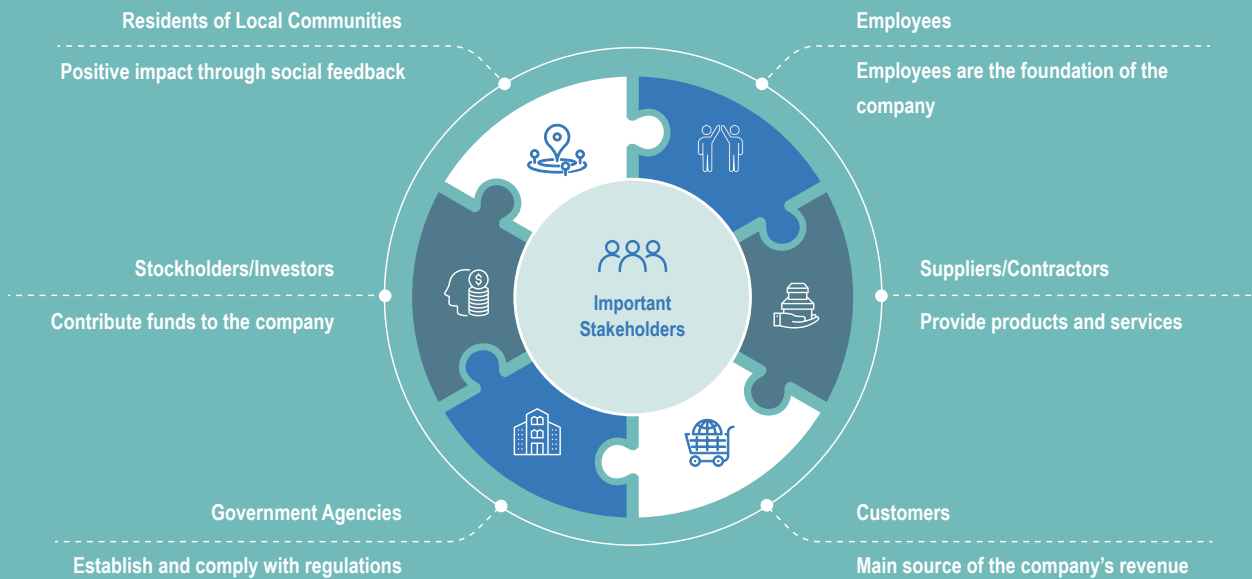


2.2 Identification of Important Stakeholders

In pursuit of the sustainable development of Zig Sheng and the best interests of its shareholders, the President's Office convened the executives from each department to identify ESG topics of concern to stakeholders. In accordance with the guidelines of AA1000 SES: 2015 Stakeholder Engagement Standard (SES), we identified key stakeholders—including shareholders/investors, customers, suppliers/contractors, employees, government agencies, and local community residents—based on the five principles of dependence, responsibility, concern, influence and diverse perspectives, and provided timely responses to the issues of concern to the above six categories of stakeholders through our smooth communication channels to make the exchange of opinions more efficient.



