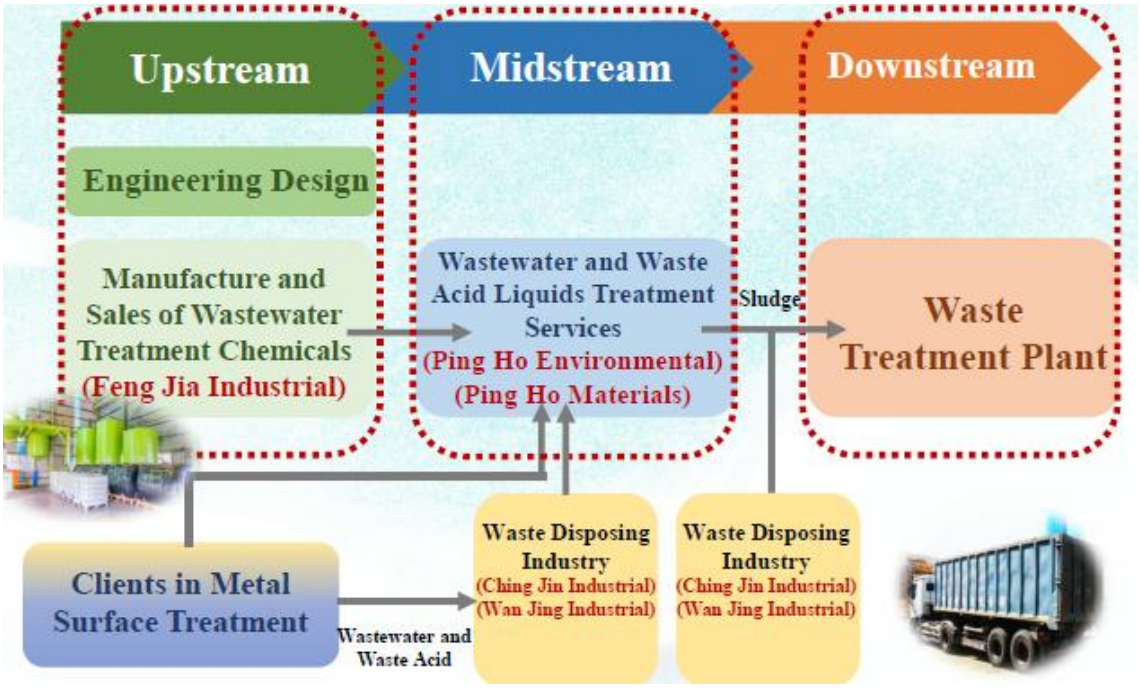
3 Product Services

3.1 Products and Services

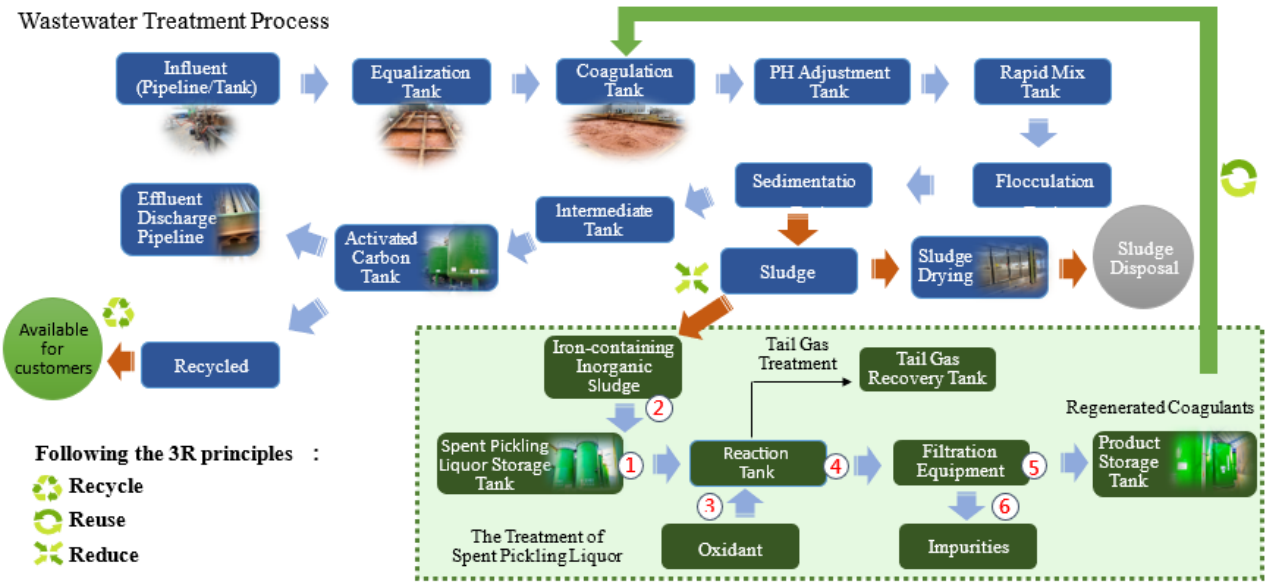
3.1.1 Service Introduction

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 acidic 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, acidic 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



First, wastewater is introduced into the equalization tank through pipelines or tanker trucks to ensure uniform mixing and stabilize water quality. The wastewater then flows into the coagulation tank, where coagulants are added to aggregate suspended particles, followed by pH adjustment in the pH adjustment tank. Subsequently, the wastewater undergoes further blending in rapid mixing and slow mixing tanks to enhance coagulation efficiency. Following this process, the wastewater settles in the sedimentation tank to form sludge. After temporary storage in an intermediate tank, it proceeds to activated carbon tanks for adsorption treatment of organic pollutants, and the treated water is either discharged into the sewer system or recycled for reuse. The treated wastewater can be repurposed for customer use, while the sludge is dried, collected and transported for disposal. The entire process adheres to the principles of the 3Rs - Recycle, Reuse, and Reduce - to promote environmental protection and resource reuse.

The treatment of spent pickling liquor commences at the storage tank. Iron-containing inorganic sludge and spent pickling liquor are introduced into the reaction tank, where they react with oxidizing agents before passing through filtration equipment to separate impurities. Exhaust gases generated during processing are captured and treated to minimize their environmental impact.

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. This allows our customers to track removal traces and monitor direction in real-time via online access 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	70.26%	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	8.25%	-
Waste Transportation	8.88%	Waste Disposal Act
Others	12.61%	Contract-Related Provisions

4 Supply Chain Management

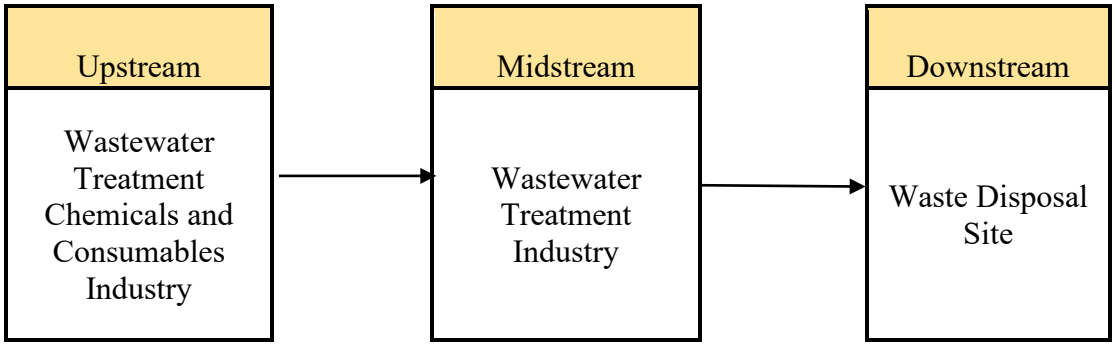
4.1 Industrial Supply Chain

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. This approach guarantees efficient operations throughout the entire process - from wastewater generation to treatment and ultimate disposal.

4.2 Supply Chain Management

4.2.1 Supply Chain Management Policy

(GRI 409-1)

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

5.1 Raw Material Management

5.1.1 Raw Material Management Policy

(GRI 301)

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.

