

2023 DINGZING Advanced Materials Incorporated Sustainability Report



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About the Report

1. Editorial Principles

This is the sustainability report published by DINGZING Advanced Materials Incorporated (stock code: 6585). It has been prepared by referencing the 2021 GRI Standards published by the Global Reporting Initiative (GRI) and the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies issued by the Taiwan Stock Exchange. Disclosures are made in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework.

2. Reporting Period

The Report discloses the results related to corporate sustainable development for FY2023 (from January 1, 2023, to December 31, 2023). For the sake of information integrity and comparability, some of the performance data retrospectively refers to information and data taken from December 31, 2022, and prior periods.

3. Scope of the Report

The financial data in the Report is consistent with the data boundary of DINGZING's parent company only financial statements for FY2023, and is denominated in New Taiwan Dollars. The environmental and social performance covers the Kaohsiung Office and the factories in Taiwan (Kaohsiung Plant and Pingtung Plant) of the Company, and any inconsistency in the scope thereof will be specifically explained within the Report. The data and information disclosed in the Report have been compiled by the relevant responsible units. The data and information have been collected, measured, and calculated in accordance with international or local laws and regulations, or by referencing industry standards and practices.

4. Issue Date

DINGZING will issue a sustainability report on a regular (annual) basis, and the report will be disclosed and made available for download on the Company's website.

- This issue: released in August 2024
- Next issue: scheduled to be released in August 2025

5. Contact Information

If you have any suggestions or questions about the Report, please feel free to contact us.

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Message from the Chairman

After the pandemic lockdown was fully lifted in 2023, industries worldwide were confronted with multiple challenges, such as the energy crisis, inflation, and extreme climate. Despite these adverse factors, DINGZING has consistently adhered to the principles of sustainable corporate and environmental management and actively promoted all aspects of ESG (environmental, social, and governance). We have not only continued to launch new products that meet environmental protection requirements but also optimized our existing product portfolio and strengthened environmental awareness in our overall operations.



In response to climate change, DINGZING has conducted climate risk assessments based on the approach recommended by the Task Force on Climate-related Financial Disclosures (TCFD) and formulated corresponding response goals. We intend to address climate-related challenges by preventing risks through concrete action plans and protective measures. In response to environmental risks and opportunities, DINGZING has installed solar power generators to increase our overall proportion of renewable energy usage, and we have successfully introduced the Global Recycled Standard (GRS) certification, the ISO 14064-1 greenhouse gas management system, the International Sustainability and Carbon Certification (ISCC) PLUS sustainable product management system, etc. to further improve the Company's ESG performance through the implementation of short-, medium-, and long-term goals.

Internally, DINGZING attaches great importance to the rights and interests of our employees. We not only have a comprehensive career development plan for all employees, but also regularly hold various health lectures, aiming to enhance employees' professionalism while also caring for their physical and mental health. Additionally, to provide employees with a safer and more comfortable office environment, a series of work environment improvement projects was planned and executed in 2023.

Externally, DINGZING has retained our local roots, and we continue to strengthen cooperation with local communities. The Company's long-standing tradition of holding campus science camps was suspended for 2 years due to the pandemic; happily, we were able to resume the science camps in 2023, and we plan to increase the number of sessions in 2024 so more local students will be able to attend. DINGZING believes that by investing in science and sustainability education, we can create a greater impact.

In the face of global transition, DINGZING has an unshirkable responsibility as a member of the TPU industry. We will continue to develop new products and expand to new markets, enhance the Company's green actions, extend our sustainable influence, and make unrelenting efforts to achieve sustainable development in the field of material innovation.



Chairman Hsun-Tai Lin

Sustainability Performance Highlights

DINGZING's 2023 Sustainability Performance Highlights



Governance /

- A total of 5 board meetings were held in 2023, with the average actual attendance rate of directors reaching 95%.
- In 2023, the attendance rate of members of the Salary and Compensation Committee and the Audit Committee reached 100%.
- There were no confirmed or reported incidents of corruption or violations of ethical corporate management in 2023.
- There were 0 cases of material violations of laws and regulations resulting in payment of significant fines.
- The average number of training hours for directors was 6.38 hours, exceeding the target of at least 6 hours of training per year.
- There were 0 cases of complaints regarding lost or leaked client information or infringement of privacy rights.



Environment /

- Continued to maintain the validity of the ISO 14001 environmental management system.
- In 2023, DINGZING's local procurement ratio increased for the third consecutive year, accounting for 43.4%.
- Conducted the greenhouse gas inventory in accordance with the GHG Protocol / ISO 14064-1.
- Installed solar power generation equipment with carbon reduction benefits equivalent to the annual carbon absorption of 2.04 Da'an Forest Parks.
- There were 0 violations of water quality and discharge regulations and standards in the past 3 years.
- There were 0 violations of regulations by waste treatment operators in 2023.

Sustainability Performance Highlights

DINGZING's 2023 Sustainability Performance Highlights



Employee Social

- Continued to maintain the validity of the ISO 45001:2018 occupational safety and health management system.
- There were 0 cases of labor disputes arising from human rights or workplace diversity and inclusion issues in 2023.
- Introduced a social responsibility management system and framework in 2023.
- The average number of training hours for employees in 2023 increased by 43.10% compared with that of the previous year.
- The employee turnover rate decreased by 3.01% compared with that of the previous year.



Product

- Sales of environmentally friendly materials accounted for 100% of sales.
- Continued to invest in R&D and innovation, with R&D expenses increasing by 9.51% in 2023 compared with that of the previous year.
- Continued to maintain the validity of the ISO 9001 certification, OEKO-TEX certification, and GRS certification to ensure that product quality meets international standards.
- Made plans to obtain the bluesign® certification and the IATF 16949 global automotive industry quality management system certification to meet client and industrial demands.

Note: Based on the Council of Agriculture's calculation that each hectare of forest can absorb 15 metric tons of carbon per year, Da'an Forest Park (25.8 hectares) can absorb 384.6 metric tons of carbon per year.

Chapter 1

About DINGZING

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1.1 Company Profile

1.1.1 Organizational Overview

DINGZING Advanced Materials Incorporated (hereinafter referred to as “DINGZING”) was established in 1981 and listed on the Taiwan Stock Exchange in May 2022. The Company’s main business is the application development of TPU (Thermoplastic Polyurethane). Chairman Hsun-Tai Lin founded the Company in Kaohsiung, Taiwan, and, by upholding the three core values of “Science, Innovation, and Collaboration” (S.I.C.) as well as the concept of environmental sustainability, he expanded the Company from a TPU oil seal production line to become Asia’s first manufacturer of environmentally friendly TPU materials.