2.3 Identification Process for Significant Sustainability Topics



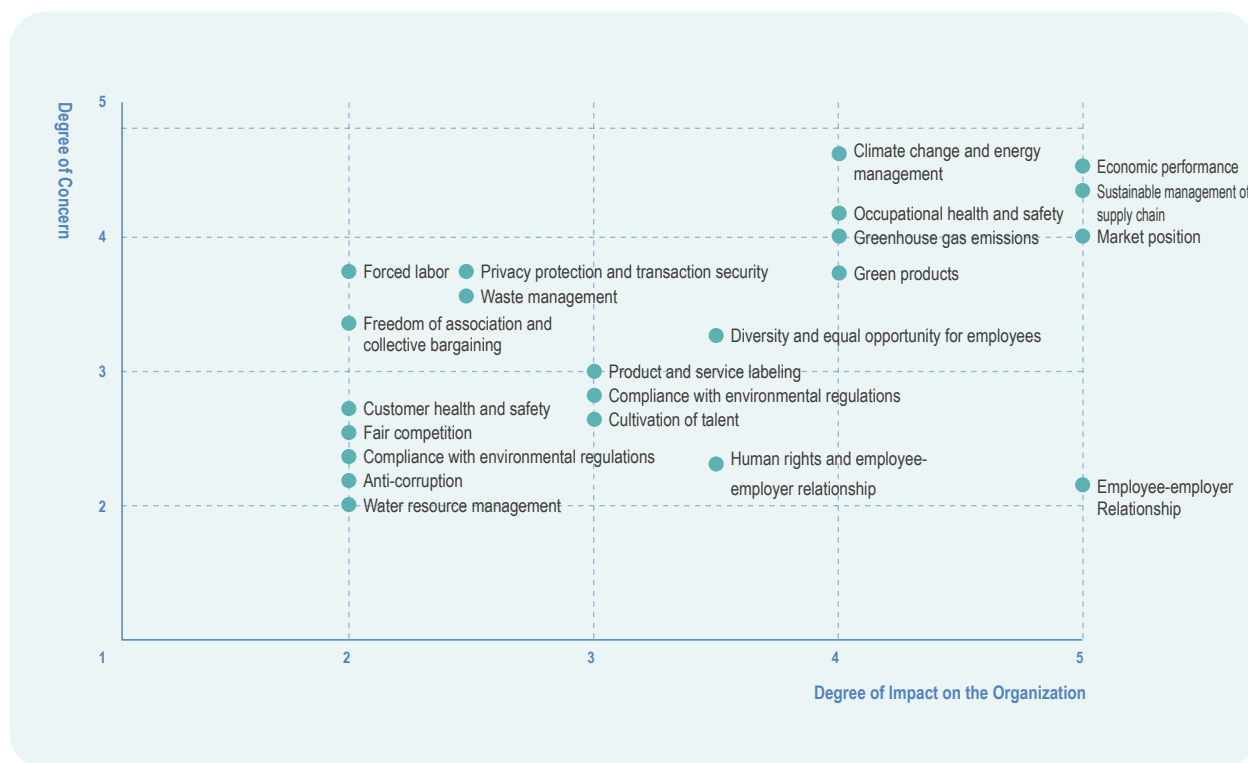
2.4 Communication Channels for Significant Sustainability Topics

Fundamental economic, social and environmental topics that are the concerns of our stakeholders are communicated through smooth communication channels and frequencies, and are summarized as follows:

| Item | Stakeholder | Responding Department | Contact | Main Topic | Communication Channel | Communication Frequency | | | |
|-----------------------------------------------------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------|--------|-------|------------|
| | | | | | | Year | Season | Month | Occasional |
| 1 | Stockholders/ Investors | Finance Department President's Office | Acting Spokesperson Ms. Yen: teana_yen@zigsheng.com Mr. Kuo: jason_kuo@zigsheng.com | Sustainable operations Corporate governance Ethics and integrity Economic performance Market position | Revenue announcement | | | | • |
| | | | | | Annual reports are published regularly | • | | | |
| | | | | | Financial reports are published regularly | | • | | |
| | | | | | Annual stockholders' meeting is held | • | | | |
| | | | | | Major announcements are made on the Market Observation Post System | | | | • |
| | | | | | Spokesperson and acting spokesperson | | | | • |
| | | | | | Announcements are made on the company website | | | | • |
| | | | | | A communication channel with stakeholders is set up on the website | | | | • |
| 2 | Customers | Sales Department | Nylon Chips: Ms. Huang ann_huang@zigsheng.com Compound Materials: Ms. Chang celine_chang@zigsheng.com Filament: Mr. Lin Duncan_lin@zigsheng.com DTY: Ms. Huang alice_huang@zigsheng.com | Customer Satisfaction Green Products | Telephone or email | | | | • |
| | | | | | New products or service | | | • | • |
| | | | | | Visits to customers on an irregular basis | | | | • |
| | | | | | Annual customer satisfaction survey | • | | | |
| | | | | | A communication channel with stakeholders is set up on the website | | | | • |
| 3 | Suppliers/ Contractors | Procurement Department Labor Safety and Health Office Engineering Section, Engineering Division | Ms. Yeh: sandy_yeh@zigsheng.com Mr. Chen: H400@zigsheng.com Mr. Chou: james_chou@zigsheng.com | Sustainable management of supply chain Occupational health and safety Economic performance | Evaluation of new partners | | | | • |
| | | | | | Regular evaluation of qualified partners | • | | | |
| | | | | | Supplier's Pledge | | | | • |
| | | | | | Contractor's Pledge | | | | • |
| | | | | | Contractor safety hazard notification | | | | • |
| A communication channel with stakeholders is set up on the website | | | | • | | | | | |
| 4 | Employees | Plant Affair Section Labor Safety and Health Office Human Resource Department | Mr. Liu: jason_liu@zigsheng.com Mr. Chen: H400@zigsheng.com Mr. Chuang: peter_chuang@zigsheng.com | Employee-employer relationship Occupational health and safety Sustainable operations Economic performance | Multiple complaint channels (Email, mail, supervisors, website, feedback, interview) | | | | • |
| | | | | | Departmental meetings are held | | | • | • |
| | | | | | Operational meetings are held | | • | | |
| | | | | | The Employee Welfare Committee convenes | | • | | |
| The Labor Health and Safety Committee convenes | • | | | | | | | | |
| 5 | Government agencies | Instruments and Electronics Section, Engineering Division Labor Safety and Health Office Plant Affair Section | Mr. Chen: hl_chen@zigsheng.com Mr. Chen: H400@zigsheng.com Mr. Liu: jason_liu@zigsheng.com | Climate change and energy management Greenhouse gas emissions Green products Occupational health and safety | Official documents | | | | • |
| | | | | | The competent authorities visit the factory for inspection | | | | • |
| | | | | | Regular reporting of information related to industrial safety and environmental protection operations | | | • | |
| | | | | | A communication channel with stakeholders is set up on the website | | | | • |
| 6 | Residents of local communities | Plant Affair Section Administration Department | Mr. Liu: jason_liu@zigsheng.com Mr. Chuang: peter_chuang@zigsheng.com | Occupational health and safety Social welfare | A communication channel with stakeholders is set up on the website | | | | • |
| | | | | | Participating in community activities | | | | • |

2.5 Substantive Analyses for Significant Sustainability Topics

The ESG editorial team of Zig Sheng discussed the issues together, and then referred to the experience of the relevant departments to determine the "degree of concern" stakeholders have about each sustainability topic. The management decided on the "degree of impact" each sustainability topic has on the company, and analyzed each topic based on two aspects. Once the results of the analysis were ranked, it was confirmed that topics with a score of 3.5 or higher, including eight major economic, environmental, and social sustainability topics plus three additional sustainability topics, for a total of eleven, would serve as the basis for the disclosure of information in this sustainability report in order to conduct effective communication with stakeholders.



| Aspect | Topic | Sorting | Verification and Publication | Note |
|----------------|--------------------------------------------------|---------|------------------------------|------|
| Economy | Economic performance | 1 | • | |
| | Market position | 3 | • | |
| | Anti-corruption | 22 | | |
| | Fair competition | 20 | | |
| | Supplier sustainability management | 2 | • | |
| Environment | Climate change and energy management | 4 | • | |
| | Water resource management | 23 | | |
| | Greenhouse gas emissions | 6 | • | |
| | Waste management | 11 | | • |
| | Green products | 7 | • | |
| Society | Compliance with environmental regulations | 13 | | • |
| | Employee-employer relationship | 8 | • | |
| | Human rights and employee-employer relationship | 13 | | |
| | Occupational health and safety | 5 | • | |
| | Cultivation of talent | 15 | | |
| | Diversity and equal opportunity for employees | 9 | | |
| | Forced labor | 15 | | |
| | Freedom of association and collective bargaining | 17 | | |
| | Compliance with environmental regulations | 21 | | |
| | Customer health and safety | 19 | | |
| | Product and service labeling | 11 | | |
| | Privacy protection and transaction security | 10 | | |
| Social welfare | 18 | | • | |

2.6 Boundary Review for Significant Sustainability Topics

After analyzing and ranking the sustainability topics, Zig Sheng has provided a boundary analysis and confirmed the chapters of this report. In the future, we will continue to strengthen the management of these significant sustainability topics, disclose the relevant information in our "Sustainability Report", and respond to all of the important stakeholders of our company.