5.1.2 Raw Material Usage

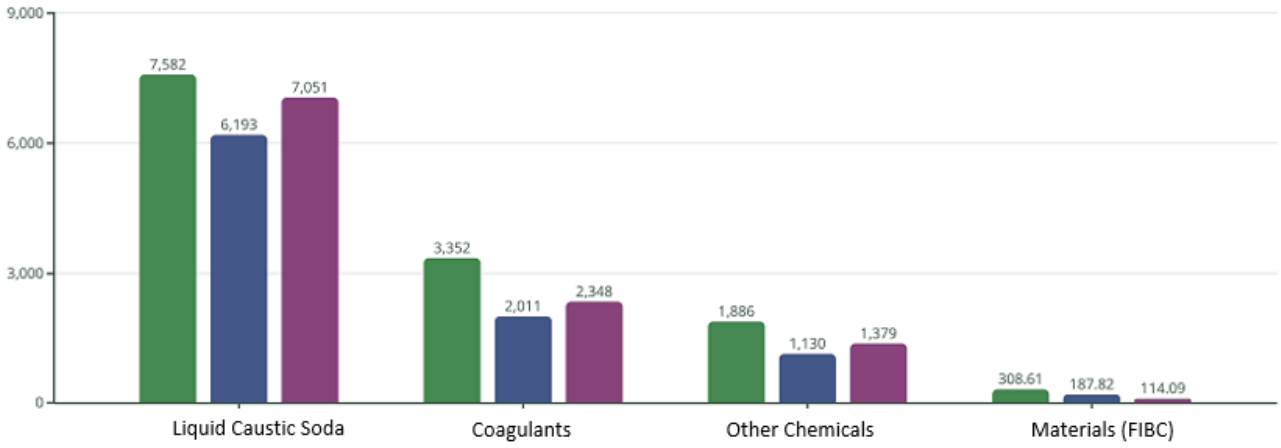
(GRI 301-1)

In 2024, PHET's total consumption of non-renewable raw materials for its products amounted to 10,892.09 metric tons. This year's usage of non-renewable raw materials experienced a slight increase compared to 2023. This rise is largely attributed to an uptick in wastewater treatment volumes in 2024, necessitating additional quantities of raw materials.

Raw Material Structure (Unit: metric ton)

Type	Non-Renewable Raw Materials		
	2022	2023	2024
Liquid Caustic Soda	7,582	6,193	7,051
Coagulants	3,352	2,011	2,348
Other Chemicals	1,886	1,130	1,379
Materials (FIBC)	308.61	187.82	114.09
Total	13,128.61	9,521.82	10,892.09

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



5.2 Energy Governance

5.2.1 Energy Management

(GRI 302)

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.

5.2.2 Energy Consumption

(GRI 302-1, 302-3)

The total energy consumption of PHET for 2024 amounted to 19,114.70 gigajoules (GJ), with an energy intensity of 36.87 GJ per NT$ million. The majority of the Company's energy consumption was derived from purchased electricity, which accounted for approximately 98.94% of the total energy usage. The remaining energy sources comprised fossil fuels at 1.06%.

PHET Energy Consumption Analysis (Unit: GJ)

Energy Consumption Items		Energy Consumption note			Percentage of Energy Consumption		
		2022	2023	2024	2022	2023	2024
Purchased Non-renewable Energy	Fossil Fuel (primarily derived from the chemical removal and transportation volume)	225.38	184.74	217.38	1.16%	1.03%	1.06%
	Purchased Electricity (primarily derived from wastewater treatment volume)	19,163.42	17,702.95	18,897.32	98.84%	98.97%	98.94%
Total Consumption of Non-renewable Energy		19,388.80	17,877.69	19114.70	100.00%	100.00%	100.00%
Total Energy Consumption		19,388.80	17,877.69	19114.70	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)		33.49	34.44	36.87			

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.

5.2.3 Energy Conservation Measures

(GRI 302-4)

For equipment with substantial energy consumption, the Company will conduct an evaluation in 2025 to determine the feasibility of replacing it with high-efficiency or energy-saving alternatives aimed at enhancing energy efficiency. Simultaneously, we will review relevant processes, strengthen personnel education and training initiatives, and expedite pipeline replacements to minimize energy consumption and reduce carbon emissions.

5.3 Greenhouse Gas Emission Management

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

5.3.1 Greenhouse Gas Inventory

(GRI 305-1, 305-2)

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 2024 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 2024 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 2024 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 2024 amounted to 2,627.7651 metric tons of CO_2e. Category 1 emissions were recorded at 35.2230 metric tons of CO_2e, representing 1.34% of the total emissions; Category 2 emissions totaled 2,592.5421 metric tons of CO_2e, accounting for 98.66% of the overall emissions.

Ping Ho Materials' total Category 1 and Category 2 greenhouse gas emissions for 2024 amounted to 196.4123 metric tons of CO_2e. Category 1 emissions were recorded at 5.7056 metric tons of CO2e, representing 2.90% of the total emissions; Category 2 emissions totaled 190.7067 metric tons of CO2e, accounting for 97.10% of the overall emissions.

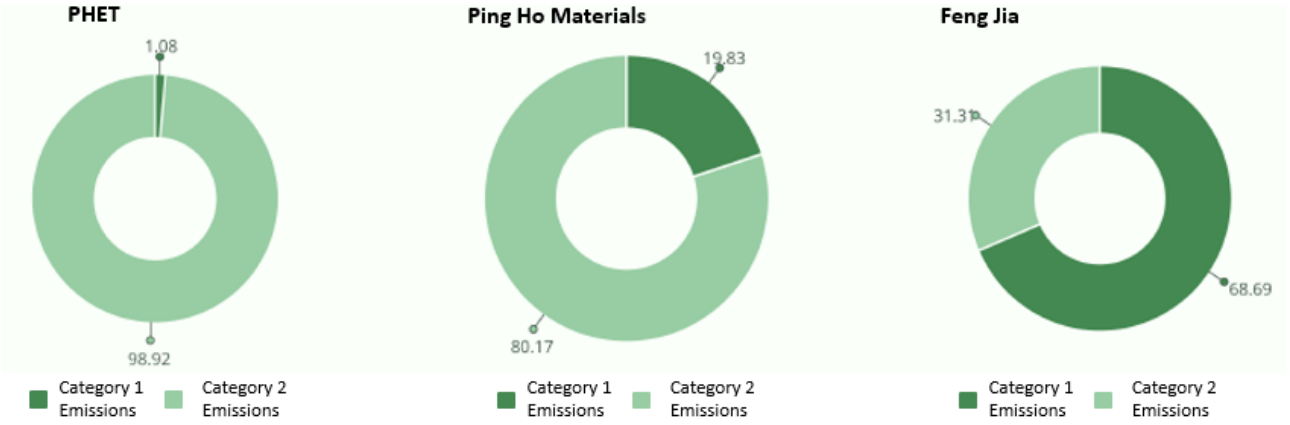
Feng Jia's total Category 1 and Category 2 greenhouse gas emissions for 2024 amounted to 102.5796 metric tons of CO_2e. Category 1 emissions were recorded at 71.3160 metric tons of CO2e, representing 69.52% of the total emissions; Category 2 emissions totaled 31.2636 metric tons of CO2e, accounting for 30.48% of the overall emissions.

Ching Jin's total greenhouse gas emissions for 2024 amounted to 298.5939 metric tons of CO_2e. Category 1 emissions were 298.5939 metric tons of CO2e, representing 100% of the total emissions.

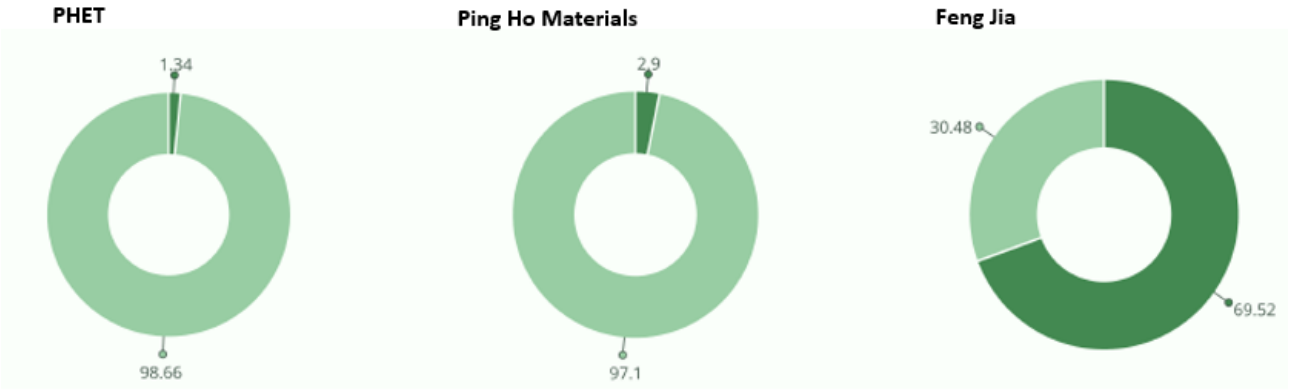
Wan Jing's total greenhouse gas emissions for 2024 amounted to 104.8813 metric tons of CO_2e. Category 1 emissions were 104.8813 metric tons of CO2e, representing 100% of the total emissions.