TPU is an innovative material that can be naturally decomposed over time, with malleable and recyclable characteristics. The product is free of plasticizers and harmful solvents, so no pollution is generated during production, manufacturing, and usage. DINGZING maintains its commitment to product innovation and quality by stationing its corporate headquarters and production factories in Taiwan, and establishing R&D centers and product testing laboratories within the factories to ensure that the highest levels of product quality are maintained. Additionally, the production environment has been certified by international systems such as ISO 9001, ISO 14001, ISO 45001, and ISO 14064, thereby establishing a continuously refined management mechanism for the Company’s business operations so as to strengthen corporate resilience and move toward sustainable management.

DINGZING’s overall operational strategy is to master the one-stop model of R&D and production so that it can swiftly respond to and satisfy demands for high levels of customization, thereby greatly enhancing the Company’s competitive edge and product stability. Influenced by the rising awareness of environmental sustainability and increased legal regulatory restrictions on PVC and other materials, DINGZING’s main product TPU—a material with the advantages and characteristics of being environmentally friendly, non-toxic, and recyclable—has gradually been recognized by various businesses and industries. In order to seek opportunities for the development and application of new products, well-known brands, manufacturers, and design companies around the world have maintained close cooperation with DINGZING, and the demand for TPU has been growing year by year. DINGZING expects to become the world’s largest TPU R&D and manufacturing company, and to be the industry leader in the development of environmentally friendly material applications.



🔍 Basic Company Information

Company’s Full Name : DingZing Advanced Materials Incorporated

Company’s Abbreviated Name : DingZing

Date of Establishment : 1981

Corporate Headquarters : No. 8-1, Beilin Road, Xiaogang District, Kaohsiung, Taiwan

Chairman : Hsun-Tai Lin

President : Keng-Hsien Lin

Industry Sector : Other (TWSE)

Stock Code : 6585

Capital Amount : NT\$695 million (May 2024)

Main Product Items : TPU Film, TPU Seals, and TPU Hoses

Operating Locations :

Taiwan - Kaohsiung, Pingtung, Taichung

China - Guangdong, Shanghai

Vietnam - Ho Chi Minh City

U.S.A. - New Jersey

Germany - Dusseldorf

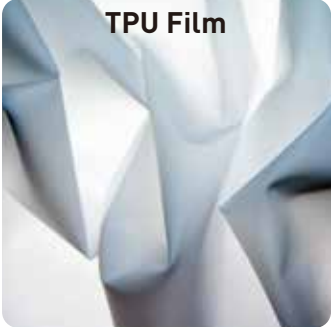
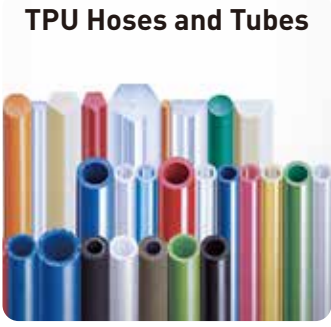
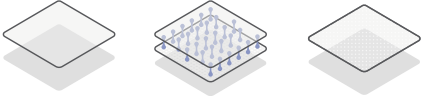
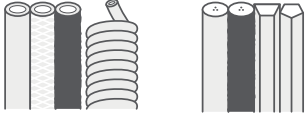


Video profile of DINGZING

1.1.2 Products & Services

DINGZING is principally engaged in the research and development, production, and sale of TPU. The Company's main products include TPU films, TPU seals, and TPU hoses and tubes. Relevant products and applications are described in the table below.

DINGZING's Products and Application Fields :

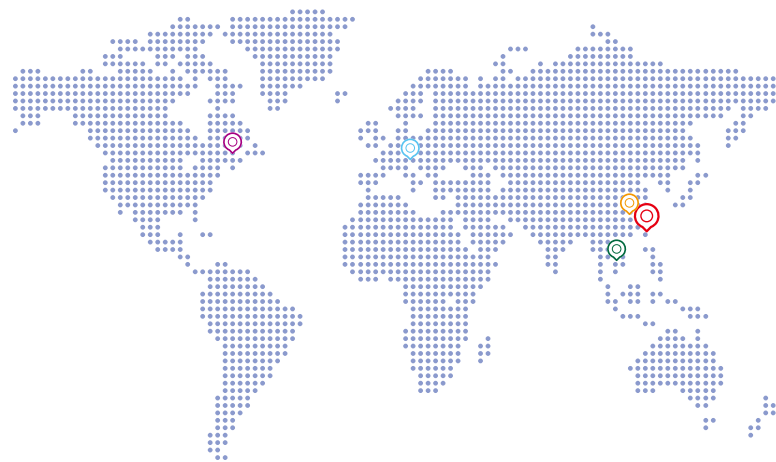
Product Categories	TPU Film 	TPU Seal 	TPU Hoses and Tubes 
Characteristics	 The production line uses various TPU granules to make products through extrusion, blowing, and other manufacturing processes. Due to their airtight and completely waterproof properties, TPU films are widely used in various airbag and water pack products, and can also be bonded to materials that require these properties (e.g., woven fabrics).	 TPU seal products are made from TPU granules by using an injection molding process. These thermoplastic materials have rubber-like characteristics: demonstrating the high elasticity of rubber at room temperature and plasticizing into a high-polymer material at high temperatures.	 TPU hoses and tubes are produced by extruding TPU granules, and are polymer materials with the high elongation rate, good hydrolysis resistance, microbial resistance, and excellent mechanical properties of tensile strength and tear resistance.
Application Fields	Currently, these products are widely used in apparel, bedding, and accessories (ready-made clothes, footwear, home decorations); leisure and sporting goods (tents, balls and other outdoor products and equipment); the automotive industry (inflatable airbags for car seats, automotive paint protection film); consumer electronics (substrates for components or spare parts and components for devices, protective films); and other items (e.g., blood bags and other medical supplies).	These products are marketed globally under the Company's own brand name, DINGZING DZ®, and are mainly used in hydraulic cylinders for heavy-duty machinery and tooling machines.	These products are mainly used in industrial pneumatic systems, drinking tubes for outdoor hydration packs, etc.