| Aspect | Significant Topic | Corresponding GRI Code | Concern | Impact | | | | | | Corresponding Chapter |
|----------------------------|-------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------|-----------|------------------------|-------------------------|-----------------|---------------------------|--------------------------------------------------------------------|
| | | | | Employees | Customers | Suppliers/ Contractors | Stockholders/ Investors | Local residents | Government Agencies | |
| Economy | Economic performance | 201-1 | Direct economic value generated and distributed | ▲ | ● | ▲ | ● | × | ▲ | 5.2 Operational Performance |
| | Market position | 202-1 | Ratio of standard salary for entry-level employees of different genders in key operating locations to local minimum pay | ● | × | × | ▲ | ▲ | ▲ | 7.1.2 Employee Salaries |
| | Sustainable management of supply chain | 204-1 | Ratio of procurement expenses from local suppliers for key operating locations | ● | ▲ | ● | ▲ | × | × | 4.4.2 Local Procurement Policy |
| Environment | Climate change and energy management | 302-4 | Reducing energy consumption | ● | ▲ | ▲ | ▲ | ▲ | ● | 6.1 Climate Change Risk Management 6.3 Energy Saving Management |
| | Greenhouse gas emissions | 305-1 | Greenhouse gas emissions (direct emissions) | ● | ▲ | × | × | ● | ● | 6.2 Greenhouse gas emission management |
| | | 305-2 | Volume of greenhouse gas emissions through energy consumption (indirect emissions) | ● | ▲ | × | × | ● | ● | 6.2 Greenhouse Gas Emission Management |
| | | 305-3 | Volume of greenhouse gas emissions through other means (other indirect emissions) | ● | ▲ | × | × | ● | ● | 6.2 Greenhouse Gas Emission Management |
| | | 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant gas emissions | ● | ▲ | ▲ | ▲ | ● | ● | 6.4.1 Air Pollution Control |
| | Compliance with environmental regulations | 307-1 | Violation of environmental protection regulations | ▲ | ▲ | ▲ | ● | ● | ● | 6.4. Pollution Control |
| | Waste management | 306-3 | Waste generation | × | × | × | × | ▲ | ● | 6.4.2 Waste Management |
| | Green Products | - | Eco-friendly recycled products | ▲ | ● | ● | ● | × | × | 6.5.1 Eco-friendly recycled products |
| 301-3 (Partial disclosure) | | Description of the percentage of sold packaging material that is recycled | ● | ● | ● | ▲ | × | ● | 6.5.2 Resource Recycling | |
| Society | Employee-employer relationship | 401-1 | Total number and ratio of new employees and departed employees by age group, gender, and region | ● | × | × | ● | ▲ | ▲ | 7.1.1 Employee Structure |
| | | 401-2 | Benefits provided only to full-time employees (excluding temporary or part-time employees) by key operating locations | ● | × | × | ● | ▲ | ▲ | 7.1.4 Employee Benefits |
| | Occupational health and safety | 403-1 | Labor Health and Safety Management System | ● | ▲ | ● | × | × | ● | 7.2.1 Occupational Health and Safety Operations |
| | | 403-2 | Hazard identification, risk assessment, and incident investigation | ● | × | ▲ | ▲ | ▲ | × | 7.2.2 Hazard Identification and Risk Assessment |
| | | 403-3 | Occupational health services | ● | × | × | × | × | × | 7.2.1 Occupational Health and Safety Operations |
| | | 403-4 | Worker involvement, consultation and communication regarding occupational health and safety | ● | × | × | × | × | × | 7.2.1 Occupational Health and Safety Operations |
| | | 403-5 | Occupational health and safety training for workers | ● | × | ● | × | × | × | 7.2.3 Safety Training |
| | | 403-6 | Promotion of health for workers | ● | × | × | × | × | × | 7.2.4 Health Promotion |
| | | 403-7 | Preventing and mitigating occupational health and safety impacts directly related to company business | ● | × | × | × | × | × | 7.2.1 Occupational Health and Safety Operations |
| | 403-9 | Occupational injury | ● | × | ● | × | × | ● | 7.3.2 Occupational Injury | |
| Social welfare | — | Planning activities to give back to local communities and investing in culture and education | ▲ | × | × | ▲ | ● | ● | 8. Social Participation | |

Note ●: Directly relevant ▲: Relevant through facilitation +: Not relevant

2.7 Consultation on Issues of Interest



Opinion Survey

Zig Sheng has set up a “Feedback or Suggestions” page on the company’s website for internal and external stakeholders to use.