	Emissions (Unit: tCO2e)							
	PHET		**Ping Ho Materials**		**Feng Jia**		**Ching Jin**	**Wan Jing**
Year	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2024**	**2024**
Category 1	**26.5999**	**35.2230**	**5.3997**	**5.7056**	**65.4038**	**71.3160**	**298.5939**	**104.8813**
Category 2	**2,428.6843**	**2,592.5421**	**21.8277**	**190.7067**	**29.8094**	**31.2636**	**-**	**-**
Total	**2,455.2842**	**2,627.7651**	**27.2274**	**196.4123**	**95.2132**	**102.5796**	**298.5939**	**104.8813**

2023



2024



Greenhouse Gas Emissions and Intensity

(GRI 305-4)

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 2024, the Company reported a greenhouse gas

emission intensity of 5.0690 (tCO_2e/NT$1 million). The inclusion of Ching Jin and Wan Jing within the boundary this year, along with the formal commencement of operations at Ping Ho Materials in April and May 2024, necessitated an adjustment to the base year for calculations to 2024.

- **PHET Greenhouse Gas Emission Analysis**

Year Category	2023 Value	2024 Value	Unit
Category 1 Emissions	26.5999	35.2230	(tCO_2e/year)
Category 2 Emissions	2428.6843	2,592.5421	(tCO_2e/year)
Total Greenhouse Gas Emissions	2455.2842	2,627.7651	(tCO_2e/year)
Greenhouse Gas Emission Intensity (metric tons CO2e/NT$1 million)	4.7300	5.0690	(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	Unit
Category 1 Emissions	97.4034	515.7198	(tCO_2e/year)
Category 2 Emissions	2,480.3214	2,814.5124	(tCO_2e/year)
Total Greenhouse Gas Emissions	2,577.7248	3,330.2322	(tCO_2e/year)
Greenhouse Gas Emission Intensity (metric tons CO2e/NT$1 million)	4.2310	5.2445	(tCO_2e/NT$1 million)

Note: The boundary for 2024 includes Ching Jin and Wan Jing.

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

5.3.2 Greenhouse Gas Emission Reduction

(GRI 305-5)

The Company intends to evaluate the vacant land of its subsidiary, Feng Jia, in 2025 for the purpose of planning self-owned solar power generation facilities. 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.

5.3.3 Other Air Pollutant Emissions

(GRI 305-7)

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.

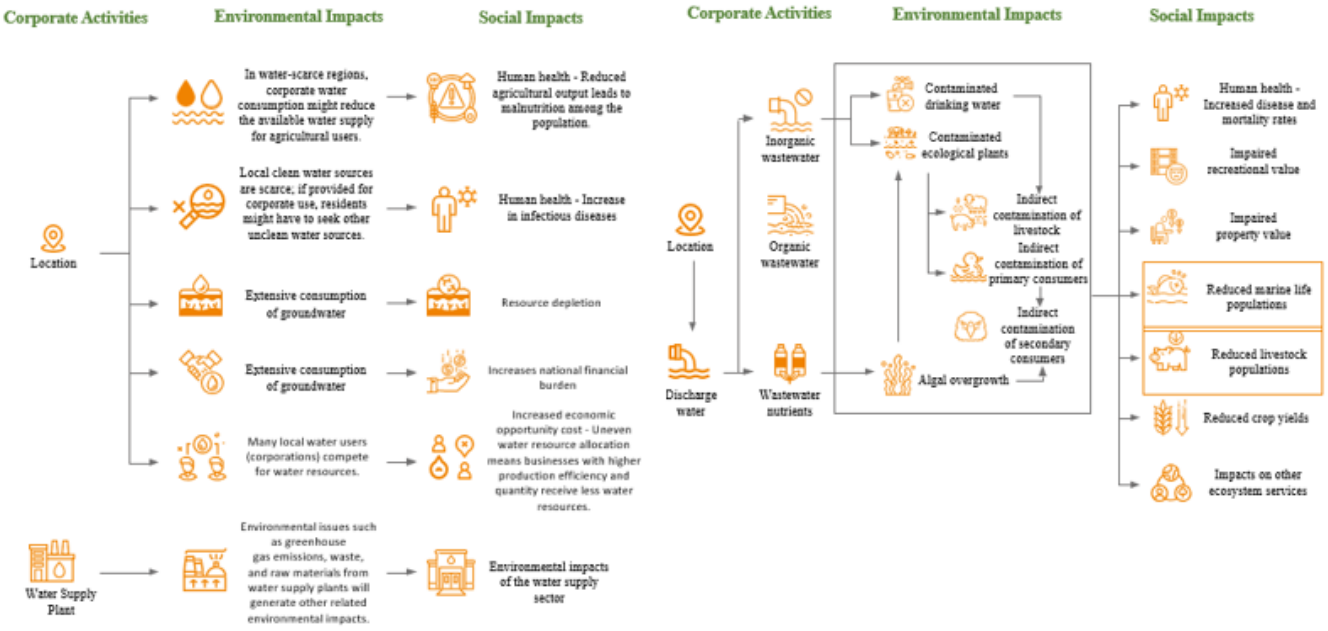
5.4 Water Source Control

5.4.1 Water Resource Impact Assessment

(GRI 303-1, 303-2)

Preface

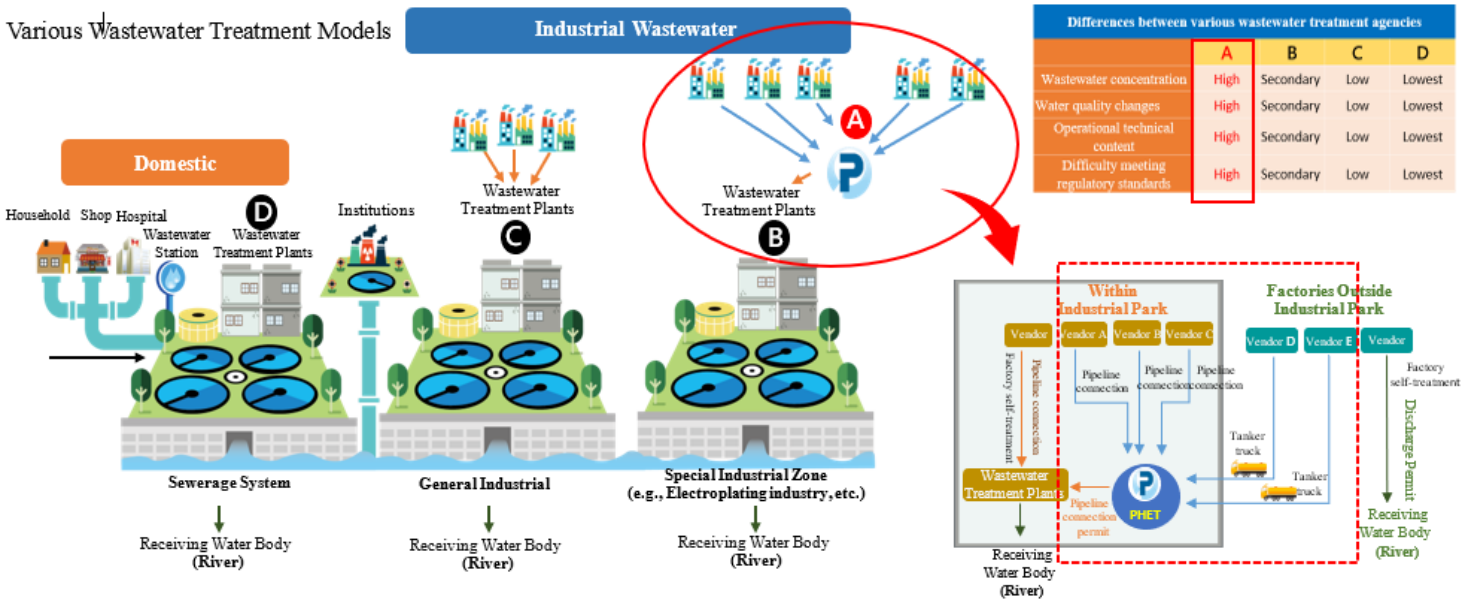
The climate in Taiwan region has been affected by global changes, leading to alterations in its existing rainfall patterns and resulting in a highly uneven temporal and spatial distribution of precipitation. Compounded by the island's steep topography, much of the rainfall rapidly runs off into the sea,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