In 2023, the percentage of annual product revenue by product category was: 91.75% for TPU films, 4.70% for TPU seals, 3.40% for TPU hoses and tubes, and 0.15% for other products. TPU film was the main product line, with primary applications in three major categories: automotive, medical, and outdoor products.

1.1.3 Principal Locations of Operations

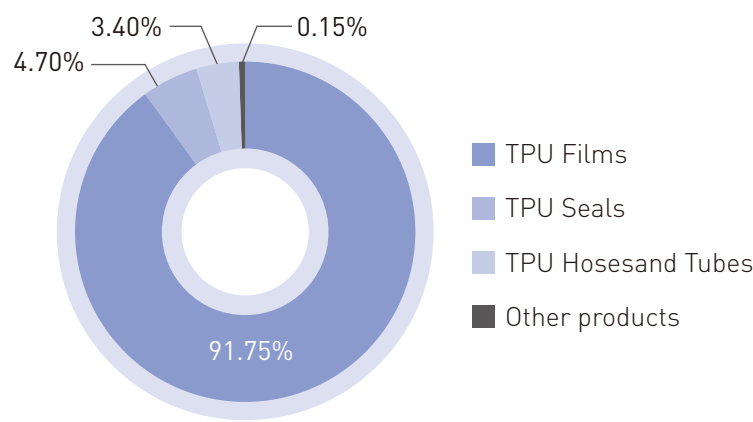
DINGZING’s production bases and R&D centers are located in Taiwan, with its headquarters located in Linhai Industrial Park in Siaogang District, Kaohsiung City, and two production plants in Kaohsiung and Pingtung. Sales offices are located in China, the United States, Europe, and Vietnam, enabling the Company to swiftly respond to market demands and provide clients with innovative and quality service solutions. DINGZING’s products are commonly used in consumer, professional, and industrial products, with applications spanning the ready-made clothes and footwear, medical, large-scale industrial, consumer electronics, and environmental protection markets. Due to the wide range of product applications, the market for the Company’s services continues to expand, reaching across the globe.

Map of DINGZING’s Locations of Operations :



- Taiwan (Headquarters / R&D / Production in Kaohsiung)
- China
- Vietnam
- U.S.A.
- Germany

2023 product revenue percentages :



1.1.4 Membership in Public Associations

DINGZING joins relevant industry guilds and associations to understand the latest international trends as well as the related risks and opportunities. In 2023, DINGZING participated in the following guilds and associations as a member :

Number	Name of the Guild or Association	Membership
1	Taiwan Rubber & Elastomer Industries Association	Member
2	Kaohsiung Linhai Industrial Park Manufacturers' Association	Member
3	Kaohsiung Chamber of Industry	Member
4	Taiwan Fluid Power Association	Member

1.2 Economic Performance

To facilitate the strategic development of the enterprise and enrich working capital, DINGZING was listed on the Taiwan Stock Exchange in May 2022, and the paid-in capital reached NT\$695 million in May 2024. The Company's revenue has shown steady growth over the past 3 years, reaching NT\$2.646 billion in 2023, with earnings per share (EPS) of NT\$6.01.

The Company is currently in the expansion phase and aims to effectively enhance its industrial competitiveness through improved vertical integration. From 2020 to 2022, DINGZING continuously expanded its production line equipment and operational scale and conducted vertical integration of the industrial supply chain, which resulted in a negative economic value retained. The economic value retained turned positive in 2023.

Financial results for the past 3 years :

Item	2021	2022	2023
Direct Economic Value Generation	2,527,033	2,515,614	2,689,055
Operating income	2,485,879	2,473,159	2,646,550
Interest income	986	2,580	7,823
Other income	14,225	14,734	14,102
Investment income	25,943	25,141	20,580
Direct Economic Value Allocation	2,791,381	2,943,294	2,581,204
Operating costs	1,597,844	1,688,673	1,566,292
Employee Salaries and Benefits	547,543	527,101	575,854
Payments to investors	110,662	229,140	234,065
Payments to government	11,812	54,948	67,586
Community investments	523,520	443,432	137,407
Economic Value Retained	-264,348	-427,680	107,851

Note: The amounts disclosed for "employee salaries and benefits" for the years 2021 and 2022 were transposed in the previous issue and have been corrected in this issue.

Unit : NT\$1,000

Chapter 2

Corporate Sustainable Development

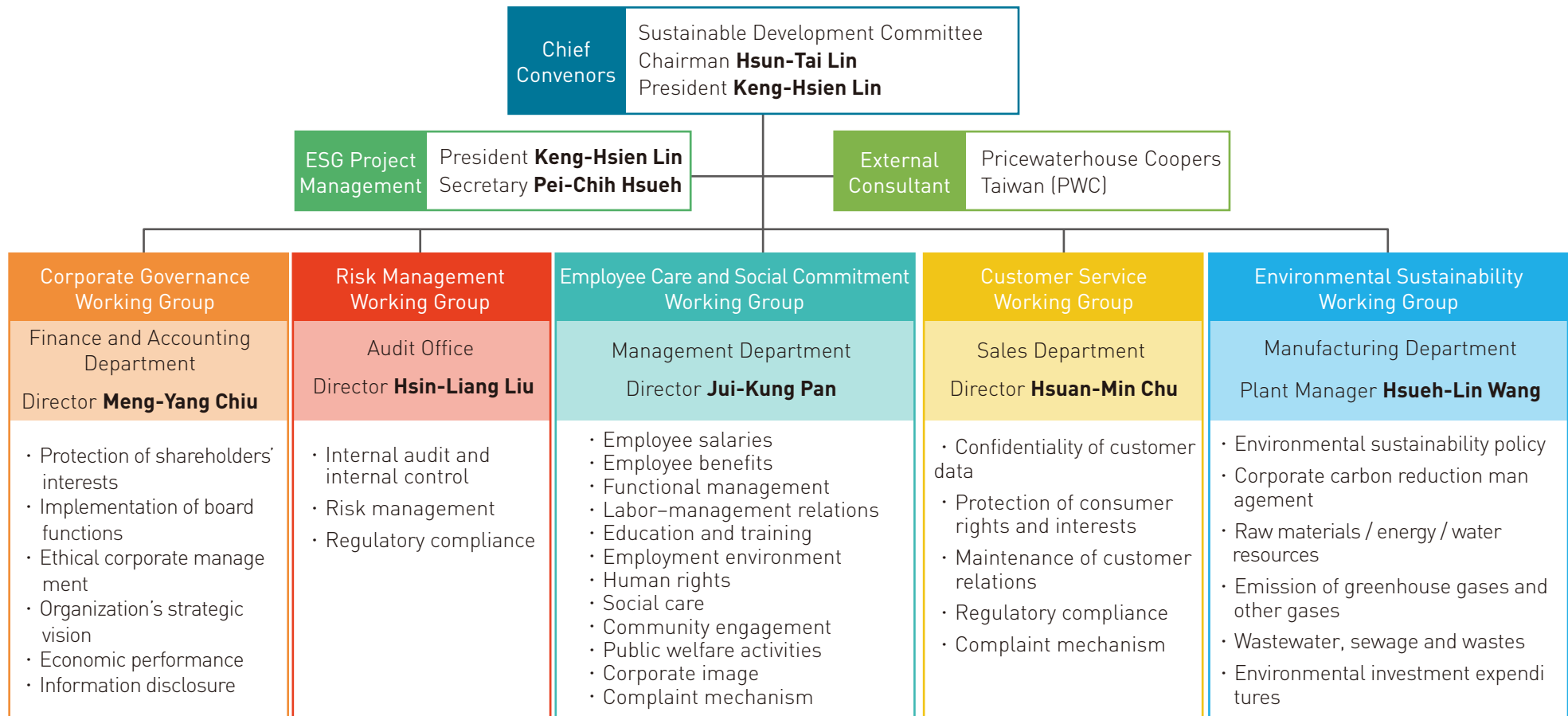
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2.1 Sustainable Governance Framework

