

6.4 Pollution Control

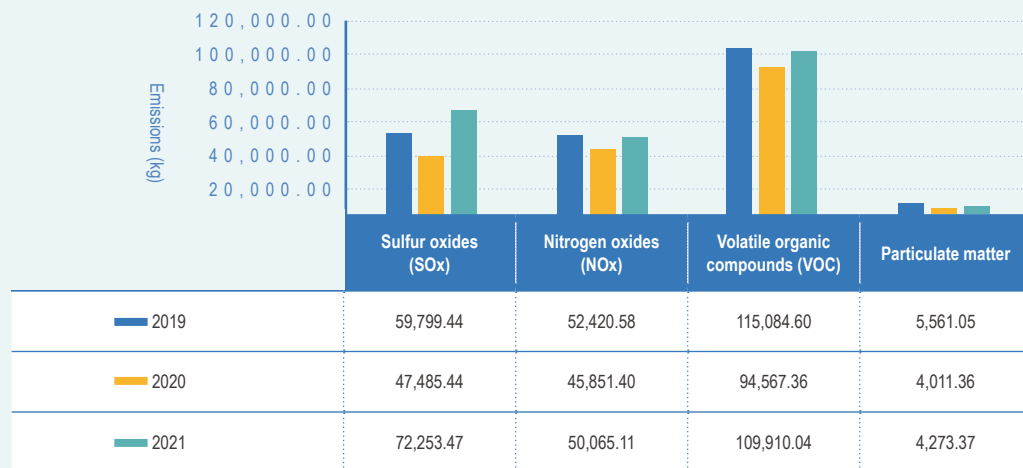
Since 2013, Zig Sheng has implemented the ISO 14001 environmental management system and established management practices and procedures (such as environmental risk assessment, air pollution, water pollution, noise pollution, waste, drinking water, energy resources, chemicals, etc.). All of our plants have completed and implemented environmental management, and all three plants in Guanyin have been certified by a neutral third party (DNV Business Assurance).

6.4.1 Air Pollution Control

Our fuel-fired boilers have been fully converted to use low-sulfur fuel instead to reduce emissions and comply with regulatory standards, and natural gas boilers have been gradually installed since 2020, with 2 completed in May 2020 and another one completed in 2021 and activated at the end of that year. The completion of three more natural gas boilers is expected for mid-2022, allowing us to switch to natural gas in the future to reduce air pollution. In addition, for more effective management, we have installed pollution control equipment and monitoring devices to reduce emissions and achieve more timely monitoring.

In 2021, the value is slightly higher than that of the previous year due to higher production and higher consumption of fuel oil.

Year-by-year comparison of air pollutant emissions



Note: Calculated based on the emission coefficients announced by the Environmental Protection Administration

6.4.2 Waste Management

(1) Volume of Waste Removed

Zig Sheng attaches great importance to the management of waste, and has entrusted qualified vendors to remove general business waste, sludge, slag, etc.

Type of Waste	Treatment Method	2021 Amount to be Treated				
		Plant 1	Plant 2	Plants 3 and 4	Plant 5	Total
Combustible waste (domestic waste)	Incineration	19.76	126.13	144.62	74.85	365.36
Non-combustible waste (domestic waste)	Incineration	0	136.45	36.10	21.37	193.92
Waste liquid	Incineration	11.70	0	13.40	0	25.1
Waste lubricants	Physical treatment	0	55.87	140.71	0	196.58
Slag	Recycled and reused	0	334.75	517.06	0	851.81
Sludge	Heat treating	0	0	82.16	0	82.16
Heat transfer oils	Incineration	0	47.8	0.00	0	47.80

Note: All are non-hazardous business waste

Unit: Ton

(2) Environmental Fines

Violations found in all of our plants in 2021 are as follows:

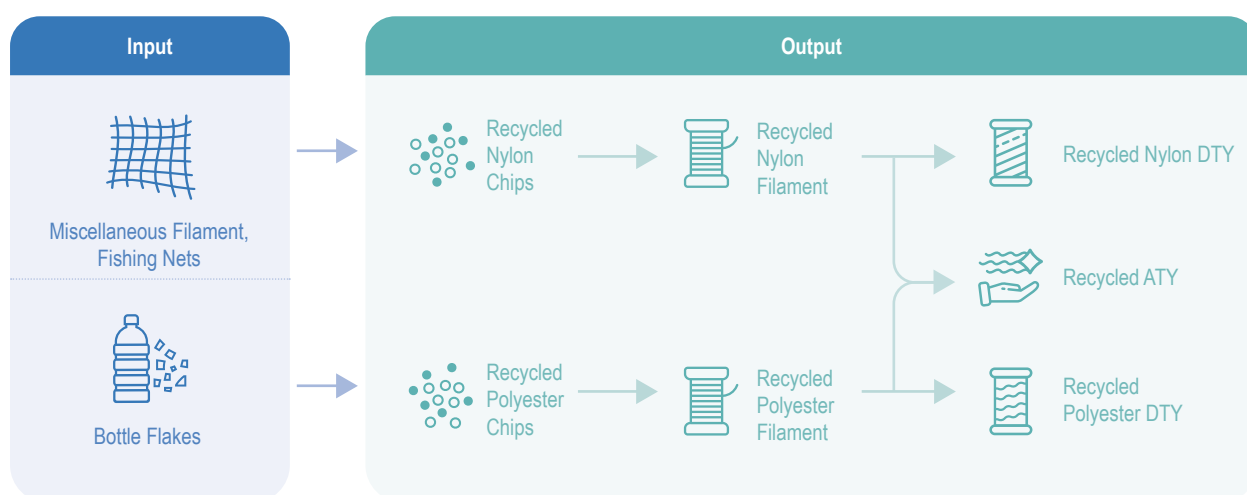
Item	Violation	Penalty	Improvement Measures
1	After the departure of a waste disposal professional at Zig Sheng's Plant 3, a deputy was not appointed within 15 days and reported to the competent authority for record-keeping in accordance with the regulations.	NTD 6,000 1 hour of lecture	Improve personnel change management and increase personnel training so that there are enough personnel with relevant licenses

6.5 Green Products

6.5.1 Eco-friendly Recycled Products

To implement the resource recycling part of our environmental policy, we produce high-quality recycled products that meet international environmental standards, including nylon chips, nylon filament, polyester chips, polyester filament, DTY, and ATY, totaling six products made across eight production units. We have also continued to accept third-party certification by the GRS Global Recycling Standard System. In addition to meeting the needs of our customers, we also do our part to protect the environment.

We not only recycle our own scrap filament as well as purchase, process, and spin filament from discarded fishing nets, but we also added a production line for recycled bottle flakes in 2021 in order to increase the added value of our products and improve profitability.



6.5.2 Resource Recycling

Each year, we set annual recycling targets in accordance with our environmental policy. We selected recyclable packaging materials for domestically-sold products (polymer bags, filament hole boards, and paper tubes) that are available in large quantities for recycling management, and we keep monthly statistics on the recycled quantity, recycling rate, and achievement rate. The implementation results are reported to senior management in the management meeting on a quarterly basis. In 2021, all of our targets were reached; details are as follows:

Item	Year	2019	2020	2021		2022
		Actual Value	Actual Value	Target Value	Actual Value	Target Value
Polymerization Plant-polymer bag recycling rate		100%	100%	100%	100%	100%
Spinning Plant-hole board recycling rate		100%	100%	100%	100%	100%
Spinning Plant I-paper tube recycling rate		75%	74%	80%	80%	80%
Spinning Plant No.2-paper tube recycling rate		88%	96%	90%	95%	100%

Recycling rate: Recycled amount ÷ Amount of domestic sales × 100%