Feedback or Suggestions



Immediate Response

Our General Management Division is dedicated to handling and responding to issues of concern in a timely manner, and reports on operations to the Board of Directors, the top level of management, on a regular basis. The topics to be disclosed in the following year are determined by the President’s Office based on internal and external communications.



Corporate Social Responsibility Page

We have also set up a Corporate Social Responsibility page on its website to regularly disclose information from our Sustainability Report each year to respond to issues of interest to all internal and external stakeholders.



Corporate Social Responsibility Column

2.8 Management Guidelines for Significant Topics

| Topic Category | Significant Topic | Description of Significance | Policy | Commitment and Target | Competent Authority | Management Method | Performance Results | Evaluation Mechanism |
|----------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------------------------------------------------------------------------------|
| Economy | Economic performance | Economic performance is a topic of the greatest concern to our stakeholders, and we will continue to improve our operational performance and maintain our competitiveness. | Continue to innovate and develop, improve operational performance, and create reasonable profits | <ol style="list-style-type: none"> 1. Ensure an adequate supply of raw materials, and achieve balance in production and sales 2. Control operating costs, and maintain a sound financial structure 3. Develop new markets, and meet customer requirements | Management level | <ol style="list-style-type: none"> 1. Quarterly management meeting to report on performance targets, and continuously improve and maintain performance 2. Monthly sales profit report for each product is used as the basis for the management’s decision making | p. 33 | Financial reports are verified by third party accountants |
| | Market position | To raise the salary of employees so that they can meet basic needs. | Ensure the competitiveness of our employees’ salaries and localize management | <ul style="list-style-type: none"> • Strive to improve operating performance to raise the salaries of employees | Management level | In accordance with domestic labor laws and regulations | p. 45 | Analyze the average and median salaries of full-time employees who are not in executive positions |
| | Sustainable management of supply chain | Choosing to work with good suppliers for the provision of products and services that are more stable in quality. The ratio of domestic procurement is also of concern to stakeholders. | Give priority to procurement from local suppliers, emphasize ethical management, and prohibit unethical conduct in interactions with suppliers | <ol style="list-style-type: none"> 1. Having the proportion of domestic procurement of key raw materials reach 60% or above 2. Having the percentage of vendors who signed pledges reach 80%. 3. Prohibiting unethical conduct in interactions between Zig Sheng and vendors, and ensuring that the quality of the products and services they provide meet our needs so that our company can operate normally in all aspects | Administration Department Procurement | <ol style="list-style-type: none"> 1. Selecting suppliers based on quality, price, lead time, stability in quantity, and attention to expectations 2. Requiring vendors to sign pledges | p.29 p.30 | Evaluation of suppliers |