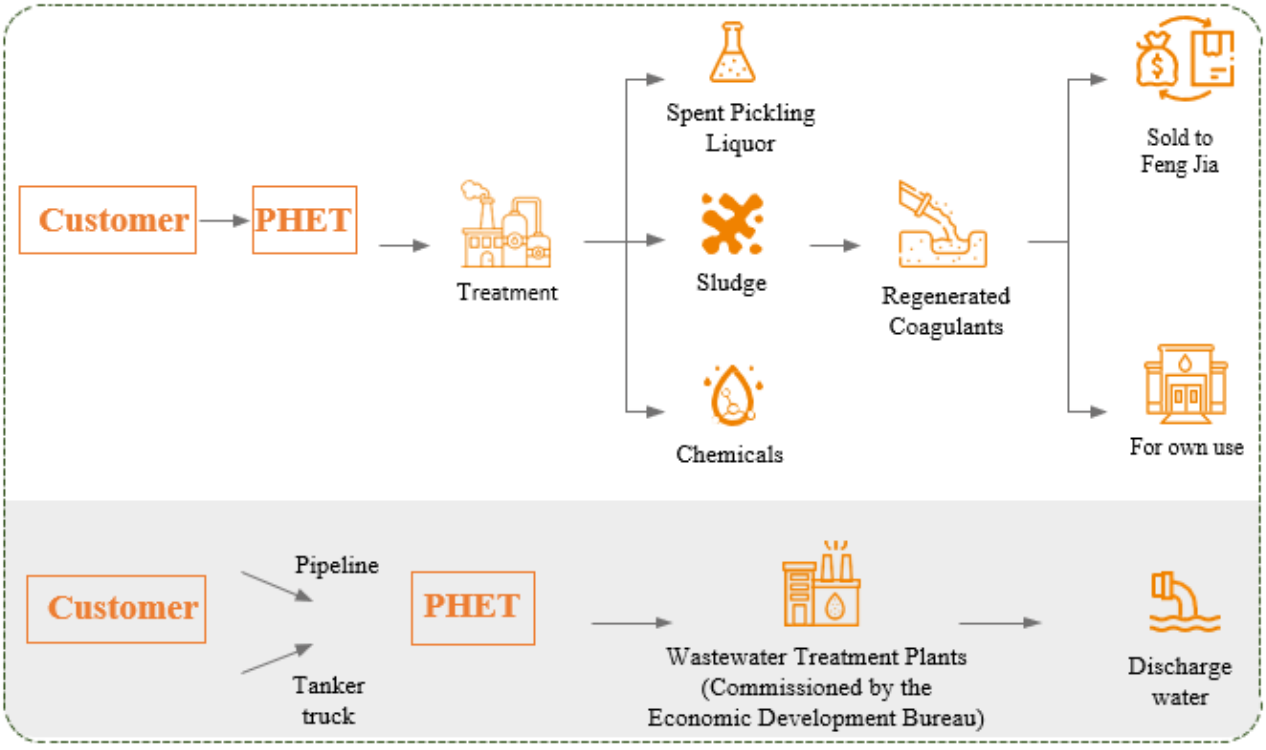


Water Resource Relationship Diagram

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

- **Water Resource Relationship Diagram**





Water Resource Impact Assessment Method

(GRI 303-1)

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

(GRI 303-2)

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	

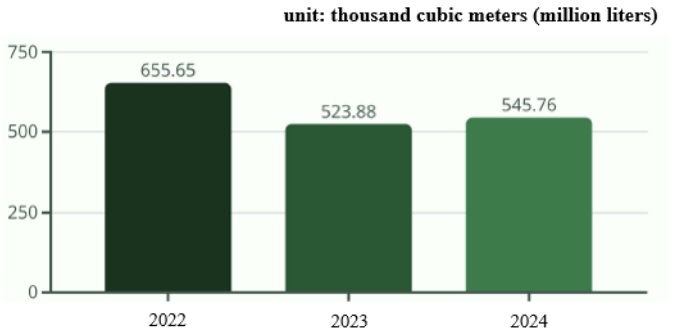
5.4.2 Water Withdrawal, Drainage, and Consumption

(GRI 303-3, 303-4, 303-5)

In 2024, PHET's total water withdrawal was 545.76 thousand cubic meters (million liters), total discharge was 538.67 thousand cubic meters (million liters), and total water consumption was 7.09 thousand cubic meters (million liters).

- **Water Withdrawal (unit: thousand cubic meters (million liters))**

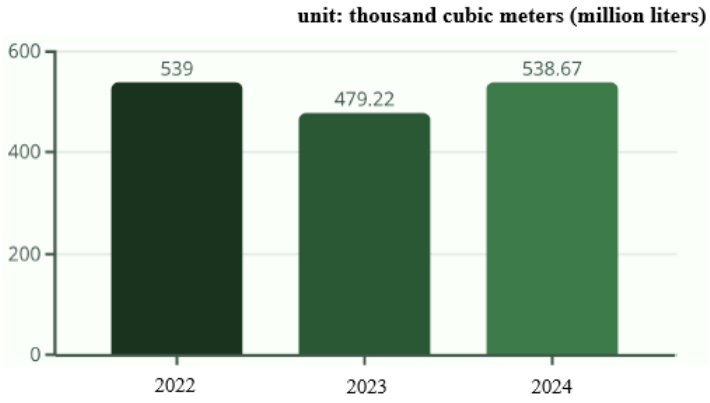
Categories of Water Withdrawal Source	Water Quality Standards	Water Withdrawal					
		2022		2023		2024	
		All Regions	Water-Stressed Regions	All Regions	Water-Stressed Regions	All Regions	Water-Stressed Regions
Third-Party Water	Freshwater	2.00	0.00	1.73	0.00	1.94	0.00
	Other Water	653.64	0.00	522.15	0.00	543.82	0.00
Total Water Withdrawal		655.65	0.00	523.88	0.00	545.76	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.

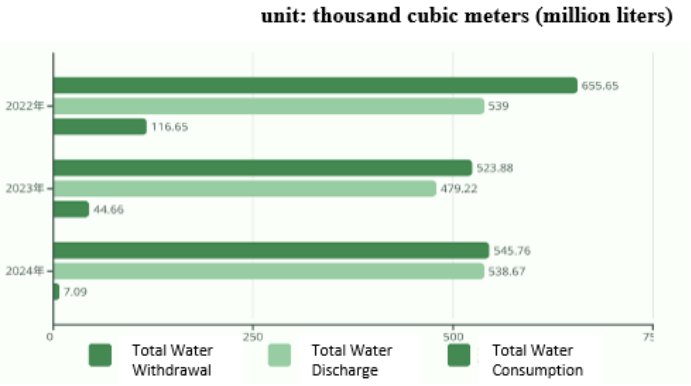
- **Water Drainage (unit: thousand cubic meters (million liters))**

Categories of Drainage Endpoint	Water Quality Standards	Water Discharge					
		2022		2023		2024	
		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	507.25	0.00	458.37	0.00	520.52	0.00
	Piped Back to Customers	31.75	0.00	20.85	0.00	18.15	0.00
Total Water Discharge		539.00	0.00	479.22	0.00	538.67	0.00



- **Water Consumption (unit: thousand cubic meters (million liters))**

Items	2022		2023		2024	
	All Regions	Water-Stressed Regions	All Regions	Water-Stressed Regions	All Regions	Water-Stressed Regions
Total Water Withdrawal	655.65	0.00	523.88	0.00	545.76	0.00
Total Water Discharge	539.00	0.00	479.22	0.00	538.67	0.00
Total Water Consumption	116.65	0.00	44.66	0.00	7.09	0.00



- **Reclaimed Water (unit: metric ton)**

	2022	2023	2024
Internal Use	84	121	11
Customer Use	31,735	20,847	18,153
Total Reclaimed Water	31,819	20,968	18,164

5.5 Waste Regulation

5.5.1 Waste Impact Assessment

(GRI 306-1, 306-2, 308-2)

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.