In December 2022, DINGZING established the Sustainable Development Team as the top organization for promoting corporate sustainability, with Chairman Hsun-Tai Lin and President Keng-Hsien Lin serving as the chief conveners. The Sustainable Development Team has set up five working groups based on management issues and aspects, including corporate governance, risk management, employee care and social commitment, customer service, and environmental sustainability. Each working group convenes meetings regularly (every 6 months) to review the effectiveness of its implementation of sustainability projects, respond to the needs and expectations of stakeholders, and formulate sustainability strategies. The working groups report their sustainability performance and strategic goals to the Board of Directors at the end of each year to ensure the proper promotion of DINGZING's sustainability strategy.

DINGZING's Sustainable Governance Framework :



2.2 Material Topics Identification and Analysis

DINGZING follows the GRI Sustainability Reporting Standards to assess and analyze relevant economic, social, and environmental (ESG) issues that have a material impact on the Company so as to determine which material topics the Company should focus on, while setting sustainability goals and communicating its sustainability progress to stakeholders. This year, the Company referenced industry trends, international benchmarks, and domestic peer information, and on the basis of the analysis, determined that the issues of concern to stakeholders and the issues related to the Company's external impact have not changed much when compared with those of the previous year. Therefore, the Company will continue to use last year's issues as this year's material topics.

Materiality Analysis Process :

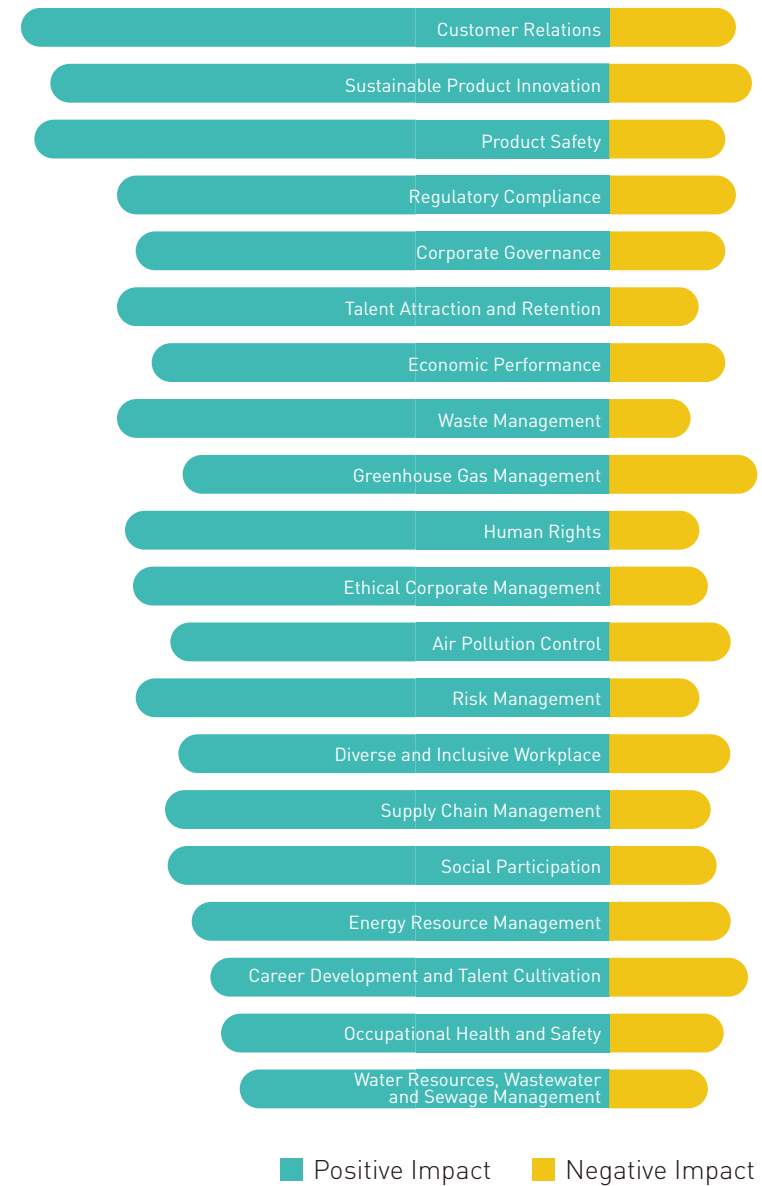
1 Step	Gather Sustainability Issues	By referring to the GRI Sustainability Reporting Standards, industry trends, international benchmarks, domestic industry information, and DINGZING's key issues of internal concern, 20 ESG-related issues were compiled to identify sustainability issues that have actual or potential impacts.
2 Step	Survey Stakeholders' Levels of Concern	The "DINGZING 2022 Stakeholder Questionnaire" was used to survey the six major stakeholders' levels of concern toward the 20 compiled ESG issues. A total of 49 valid responses were received, including 31 from employees, 6 from customers, 3 from shareholders/investors, 3 from suppliers, 3 from governmental agencies, and 3 from the community and neighborhood.
3 Step	Assess Operational Impacts	Representatives of senior management completed the "DINGZING 2022 Material Topics Impact Assessment Questionnaire" to determine the actual and potential positive and negative impacts of the company's management of the 20 ESG issues on the economy, the environment, and people (including human rights) based on "impact level" and "likelihood of occurrence" to better align the impact level assessment with management's decision-making needs. A total of 14 responses were received.
4 Step	Identify Material Topics	Based on the results of the analysis from Step 3 and the perspectives of the stakeholders from Step 2, and after discussing and adjusting the results with a team of professional consultants, the management team finally decided on seven material topics and sent the results to the President for confirmation.
5 Step	Report Disclosures	After identifying the material topics, the Company formulated management policies and planned action strategies according to the requirements of each topic report, and disclosed the implementation results in the sustainability report. The sustainability report was compiled by the Sustainable Development Team, reviewed and scrutinized by the senior management team, and finally approved by the Chairman before its official release.

