

4.4.2 Resource Recycling and Reuse

Each year, the Company sets annual recycling targets in accordance with its environmental policy. For domestically produced packaging materials, we select recyclable and reusable materials (bulk bags, spinning spinnerets, and paper tubes) that account for the largest proportion of these materials and include them in recycling management. We keep monthly statistics on the quantity, recovery rate, and achievement rate of recycled packaging materials. The implementation results are reported to senior management in the management meeting on a quarterly basis. In 2024, most of these targets had been achieved, as shown below:

The analysis indicated that the possible reason for the second-spin paper tubes not meeting the target was an increase in customer inventory, which had not yet been used and therefore could not be recycled.

Item	Year	2022	2023	2024		2025
		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		87%	93%	85%	88%	85%
Spinning Plant II-paper tube recycling rate		100%	100%	100%	99%	100%

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

4.4.3 Eco-friendly Recycled Products

GRS/RCS environmentally friendly products

The Company implements its environmental policy resource recycling and reuse by producing high-quality recycled products that meet international environmental standards. The raw materials used are primarily waste fiber generated within spinning mills, along with discarded fishing nets and recycled bottle flakes. These materials are recycled and integrated with the spinning process to produce seven product categories: nylon chips, nylon filament, polyester granules, polyester filament, processed yarn, air-textured yarn, and compound materials. The Company obtained GRS (Global Recycled Standard) certification in 2015 and obtained RCS (Recycled Claimed Standard) certification in 2024. All products are annually verified by the third party, the International Down and Feather Testing Laboratory (IDFL). In addition to meeting market and customer demands, we also increase product value and improve profitability, all while contributing to environmental sustainability.

The Company completed a carbon footprint inventory of its nylon chip products in 2022, which was verified by a third party (BSI). The results of the inventory showed that the use of recycled nylon chips resulted in a 95-97% reduction in carbon footprint when compared to regular nylon chips. Green products accounted for 10% of total revenue in 2024, achieving the 2025 target ahead of schedule.

Management of restricted chemical substances

In order to prevent the use of restricted substances during production, we start from procurement control at the very beginning, requiring suppliers to comply with ZDHC Conformance or related safety standards and provide inspection reports and Safety Data Sheets (SDS). After entering the plant, the raw material acceptance operation is carried out to confirm again whether the chemicals contain restricted substances, and the list of chemicals is regularly updated to keep track of all the chemicals used in the products. The production data is stored in accordance with the regulations and is traceable.

ISCC environmentally friendly products

ISCC (International Sustainability Carbon Certification) is a globally applicable sustainability certification system. In response to the global trend of carbon reduction, the adoption of ISCC can give businesses greater long-term development advantages. Through ISCC certification, we ensure supply chain transparency and compliance with stringent environmental standards to meet global customer demand for green products. Nylon chips and processed yarn products of the Company's Guanyin Plant No. 2 were verified by a third-party, Bureau Veritas (BV), at the end of 2024, and obtained the certification in January 2025.



GRS Certification



RCS Certification



ISCC PLUS certification