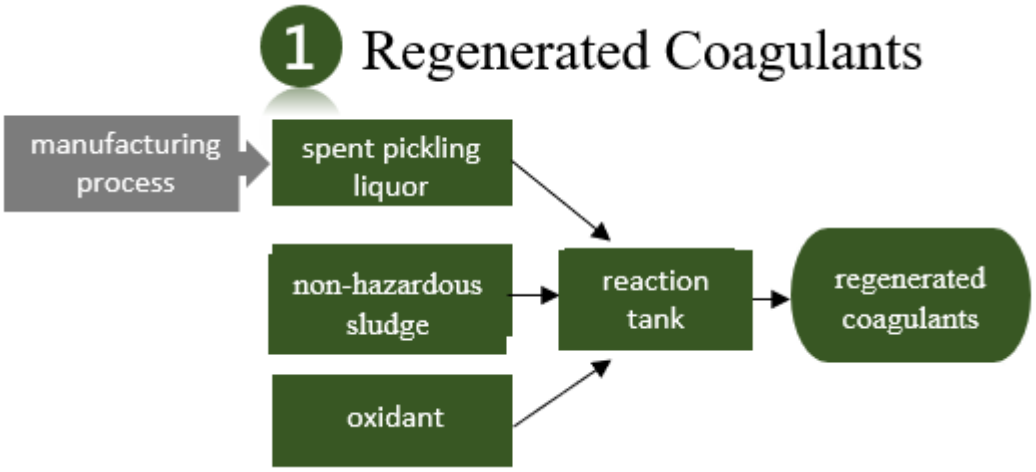
Waste Impact Assessment

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	Type	Treatment Methods	Chemical Treatment (%)	Landfilling (%)	Thermal Treatment (%)	Stabilization Treatment (%)	Other Methods (%)
Hazardous industrial waste	Process-generated hazardous industrial waste	Collected and transported by specialized vendors to professional treatment facilities for solidification.	-	-	-	-	100% solidified
Non-hazardous industrial waste	General industrial waste	Collected and transported by specialized vendors to professional treatment facilities for thermal treatment and stabilization. Additionally, 1.83% of general industrial waste is subjected to chemical treatment conducted by the Company.	1.83%	0%	70.01%	28.16%	-
Non-hazardous industrial waste	Announced recyclable or reusable waste	Transported by specialized vendors to professional treatment facilities for thermal treatment.	-	-	100%	-	-

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 (ferric chloride). Furthermore, this regenerated coagulant can be utilized in the wastewater treatment process as a chemical agent for sludge coagulation and precipitation.



5.5.2 Waste Management Policy

(GRI 306-2)

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.

5.5.3 Waste Collection, Transportation and Disposal

(GRI 306-3, 306-4, 306-5)

Overview of Amount of Waste Generated and Disposal Methods

The total amount of waste collected and transported by the Company in 2024 (amount directed to disposal) was 7,525.29 metric tons. Of this total, hazardous industrial waste constituted 622.23 metric tons, representing 8.27%, while non-hazardous industrial waste accounted for 6,903.06 metric tons, or 91.73%.

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.

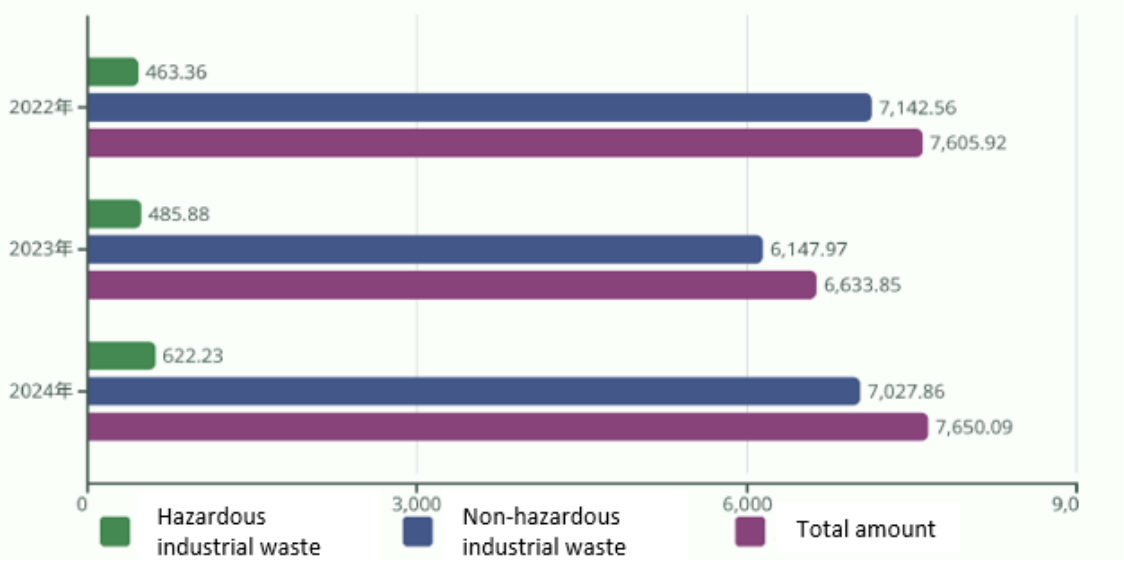
Summary of Amount of Directly Disposed, Self-Processed, and Generated Industrial Waste (aggregated across PHET sites; unit: metric tons)

Year	Item (note)	Explanation	Generated Amount	Self-Processed Amount	Waste Directly Disposed
2022	Hazardous industrial waste	Hazardous sludge	463.36	0.00	463.36
	Non-hazardous industrial waste	Non-hazardous sludge	7,142.56	96.28	6,441.68
		Spent activated carbon			604.60
	Total amount		7,605.92	96.28	7,509.64
2023	Hazardous industrial waste	Hazardous sludge	485.88	0.00	485.88
	Non-hazardous industrial waste	Non-hazardous sludge	6,147.97	109.00	5,677.45
		Spent activated carbon			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

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.

(aggregated across PHET sites; unit: metric tons)

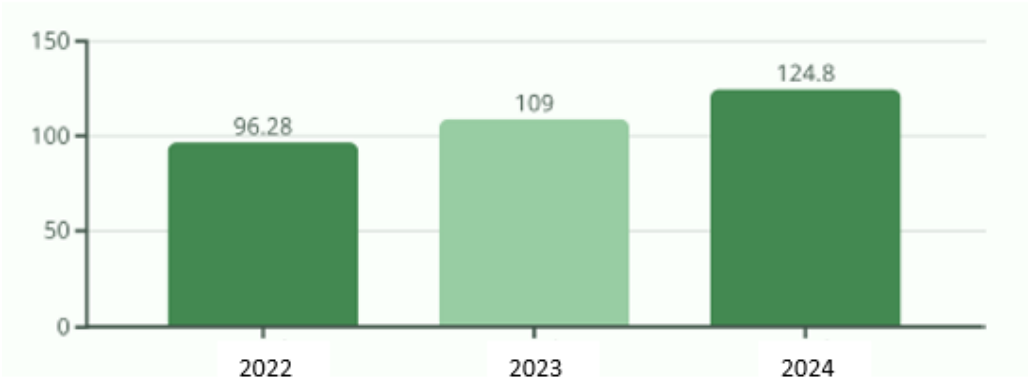


Explanation of Self-Disposal Methods for Industrial Waste

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	2022			2023			2024		
		On-site	Off-site	Subtotal	On-site	Off-site	Subtotal	On-site	Off-site	Subtotal
Non-hazardous industrial waste	Used as raw materials	96.28	0.00	96.28	109.00	0.00	109.00	124.80	0.00	124.80



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	2022			2023			2024		
			On-site	Off-site	Subtotal	On-site	Off-site	Subtotal	On-site	Off-site	Subtotal
Hazardous industrial waste	Hazardous sludge	Solidification	0.00	463.36	463.36	0.00	485.88	485.88	0.00	622.23	622.23
		Total amount	0.00	463.36	463.36	0.00	485.88	485.88	0.00	622.23	622.23
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	5,500.23	5,500.23	0.00	5,462.95	5,462.95	0.00	4,772.75	4772.75
		Stabilization treatment	0.00	257.64	257.64	0.00	214.50	214.50	0.00	1,919.66	1,919.66
		Physical treatment	0.00	683.81	683.81	0.00	0.00	0.00	0.00	0.00	0.00
	Spent activated carbon	Thermal treatment	0.00	604.60	604.60	0.00	361.52	361.52	0.00	210.65	210.65
	Total amount		0.00	7,046.28	7,046.28	0.00	6,038.97	6,038.97	0.00	6,903.06	6,903.06

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.

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6.1.2 Talent Recruitment

(GRI 2-7, 202-2, 401-1, 402-1, 405-1)

Year-End Employee Composition

As of the end of 2024, PHET employed a total workforce of 72 individuals, consisting of 70 regular employees and 2 temporary employees. By employment type, this included 69 full-time employees, 3 part-time employees, and 0 employee without guaranteed hours. There have been no significant changes in staffing levels over the past three years.