Internal Impact Assessment Results

This year's analysis of the material topics adopted the assessment method from last year's sustainability report, which was mainly based on the results of the internal impact assessment. The top 10 ESG issues in terms of impact level were compared with the results of the stakeholder concerns questionnaires and discussed. In light of the Company's limited time and resources, the discussion focused on the issues that DINGZING's current management system either emphasized or wished to strengthen, with the expectation that the process of compiling the sustainability report would refine relevant management procedures and guide future management strategy development.

Analysis results of DINGZING's material topics :

Priority	Material Topic	Priority	General Issue
2	Sustainable Product Innovation	1	Customer Relations
3	Product Safety	5	Corporate Governance
4	Regulatory Compliance	7	Economic Performance
6	Talent Attraction and Retention	11	Ethical Corporate Management
8	Waste Management	12	Air Pollution Control
9	Greenhouse Gas Management	13	Risk Management
10	Human Rights	14	Diverse and Inclusive Workplace
		15	Supply Chain Management
		16	Social Participation
		17	Energy Resource Management
		18	Career Development and Talent Cultivation
		19	Occupational Health and Safety
		20	Water Resources, Wastewater and Sewage Management



2.3 Stakeholder Identification and Communication

In order to connect with issues of stakeholder concern and communicate with stakeholders more effectively, DINGZING referred to the five principles of engagement outlined in AA1000 SES-2015 (AA1000 Stakeholder Engagement Standard): Dependency, Responsibility, Influence, Diverse Perspectives, and Tension. On the basis of these principles, six categories of stakeholders were comprehensively identified: employees, customers, suppliers, shareholders/investors, government agencies, and community neighbors. Additionally, a questionnaire survey on stakeholder concerns was conducted for the aforementioned six categories of stakeholders to understand each stakeholder's level of concern toward various issues. The 49 questionnaires collected in 2022 were used for this year's analysis.

Stakeholders	Material Topics of Concern	Communication Channels	Frequency of Communication
Employees	Economic Performance	Employee satisfaction survey	Once a year
	Career Development and Talent Cultivation	Management director's mailbox and hotline	Year round
	Human Rights	The Company's internal fan page and bulletin board	Year round
	Talent Attraction and Retention	Mail, phone calls, or visits from dedicated sales staff	Periodically
Customers	Product Safety	The Company's website	Year round
	Customer Relations	Customer visits, certification, and audits	Periodically
	Sustainable Product Innovation	Technical seminars	Periodically
Suppliers	Economic Performance	Phone calls or mail from the dedicated purchasing agent	Year round
	Supply Chain Management	Supplier visits, certification, and audits	Periodically
	Waste Management	Annual reports and annual general shareholders meetings	Once a year
Shareholders / Investors	Regulatory Compliance	The Company's website and the Market Observation Post System	Year round
	Greenhouse Gas Management	Investors' hotline and mailbox	Year round
	Product Safety	Visits to corporate shareholders	Periodically
	Regulatory Compliance	Supervision and audit mechanisms by various government agencies	Periodically
Government Agencies	Waste Management	Official correspondence	Periodically
	Air Pollution Prevention	Filing review and on-site inspections	Periodically
	Water Resources, Wastewater and Sewage Management	Various activities organized by community associations	Periodically
Communities and Neighborhoods	Air Pollution Prevention	Visits from dedicated personnel	Periodically
	Greenhouse Gas Management		
	Waste Management		

2023 List of DINGZING's Material Topics :

Aspect	Material Topic	Topic Impact Statement	Corresponding Chapters
E	Greenhouse Gas Management	Promoting greenhouse gas reduction through energy structure improvement or other carbon reduction actions can mitigate the Company's negative impact on climate change.	5.3 Greenhouse Gas Management
E	Waste Management	Waste management is directly related to environmental responsibility and the Company's capacity for sustainable development. Proper waste management is conducive to minimizing environmental pollution and negative impacts, as well as saving resources, lowering operating costs, reducing waste damage to the ecosystem, and reducing resource wastage.	5.5 Waste Management
S	Human Rights	In today's larger environment where ESG is emphasized, human rights as well as a diverse and inclusive workplace have become unavoidable issues for corporate management. A sound management approach to human rights can create a workplace culture of respect and equality while preventing the expansion of human rights violations.	6.1 Human Rights and Diversity in the Workplace
S	Talent Attraction and Retention	In view of Taiwan's labor shortage due to the declining birthrate, coupled with the magnetic effect of the technology industry on talent, talent attraction and retention has become increasingly important. The Company endeavors to avoid talent loss, which can lead to a knowledge gap within the Company, and it strives to enhance its competitiveness within the industry.	6.2 Talent Attraction and Retention
G	Regulatory Compliance	Laws and regulations are fundamental to corporate governance. The Company's employees, managers, and directors are duty-bound to comply with relevant applicable laws and regulations so that the Company can reduce its operational risk levels and exposure to penalties while enhancing its economic performance.	3.4 Regulatory compliance
Product	Product Safety	To ensure that the Company's products continue to meet and exceed customers' expectations, DINGZING has established a sound quality management system to build customer trust, and it continuously controls the use of hazardous substances during the product life cycle to avoid causing harm to the environment and human rights.	4.1 Product Safety
Product	Sustainable Product Innovation	DINGZING has been in the TPU industry for more than 40 years. To realize the goal of sustainable development, DINGZING continues to expand the application of TPU materials and introduce high value products that satisfy customers' core needs. This effectively enhances the competitiveness of the Company and helps customers achieve their environmental goals.	4.2 Sustainable Product Innovation