| Topic Category | Significant Topic | Description of Significance | Policy | Commitment and Target | Competent Authority | Management Method | Performance Results | Evaluation Mechanism |
|----------------|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------|
| Environment | Climate change and energy management | The world's non-renewable energy resources are limited, so making use of energy more efficiently reduces the damage that is done to the environment and facilitates environmental sustainability. | Paying attention to the issue of climate change, continuing to promote energy saving, participating in energy saving and carbon reduction, and increasing the use of renewable energy | Continuously reduce energy consumption and CO ₂ emissions Reduce electricity consumption by at least 1% per year and increase solar power generation | Each plant Energy management staff | To effectively manage energy saving targets, we have implemented and approved ISO 14001, ISO 14064-1, and ISO 50001 energy management systems to manage major sources of power consumption and make improvements | p.35 p. 39 | Regular review of TCFD, reporting annual energy savings to the Bureau of Energy |
| | Greenhouse gas emissions | Global warming is becoming more and more serious by the day, and the issue of air pollutant emissions is becoming more and more important to the stakeholders. | Comply with relevant regulations, pay attention to the issues of climate change and global warming, and reduce greenhouse gas emissions | 1. Gradually switch from fuel-fired boilers to natural gas boilers to reduce emissions, and continue to improve 2. Adding pollution prevention equipment to coal-fired boilers to reduce air pollution emissions | Plant Affair Section, production units, and Utility Section | Emissions inventory is conducted in accordance with ISO 14064-1 | p. 35 p. 37 | ISO 14064-1 inventory data |
| | Compliance with environmental regulations | Comply with regulatory requirements to reduce the cost of penalties and maintain corporate image. | Comply with environmental regulations | Comply with regulatory requirements to reduce the number of violations | Plant Affair Section production units, and Utility Section | Regularly review environmental laws and regulations, and continuously improve. | p.41 | Number of violations of environmental laws and regulations announced by the government and the amount of fines |
| | Waste management | Waste that is not properly disposed of can easily cause environmental pollution. In addition to reducing waste and sorting it properly, choosing a waste disposal company of good renown also ensures that waste is properly disposed of to maintain environmental sustainability. | Comply with waste disposal regulations and reduce waste | Appoint a qualified waste disposal company and regularly review the waste disposal handbook. | Plant Affair Section | Report the amount of waste disposed based on the regulations | p.40 | Waste statistics |
| | Green Products | Create value through recycled products and achieve our goal of striking a balance between economy and environmental sustainability | Develop recycled products, and continue to recycle packaging materials | 1. Continue to develop recycled products 2. Recycling and reusing packaging materials Polymerization plant-polymer bag recycling rate 100% Spinning plant- hole board recycling rate 100% Spinning Plant 1-paper tube recycling rate 80% Spinning Plant 2-paper tube recycling rate 100% | Production units, Plant Affair Section | 1. Develop recycled products and obtain GRS certification 2. Large quantities of packaging materials used for products sold in Taiwan are included in our recycling management. | p. 41 | Recycling rate statistics |
| Society | Employee-employer relationship | Employees are important partners of Zig Sheng, and we protect their rights and benefits as well as provide them with good salaries and benefits. | We provide job opportunities for those who are physically or mentally disabled as well as members of disadvantaged groups in accordance with Taiwanese labor laws and regulations, and we continue to promote internship programs as part of our collaboration with academic institutions. | Protect the rights and interests of employees, treat all employees fairly, and reduce the turnover rate | Administration Department Human Resources | 1. Improve grievance mechanism to maintain a good employee-employer relationship 2. Higher percentage of employees with physical and mental disabilities than required by the government 3. Maintain the ratio of industry-academia collaboration | p. 43 p. 45 | Employee-Employer Meetings |
| | Occupational health and safety | It is important to take care of employees' health and provide a safe working environment. We are committed to preventing occupational diseases and pushing forward health promotion initiatives. | Comply with occupational safety regulations, fulfill corporate responsibilities, promote education and training, enhance personnel response, prevent potential hazards, implement risk management, implement health promotion, and establish a friendly workplace | 1. Comply with laws and regulations related to occupational health and safety as well as the ISO 45001 occupational health and safety management system standards to create a healthy and safe work environment. 2. Disabling Injury Frequency Rate (FR) ≤ 1.9 ; Disability Injury Severity rate (SR) ≤ 7.0 3. Making zero occupational accidents a long-term goal | plant manager \ Labor Safety and Health Office | Self-management contests, health and safety education and training, health promotion programs | p. 47 p. 52 | Occupational accident statistics |
| | Social welfare | Focus on care and concern for community residents and disadvantaged groups to enhance Zig Sheng's corporate image. | Establish good relations with communities, care for and assist the disadvantaged, and cultivate talents to contribute to society | Plan activities to give back to local communities and invest in culture and education | Plant Affair Section | 1. Support and sponsor the communities near where our plants are located 2. Provide internship and job opportunities for disadvantaged students 3. Provide scholarships | p.54 p. 55 | Regular review |