2024 Year-End Employee Structure (unit: person)

Type	Gender	2022	2023	2024
All Employees	Male	51	55	58
	Female	14	15	14
	Others	0	0	0
Total Number of Employees		65	70	72
Regular Employee	Male	47	54	56
	Female	14	15	14
	Others	0	0	0
Number of Regular Employees		61	69	70
Temporary Employee	Male	4	1	2
	Female	0	0	0
	Others	0	0	0
Number of Temporary Employees		4	1	2
Full-Time Employee	Male	50	54	57
	Female	14	15	14
	Others	0	0	0
Number of Full-time Employees		64	69	71
Part-Time Employee	Male	1	1	1
	Female	0	0	0
	Others	0	0	0
Number of Part-Time Employees		1	1	1
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	2022	2023	2024
Number of Male Employees	51	55	58
Number of Female Employees	14	15	14
Number of Other Employees	0	0	0
Total Number of Employees	65	70	72

Employee Diversity

The gender distribution of the Company's workforce is comprised of 80% male and 20% female employees, with individuals aged 30 to 50 representing 61% 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 2024 (unit: person)

Year	Function Level	Management Department	Technology Department	Manufacturing Department	Total
2022	Total number of employees by function	16	11	38	65
	Total number of employees by function as a percentage of total workforce (%)	24.62%	16.92%	58.46%	100.00%

Year	Function Level		Management Department	Technology Department	Manufacturing Department	Total
2023	Total number of employees by function		18	11	41	70
	Total number of employees by function as a percentage of total workforce (%)		25.71%	15.71%	58.58%	100%
2024	Total number of employees by function		17	12	43	72
	Total number of employees by function as a percentage of total workforce (%)		24.29%	17.14%	58.57%	100%
Diversity Indicators						
2022	Gender	Male	6	8	37	51
		Female	10	3	1	14
		Others	0	0	0	0
	Age	Under 29 years old	0	1	13	14
		30-50 years old	15	10	23	48
		≧ 51 years old	1	0	2	3
	Indigenous people		0	0	0	0
	Foreign employees		0	0	7	7
	Persons with disabilities		1	0	0	1
	Academic background	Master's degree or higher	2	5	0	7
		Bachelor's degree	6	5	14	25
		Associate degree	1	1	3	5
		High school or below	7	0	21	28

Year	Function Level		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	39	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

Year	Function Level		Management Department	Technology Department	Manufacturing Department	Total
	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

Percentage of Employees by Function and Diversity Indicators at Year-End 2024 (unit:%)

Year	Diversity Indicators		Management Department	Technology Department	Manufacturing Department
2022	Gender	Male	37.50%	72.73%	97.37%
		Female	62.50%	27.27%	2.63%
		Others	0.00%	0.00%	0.00%
	Age	Under 29 years old	0.00%	9.09%	34.21%
		30-50 years old	93.75%	90.91%	60.53%
		≧ 51 years old	6.25%	0.00%	5.26%
	Indigenous people		0.00%	0.00%	0.00%
	Foreign employees		0.00%	0.00%	18.42%
	Persons with disabilities		6.25%	0.00%	0.00%
	Academic background	Master's degree or higher	12.50%	45.45%	0.00%
		Bachelor's degree	37.50%	45.45%	36.84%
		Associate degree	6.25%	9.10%	7.89%

Year	Diversity Indicators		Management Department	Technology Department	Manufacturing Department
		High school or below	43.75%	0.00%	55.27%
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%	95.12%
		Female	58.82%	16.67%	4.88%
		Others	0.00%	0.00%	0.00%
	Age	Under 29 years old	5.88%	33.33%	29.27%
		30-50 years old	52.94%	66.67%	63.41%
		≧ 51 years old	41.18%	0.00%	7.32%
	Indigenous people		0.00%	0.00%	0.00%
	Foreign employees		0.00%	0.00%	26.83%
	Persons with disabilities		5.88%	0.00%	0.00%

Year	Diversity Indicators		Management Department	Technology Department	Manufacturing Department
	Academic background	Master's degree or higher	11.76%	41.67%	0.00%
		Bachelor's degree	47.06%	33.33%	26.83%
		Associate degree	11.76%	16.67%	14.63%
		High school or below	29.41%	8.33%	68.29%

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 2024, the Company welcomed 23 new employees, consisting of 21 males and 2 females, with the majority being aged 29 or younger. Additionally, we experienced departures from 21 employees, which included 18 males and 3 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	2022		2023		2024	
	Age	Number (Taiwan)	Recruitment Rate (%)	Number (Taiwan)	Recruitment Rate (%)	Number (Taiwan)	Recruitment Rate (%)
Male	Under 29 years old	13	43.08%	4	30.00%	14	30.00%
	30-50 years old	15		16		7	
	≧ 51 years old	0		1		0	
	Subtotal	28		21		21	
Female	Under 29 years old	1	3.08%	0	2.86%	0	2.86%
	30-50 years old	0		2		2	
	≧ 51 years old	1		0		0	
	Subtotal	2		2		2	
Total		30	46.16%	23	32.86%	23	32.86%

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	2022		2023		2024	
	Age	Number (Taiwan)	Turnover Rate (%)	Number (Taiwan)	Turnover Rate (%)	Number (Taiwan)	Turnover Rate (%)
Male	Under 29 years old	8	21.54%	2	24.29%	6	25.71%
	30-50 years old	6		15		12	
	≧ 51 years old	0		0		0	
	Subtotal	14		17		18	
Female	Under 29 years old	0	1.54%	0	1.43%	1	4.29%
	30-50 years old	0		1		2	
	≧ 51 years old	1		0		0	
	Subtotal	1		1		3	
Total		15	23.08%	18	25.72%	21	30.00%

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

6.1.3 Labor-Management Agreement

(GRI 2-30)

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.

- **2024 Labor-Management Meetings**

  In 2024, 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	· Promotion of the expanded use of publicly funded antiviral medications for influenza; promotion of precautions during shift handover.
Labor-Management Meetings	6 people	· Enhancement of vigilance regarding flu symptoms and promotion of precautions during shift handover.
Labor-Management Meetings	6 people	· Advocacy for a zero-tolerance policy towards drunk driving and promotion of precautions during shift handover. · Promotion of measures to prevent dengue fever.
Labor-Management Meetings	6 people	· Advocacy for a zero-tolerance policy towards drunk driving and adjustments to the Lunar New Year holiday schedule.

6.2 Compensation and Benefits

6.2.1 Equal and Generous Compensation

(GRI 2-21, 405-2, 202-1)

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.

Compensation for Non-management Full-Time Employees

Items	PHET
	2024
Number of Non-management Full-Time Employees (people)	64
Total Compensation for Non-management Full-Time Employees (NT$ thousand)	39,160
Average Compensation for Non-management Full-Time Employees (NT$ thousand)	612
Median Compensation for Non-management Full-Time Employees (NT$ thousand)	573

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 2024 exceeds the statutory minimum wage by 1.00 to 1.47 times (the monthly statutory minimum wage in Taiwan for 2024 is NT$27,470).

6.2.2 Comprehensive Welfare Measures

(GRI 401-2, 201-3)

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 employees	Regular medical examination for 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 31 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

(GRI 401-3)

We are dedicated to cultivating a parenting-friendly environment, achieving a 100% application rate for parental leave in 2024.

Analysis of Employees on Parental Leave

	2024		
	Male	Female	Total
Number of employees eligible for parental leave in the current year (A)	1	1	2
Number of employees who actually applied for parental leave in the current year (B)	0	1	1
Number of employees required to return to work after parental leave in the current year (C)	0	1	1
Number of employees who actually returned to work after parental leave in the current year (D)	0	0	0
Number of employees who actually returned to work after parental leave in the previous year (E)	0	0	0
Number of employees who remained employed 12 months after returning from parental leave in the previous year (F)	0	0	0
Parental leave application rate (%) (=B/A)	0%	100%	50%
Reinstatement rate (%) (=D/C)	0%	0%	0%
Retention rate (%) (=F/E)	0%	0%	0%

6.3 Diversified Development

6.3.1 Education and Training

(GRI 404-1, 404-2)

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 2024, a total of 22 training sessions were conducted, engaging 197 individuals and accumulating a total of 313 person-hours. On average, each participant received approximately 4.35 hours of training.

2024 Annual Education and Training Sessions, Number of Trainees and Person-hours

Course Categories	Number of Trainees	Course Hours	Total Person-hours
Internal Training Course	17	1	17
	24	1	24
	19	1	19
	9	1	9
	14	1	14
	13	1	13
	24	1	24
	20	1	20
	19	1	19
	19	1	19
	6	2	12
Funded External Training or Education	3	18	54
	1	6	6
	1	3	3
	1	12	12
	1	6	6
	1	12	12
	1	6	6
	1	12	12

Course Categories	Number of Trainees	Course Hours	Total Person-hours
	1	3	3
	1	3	3
	1	6	6
Total	197	99	313

Average Training Hours by Gender

Our employee education and training policy is designed to be gender-neutral. In 2024, the average training hours for male employees were recorded at 4.89 hours, whereas female employees averaged 2.79 hours. The higher average training hours for males can be attributed to a larger proportion of male supervisors 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 2024 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	2022	2023	2024
Management Department	3.08	2.86	3.75
Technology Department	0.55	0.00	4.00
Manufacturing Department	2.66	2.95	4.66
Total	2.40	2.46	4.35

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

(GRI 404-3)

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 2024 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	52	56	93%
Female	13	14	93%
Total	65	70	93%

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	17	17	100%
Technology Department	9	12	75%
Manufacturing Department	39	41	95%

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

(GRI 403-1~403-8)

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.