Chapter 3

Corporate Responsible Governance

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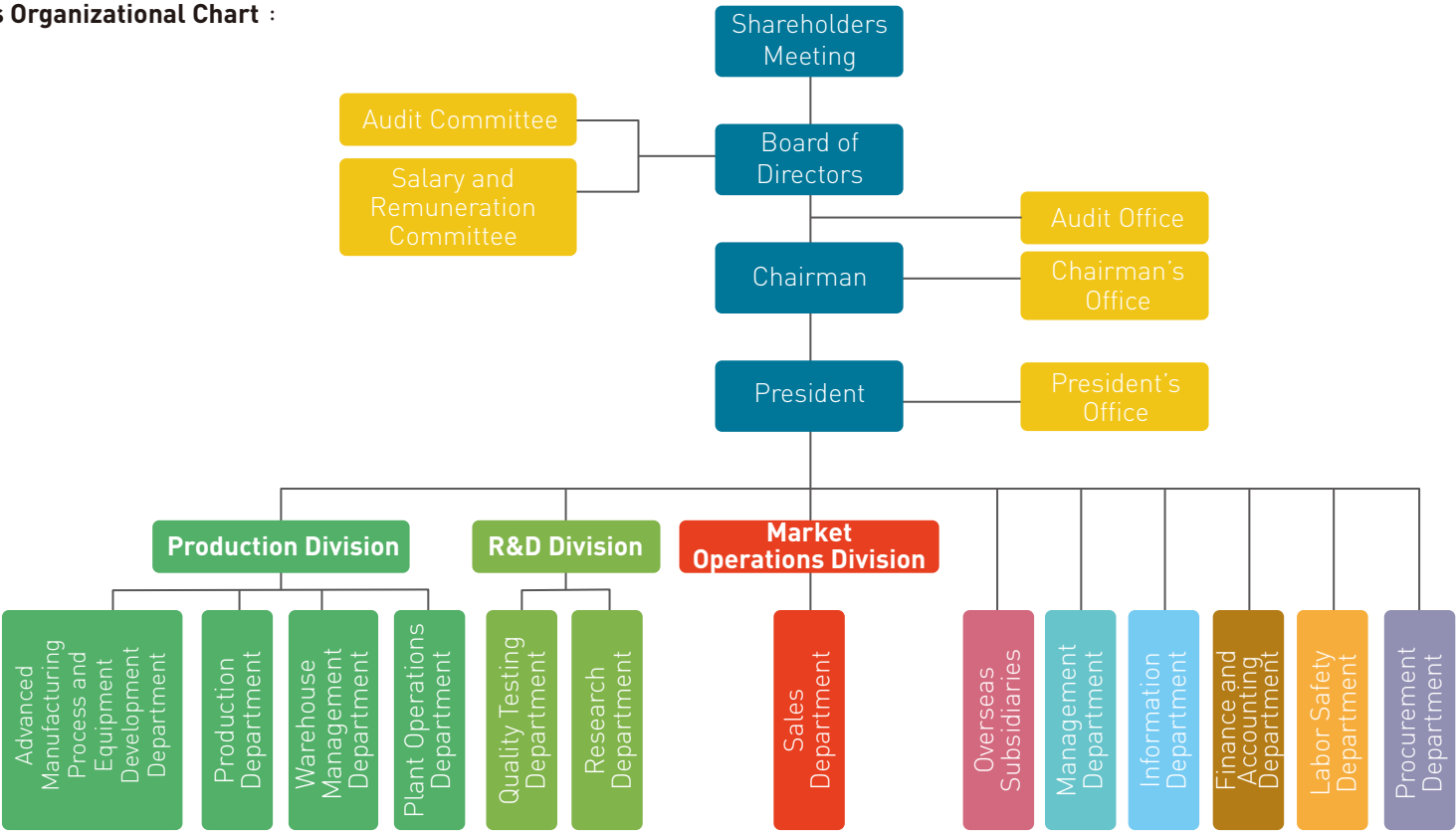


3.1 Corporate Governance

3.1.1 Corporate Governance Framework

DINGZING firmly believes that a sound and transparent governance framework is the foundation for sustainable business operations. To this end, DINGZING has established a rigorous and effective corporate governance framework, which includes: the shareholders meeting, the Board of Directors, the Salary and Remuneration Committee, the Audit Committee, and the Audit Office. Additionally, the Company has established a Sustainable Development Team, with the Chairman and the President of the Company as the top executives. The Board of Directors is the highest governance unit of the Company and the unit that makes major business decisions. The Board of Directors convenes meetings regularly in accordance with the Company Act and the Securities and Exchange Act, and has formulated the Corporate Governance Best Practice Principles and related governance guidelines, such as the Code of Ethical Conduct, the Ethical Management Principles, and the Procedural Rules for Board of Directors Meetings, in accordance with the Corporate Governance Best Practice Principles for TWSE/T-PEX Listed Companies. The management team consists of the President, the Plant Manager, the Chief Inspector, the Chief Financial Officer, and other relevant management units.

DINGZING’s Organizational Chart :



3.1.2 Operation of the Board of Directors

I. Board of Directors Selection and Compositional Diversity

The Board of Directors is the highest governance and operational decision-making unit of the Company, and its main responsibilities are to formulate the Company's various management rules in accordance with the law, plan operational policies, and report to the shareholders meeting. In order to strengthen corporate governance and promote the sound development of the Board's composition and structure, DINGZING carefully considers the diversification of the Board of Directors based on industry characteristics and its future development strategy, and adopts a candidate nomination system in accordance with the Regulations Governing the Election of Directors, whereby shareholders elect directors from a list of candidates. The qualifications and conditions of each candidate are reviewed beforehand to ensure that Board members possess multiple and complementary competencies across industry sectors, including basic conditions and value (e.g., age, nationality, and culture), professional knowledge and skills (e.g., accounting, industry, and finance), professional background and industry experience, as well as the ability to make business judgments, operate and manage businesses, make leadership decisions, deal with crises, etc.

In 2023, DINGZING had a total of eight directors (including four independent directors) and held five board meetings, with an average actual attendance rate of 95%. Among the directors, Chairman Hsun-Tai Lin and Director Keng-Hsien Lin are father and son, Director Po-Jen Liang and Director Keng-Hsien Lin are father-in-law and son-in-law, and three directors are spouses or relatives within the second degree of consanguinity or affinity; therefore, one additional independent director has been elected to the Board. More than half of the directors do not concurrently have the status of employees or management personnel.

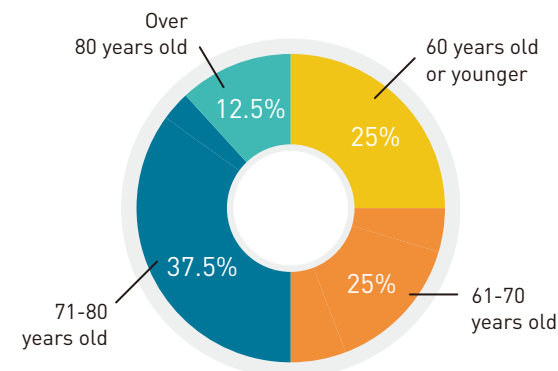
The Company's Procedural Rules for Board of Directors Meetings include stipulations to prevent conflicts of interest. A director who has a stake in any matter put before the Board of Directors, either personally or as the representative of a legal entity, shall explain the reasons for the conflict of interest at the Board meeting concerned; if there is any risk of harming the Company's interests, the director concerned shall recuse themselves from discussion and voting on the matter and shall not represent other directors in exercising their voting rights. For details of recusal from motions involving conflicts of interest in 2023, please refer to the Company's official website and annual report.

II. Continuing Education for Directors

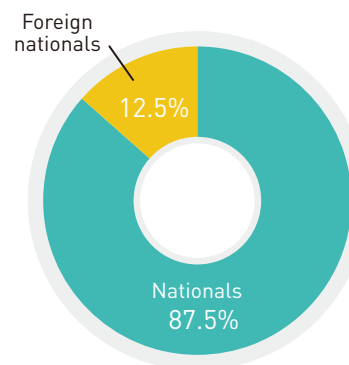
In 2023, all directors of the Company achieved the goal of completing at least 6 hours of annual training in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies. The average number of training hours for directors in 2023 was 6.38 hours. The topics of the courses included "Business Management Mindset from CSR to ESG", "The Era of Digital Economy", and "How Can Companies Innovate and Break Through Profitability?". The status of continuing education for each director can be found in the 2023 Annual Report, which can be downloaded from DINGZING's official website (<http://www.dingzing.com>) or from the Market Observation Post System (mops.twse.com.tw).

Diversity of DINGZING's Board of Directors in 2023

Age of Directors :



Nationality of Directors :



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3.1.3 Operation of Functional Committees

I. Audit Committee

The Audit Committee was established on August 15, 2016. It consists of all the independent directors and convenes at least one meeting per quarter in accordance with the Audit Committee Charter. It is responsible for assisting the Board of Directors in fulfilling its responsibility of overseeing the quality and integrity of the Company's execution of relevant accounting, auditing, as well as financial reporting processes and controls. In 2023, the Audit Committee convened a total of five meetings, with the attendance rate of committee members reaching 100%.

II. Salary and Compensation Committee

The Salary and Remuneration Committee was established by a resolution of the Board of Directors on August 15, 2016, and consists of all the independent directors in accordance with the Salary and Remuneration Committee Charter. It is primarily in charge of assisting the Board of Directors in the implementation and evaluation of overall salary, remuneration, and benefits, as well as remuneration of directors and managers. In 2023, the Salary and Remuneration Committee convened a total of four meetings, with the attendance rate of committee members reaching 100%.

3.1.4 Performance Evaluation of the Board of Directors and Functional Committees

In order to strengthen its corporate governance functions and the effectiveness of its Board of Directors, DINGZING has formulated the Management Guidelines for Performance Evaluation of the Board of Directors and Functional Committees in accordance with Article 37 of the Corporate Governance Best Practice Principles for TWSE / TPEX Listed Companies. These guidelines establish a self-assessment mechanism for the Board of Directors and functional committees and require an internal performance evaluation of the Board of Directors at the end of each year. The evaluation covers the operation of the Board of Directors as a whole, as well as the performance of individual Board members and functional committees. The results of the Board of Directors' 2023 performance evaluation were reported to the Board of Directors on March 5, 2024; the overall operation of the Board of Directors was found to be satisfactory, and the evaluation results were all in line with the assessment criteria. The Company will continue to strengthen its evaluation mechanism to enhance the effectiveness of corporate governance and create diversified value for stakeholders.

Measurement Items for the Performance Evaluation of Board Members	Measurement Items for the Performance Evaluation of the Board of Directors as a Whole	Measurement Items for the Performance Evaluation of Functional Committees
• Mastery of the Company's objectives and missions • Level of participation in the Company's operations • Professionalism and continuing education of directors • Recognition of director responsibilities • Internal relationship management and communication • Internal controls	• Level of participation in the Company's operations • Enhancing the quality of Board decision making • Board composition and structure • Selection and continuing education of directors • Internal controls	• Level of participation in the Company's operations • Enhancing the quality of decision making in functional committees • Recognition of functional committee responsibilities • Composition and selection of functional committee members • Internal Controls

3.1.5 Remuneration of Directors and Managers

The remuneration of each of DINGZING's directors is determined by the Salary and Remuneration Committee in accordance with the Company's Articles of Incorporation as well as the Management Guidelines for Remuneration of Employees, Directors, and Functional Committee Members passed by the Salary and Remuneration Committee. Remuneration is based on the extent of their participation and contribution to the Company's operations, also taking account of the peer industry's common standards, and then submitted to the Board of Directors for a resolution. The remuneration of the President and the Vice President is the reasonable compensation determined by mutual agreement between the employer and employee, based on the time invested, the responsibilities assumed, the achievement of individual goals, the future risks borne, the attainment of the Company's short-term and long-term business goals, the Company's financial condition, etc. Additionally, DINGZING reviews the remuneration system periodically depending on the Company's operating conditions as well as relevant laws and regulations to achieve a balance between sustainable operations and risk control.

3.2 Compliance with Ethics, Integrity, and Anti-Corruption

3.2.1 Ethical Corporate Management and Ethical Code of Conduct

DINGZING operates under the principle of integrity, and has formulated the Corporate Governance Best Practices Principles, the Ethical Management Principles, the Code of Ethical Conduct, the Ethical Corporate Management Operating Procedures and Code of Conduct, and other rules for compliance. In order to enhance the behavioral literacy and professional ethics of management and employees, the Company also holds regular education and training sessions on corporate governance for directors, periodically advocates corporate ethics, and has formulated relevant guidelines for rewards and discipline in the work rules to raise awareness among the Board of Directors, senior management, and all employees of the relevant norms of ethical corporate management.