6.4.2 Occupational Injuries and Occupational Diseases

(GRI 403-2, 403-9, 403-10)

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 2024, PHET reported two incidents of occupational injury, both categorized as general accidents (excluding work-related injuries that resulted in a leave of absence not exceeding one day). There were no occurrences involving special hazards or significant occupational accident injuries. Additionally, there were no reports of occupational diseases at PHET in 2024.

◆ Statistical Table of Occupational Injuries and Occupational Diseases for Employees

Statistical Item (unit)	2022	2023	2024
Total Working Hours (hours)	128,371	130,150	139,230
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	1
Recordable Incident Rate Note 5	0	0	1.4
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	2022		2023		2024	
	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 2024.

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

Statistical Item (unit)	2022	2023	2024
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	2022		2023		2024	
	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

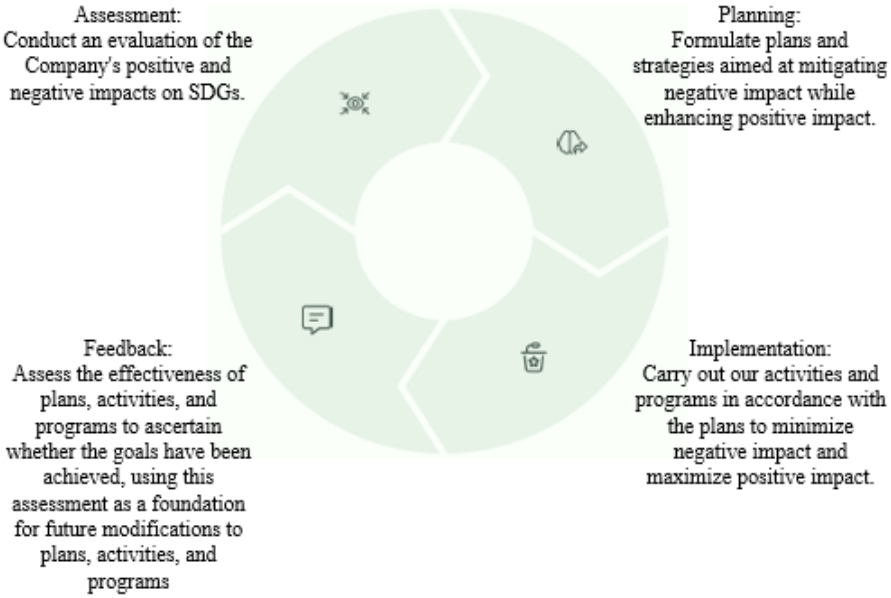
(GRI 413)

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.

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



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 students at Lujhu Senior High School, the Fifth Brigade of Kaohsiung City Volunteer Fire Department, and the Volunteer Criminal Police Brigade. The Company actively participates in local affairs, collaborating with the Hunei District Neighborhood Affairs Promotion Association, Luzhu Xiakeng Community Development Association, Qieding Qufude Community

Development Association, and Tianfu Temple to strengthen community connections, foster cultural cohesion, and shape a community environment with strong centripetal force.

Youth Flagship Program

Dedicated to promoting youth employment and nurturing industrial talent, PHET actively participated in the government's youth employment flagship program in 2024. 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

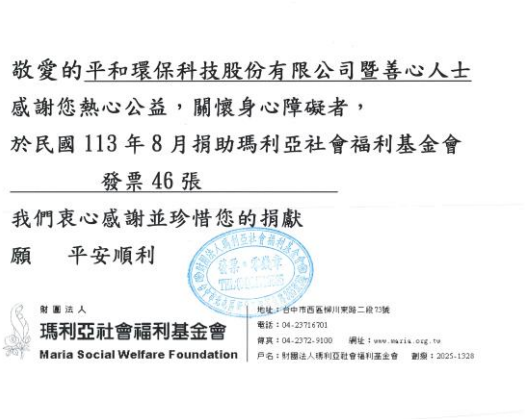
To enhance joint education initiatives between industry and academia, PHET has established a partnership with National Kaohsiung University of Science and Technology and Chung Hwa University of Medical Technology for its 2024 internship program. Four students engaged in wastewater treatment process operations 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.

Putting Care into Action: Hualien Watermelon Charity Sharing Event

In response to the significant impact of the Hualien earthquake on April 3, 2024, on the local tourism sector and agricultural product sales, the Company has implemented proactive measures that reflect our commitment to sustainable practices aimed at supporting local industries and promoting social inclusion. We have actively participated in post-disaster reconstruction efforts by purchasing 165 watermelons from Hualien farmers affected by this disaster. The primary watermelon production areas in Hualien are situated in Yuli Township, Ruisui Township, Fenglin Township, and Shoufeng Township. Due to the consecutive impacts of low temperatures and earthquakes, instances of fruit cracking have occurred, leading to a significant decline in yields. In an effort to assist farmers in mitigating their losses, the Company has collaborated with the Hunei District Farmers' Association to distribute purchased watermelons to several local schools: Hunei Junior High School, Dahu Elementary School, Mingzong Elementary School, Haipu Elementary School, Wenxian Elementary School, and Sanhou Elementary School. These institutions shared the watermelons among all faculty members and students. This initiative not only fulfills our corporate social responsibility but also strengthens the positive connections between company and community.

Related news link:
https://news.ltn.com.tw/news/life/breakingnews/4695937

Public Welfare Achievements and Acknowledgments



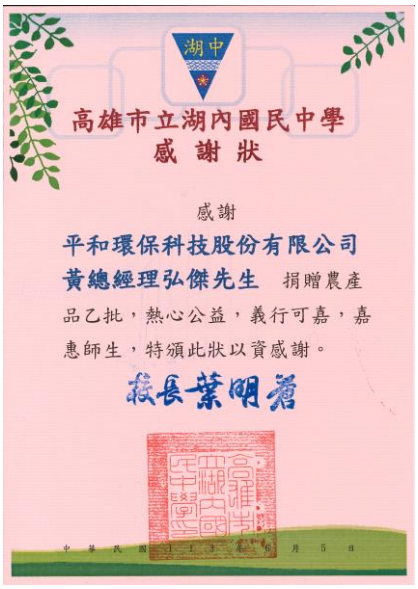
高雄市湖內區大湖國小

感謝狀

茲感謝平和環保科技股份有限公司贈送本校西瓜一批，嘉惠本校師生營養午餐，特頒此狀 以申謝忱。

校長 朱麗玲

中華民國 113年 06月 05日



湖中

高雄市立湖內國民中學

感謝狀

感謝

平和環保科技股份有限公司

黃總經理弘傑先生 捐贈農產品乙批，熱心公益，義行可嘉，嘉惠師生，特頒此狀以資感謝。

校長葉明著

中華民國 113 年 6 月 5 日

高雄市湖內區明宗國民小學

MING TSUNG ELEMENTARY SCHOOL HU-NEI DISTRICT, KAOHSIUNG CITY

感謝狀

感謝 平和環保科技股份有限公司

黃弘傑 總經理

捐贈本校 50 顆大西瓜

特頒此證 以資感謝

校長 黃俊傑

中華民國 113 年 6 月 5 日

感謝狀

(112)和平第11202001號

感謝 平和環保科技股份有限公司

支援本校足球、拳擊、巧固、舉重等球隊

熱心公益、惠我良多

特贈此狀，以致謝忱。

高雄市立路竹高級中學

校長盧正川

中華民國 113 年 3 月 8 日

8 Appendix

8.1 GRI Standards Index Table

Usage Statement: PHET has reported ESG information for the period from January 1 to December 31, 2024, 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	20	
	2-2 Entities Included in the Organization's Sustainability Reporting	1.1.3 Boundaries and Scope	4	
	2-3 Reporting Period, Frequency, and Contact Person	1.1.1 Reporting Period	4	
		1.1.7 Contact Details	5	
	2-4 Restatements of Information	1.1.4 Restatements of Information	5	
	2-5 External Assurance	1.1.6 External Assurance	5	
	2-6 Activities, Value Chain and Other Business Relationships	2.1 Company Overview	20	
	2-7 Employees	6.1.2 Talent Recruitment	59	
	2-8 Non-employee Worker	6.4.2 Occupational Injuries and Occupational Diseases	75	Non-employee Worker of the Company
	2-9 Governance Structure and Composition	2.2.1 Governance Structure	22	
		2.2.2 Functional Committee	29	
	2-10 Nomination and Selection of the Highest Governance Body	2.2.1 Governance Structure	22	
	2-11 Chair of the Highest Governance Body	2.2.1 Governance Structure	22	
	2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts	2.2.2 Functional Committee	29	
		1.4.2 Impact Management of Material Topics	13	

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	13	
		2.2.2 Functional Committee	29	
	2-14 Role of the Highest Governance Body in Sustainability Reporting	2.2.2 Functional Committee	29	
	2-15 Conflicts of Interest	2.2.1 Governance Structure	22	
	2-16 Communication of Critical Concerns	1.3.2 Stakeholder Engagement	8	
	2-17 Collective Knowledge of the Highest Governance Body	2.2.1 Governance Structure	22	
	2-18 Evaluation of the Performance of the Highest Governance Body	2.2.1 Governance Structure	22	
	2-19 Remuneration Policies	2.2.1 Governance Structure	22	
	2-20 Process to Determine Remuneration	2.2.1 Governance Structure	22	
	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	6	
	2-23 Policy Commitment	2.4.1 Integrity Management	33	
		2.4.2 Human Rights Policy	34	
	2-24 Embedding Policy Commitments	2.4.1 Integrity Management	33	
		2.4.2 Human Rights Policy	34	
	2-25 Processes to Remediate Negative Impacts	1.4.2 Impact Management of Material Topics	13	
	2-26 Mechanisms for Seeking Advice and Raising Concerns	2.4.1 Integrity Management	33	
	2-27 Regulatory Compliance	2.4.3 Regulatory Compliance	14	

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
	2-28 Membership of Associations	2.1.1 Basic Information	20	
	2-29 Approach to Stakeholder Engagement	1.3.1 Identifying Stakeholders	8	
		1.3.2 Stakeholder Engagement	8	
	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 Evaluation Process of Material Topics	10	
	3-2 List of Material Topics	1.4.2 Impact Management of Material Topics	13	

Disclosure Items for Specific Topics

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
GRI 201: Economic Performance 2016	201-1 Direct Economic Value Generated and Distributed by the Organization	2.3.1 Economic Income and Distribution	32	
	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	69	
	201-4 Financial Assistance Received from Government	2.3.1 Economic Income and Distribution	32	
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 Senior Management Positions	6.1.2 Talent Recruitment	59	

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
GRI 203: Indirect Economic Impacts 2016	203-1 Investment in Infrastructure and Development and Impact of Support Services	7.1.2 Social Engagement Outcomes	78	
	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 Integrity Management	33	
	205-2 Communication and Training on Anti-Corruption Policies and Procedures	2.4.1 Integrity Management	33	
	205-3 Confirmed Corruption Incidents and Actions Taken	2.4.1 Integrity Management	33	
GRI 206: Anti-Competitive Behavior 2019	206-1 Legal Actions for Anti-competitive Behavior, Anti-trust, and Monopoly Practices	2.4.1 Integrity Management	33	
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	5.1.2 Raw Material Usage	42	
	301-2 Recycled Input Materials Used	5.1.2 Raw Material Usage	42	The Company does not recycle materials, products, or packaging materials.
	301-3 Reclaimed Products and Their Packaging Materials	5.1.2 Raw Material Usage	42	
GRI 302: Energy 2016	302-1 Energy Consumption Within the Organization	5.2.2 Energy Consumption	44	

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
	302-2 Energy Consumption Outside of the Organization	N/A	-	
	302-3 Energy Intensity	5.2.2 Energy Consumption	44	
	302-4 Reduction of Energy Consumption	5.2.3 Energy-saving Measures	45	
	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	5.4.1 Water Resource Impact Assessment	49	
	303-2 Management of Impacts Related to Effluent	5.4.1 Water Resource Impact Assessment	49	
	303-3 Water Withdrawal	5.4.2 Water Withdrawal, Drainage, and Consumption	52	
	303-4 Water Discharge	5.4.2 Water Withdrawal, Drainage, and Consumption	52	
	303-5 Water Consumption	5.4.2 Water Withdrawal, Drainage, and Consumption	52	
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	N/A	-	
	304-3 Habitats Protected or Restored	N/A	-	
	304-4 IUCN Red List Species and National Conservation List Species with Habitats in Areas Affected by Operations	N/A	-	

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
GRI 305: Emissions 2016	305-1 Direct (Scope 1) Greenhouse Gas Emissions	5.3.1 Greenhouse Gas Inventory	45	
	305-2 Energy Indirect (Scope 2) Greenhouse Gas Emissions	5.3.1 Greenhouse Gas Inventory	45	
	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	5.3.1 Greenhouse Gas Inventory	45	
	305-5 Greenhouse Gas Emission Reduction	5.3.2 Greenhouse Gas Reduction	48	
	305-6 Emission of Ozone Depleting Substances (ODS)	5.3.3 Other Air Pollutant Emissions	48	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	5.3.3 Other Air Pollutant Emissions	48	
GRI 306: Waste 2020	306-1 Waste Generation and Significant Waste-Related Impacts	5.5.1 Waste Impact Assessment	54	
	306-2 Management of Significant Waste-Related Impacts	5.5.1 Waste Impact Assessment	54	
		5.5.2 Waste Management Policy	55	
	306-3 Waste Generated	5.5.3 Waste Collection, Transportation and Disposal	56	
	306-4 Waste Diverted from Disposal	5.5.3 Waste Collection, Transportation and Disposal	56	
	306-5 Waste Directed to Disposal	5.5.3 Waste Collection, Transportation and Disposal	56	

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
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	5.5.1 Waste Impact Assessment	54	
GRI 401: Employment 2016	401-1 New Employee Hires and Employee Turnover	6.1.2 Talent Recruitment	59	
	401-2 Benefits Provided to Full-time Employees (Excluding Temporary or Part-time Employees)	6.2.2 Comprehensive Welfare Measures	69	
	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	59	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management System	6.4.1 Occupational Health and Safety Management	75	
	403-2 Hazard Identification, Risk Assessment, and Incident Investigation	6.4.2 Occupational Injuries and Occupational Diseases	75	
	403-3 Occupational Health Services	6.4.1 Occupational Health and Safety 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 Health and Safety Management	75	
	403-6 Promotion of Worker Health	6.4.1 Occupational Health and Safety Management	75	
	403-7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	N/A	-	

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
	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	75	
	403-10 Occupational Diseases	6.4.2 Occupational Injuries and Occupational Diseases	75	
GRI 404: Training and Education 2016	404-1 Average Hours of Training Per Employee Per Year	6.3.1 Education and Training	71	
	404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs	6.3.1 Education and Training	71	
	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	59	
	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	59	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	40	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 Labor	6.1.1 Human Resource Management	59	The Company explicitly prohibits the employment of child labor.

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
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	**40**	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	**78**	
	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 Information and Labeling	N/A	-	

GRI Standards	GRI Disclosure	Sections of the Report	Page	Reason and Explanation
	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	5.3.1 Greenhouse Gas Inventory		45
	IF-WM-110a.2	(1) Total Volume of Landfill Gas Generated (2) Percentage of Biogas Combusted (3) Percentage of Biogas Used for Energy	5.5.1 Waste Impact Assessment	The Company specializes in providing industrial wastewater treatment services and does not participate in any related landfill operations.	54
	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.	5.2.3 Energy-saving Measures		45
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 250.39 (GJ) Diesel Consumption 3688.65 (GJ) Wan Jing_Gasoline Consumption 1286.61 (GJ) Total Fleet Fuel Consumption 5225.65 (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	5.3.3 Other Air Pollutant Emissions		48
	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	5.4.1 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.	49
	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		34
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 agreements ensure 100% employee communication through labor-management committee.	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		75
	IF-WM-320a.3	Number of Road Accidents and Incidents	2.4.3 Regulatory Compliance		34

Topic	Code	Disclosure Indicators	Response Section	Response Description	Page No.
Recycling and Resource Recovery	**IF-WM-420a.1**	(1) Amount of Waste Incinerated (2) Percentage of Hazardous Waste (3) Percentage Used for Energy Recovery	N/A		-
	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	5.4.2 Water Withdrawal, Drainage, and Consumption		52
	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: 98
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: 540,626 Wastewater Plant: 1,454,56 Total Treated Volume: 1,995,188 metric tons