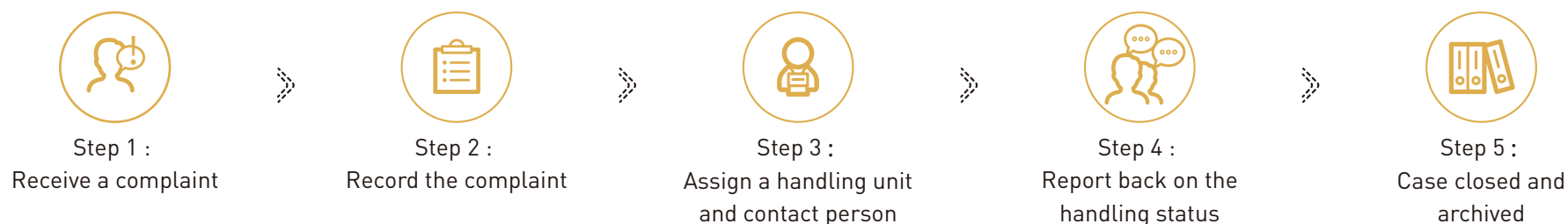
To ensure that all employees fulfill their commitment to ethical corporate management, the Company has established an effective accounting system and internal control system. Based on the results of the risk assessment, internal auditors incorporate high-risk operations into the annual audit plan, periodically audit the compliance with the system, and report the status thereof to the Audit Committee and the Board of Directors on a regular basis; the most recent report was on May 7, 2024.

Key elements of the Ethical Management Principles	Applicable to : All employees, persons under substantive control of DINGZING, and stakeholders.	Key Elements of the Code of Ethical Conduct	Applicable to : All employees
- Prohibition of unethical conduct; development of a prevention plan - Implementation of regulatory compliance - Ethical business conduct, and prohibition of bribery and the acceptance of bribes - Prohibition of offering and accepting unreasonable gifts, hospitality, and other improper benefits	- No infringement of intellectual property rights - Prohibition of unfair competitive practices - Preventing products or services from infringing on the rights of stakeholders - Recusal due to conflict of interest - Whistle blowing, complaints, and discipline system	- Treating clients fairly and avoiding obtaining improper benefits through unfair trade practices - Prevention of conflict of interest - Strict adherence to the duty of confidentiality	- Protection and proper use of company assets - Encouragement of reporting illegal or non-compliant conduct - Creation of a healthy and safe work environment, free from sexual harassment and other conduct of violence, intimidation, and threats

3.2.2 Complaint Mechanism

To advocate a corporate culture of ethical corporate management, the Company has not only established a reporting channel and formulated handling procedures, but has also set up a reporting and reward system in the Ethical Management Principles to encourage the reporting of unethical behavior or misconduct. The Company has created a hotline and an administrative management mailbox on its internal website to provide a direct response channel for employees. External stakeholders can contact DINGZING via the “Contact Us” section of DINGZING’s official website to make suggestions or complaints. After receiving a suggestion or complaint, the person in charge thereof may protect the complainant’s anonymity to prevent the complainant from being subjected to retaliation due to such reporting. In 2023, there were no confirmed or reported incidents of corruption or violations of ethical management.

Complaint Handling Process :



3.3 Risk Management

3.3.1 Risk Management Organization and Process

To enhance overall operating performance and corporate resilience, and in consideration of its overall operating activities, the Company has formulated an Internal Control System, which has been approved for implementation by the Board of Directors. On the principle of taking precautionary measures to minimize losses caused by risks, the Company identifies, evaluates, handles, and monitors potential risks that may affect the achievement of its objectives and conducts regular follow-up and reviews for improvement. The Board of Directors has also selected qualified personnel to serve as internal auditors and has given the internal auditors sufficient authority to properly perform various audit work in accordance with the plan each year. Internal auditors also sit in on Board meetings to conduct reports, and the audit report is submitted to the Audit Committee for review on a regular basis.

3.3.2 Significant Risks Identified

DINGZING has identified the following significant risk items across three major risk categories (environmental, social, and economic), and has comprehensively assessed the impact and probability of occurrence of each risk in accordance with the principle of materiality to develop appropriate response measures. The significant risks identified through the aforementioned process and the response measures are summarized as follows :

Risk Item	Category	Risk Description	Response measures	Management Unit
Risks connected to the Company's overall strategy and objectives	Social	The risk of causing damage to society and to people's lives due to the conduct of units within the Company, including negligence, misconduct, and intentional acts.	- At the end of each year, a review meeting is held to examine the current year's performance and formulate strategic goals for the following year. - Periodic meetings are held with department heads to quickly react to the implementation and targets of risk response measures. - Monthly business review meetings are held to review the overall achievement status of strategic goals and risk handling. - The Board of Directors convenes at least one meeting each quarter to review the achievement status of the Company's overall strategic goals, and to determine how to respond to the risks arising from the failure to attain each goal as well as how to deal with the situation.	All departments
Market risks	Economic	Uncertainty about future market prices (interest rates, exchange rates, stock prices, and product prices) that adversely affects the Company's ability to achieve its stated objectives.	- Actions for new product development and market competition: Grasp and cooperate with existing customers in terms of the development direction, collaborate on innovative research and the development of new products, immediately grasp market trends, and increase sales opportunities. - Reduce the risk management of order acceptance and accounts receivable processes, as well as the assessment and control operations of clients' credit risks in accordance with the Company's internal control system. - Interest rate risk: The Company regularly assesses the interest rates of bank borrowings and maintains close contact with banks to obtain more favorable interest rates and reduce interest expenses. - Risk of exchange rate fluctuations: The Company's revenue from foreign sales is mainly denominated in U.S. dollars; likewise, its foreign purchases are mainly denominated in U.S. dollars. Therefore, most of its assets and liabilities are naturally hedged against exchange rate fluctuations. To respond to exchange rate fluctuations in the international market, the Company continuously collects information on changes in foreign exchange rates, allowing it to grasp, study, and judge exchange rate trends and take appropriate measures to minimize the impact of exchange rate fluctuations. - Inflation risk: The Company will pay close attention to the fluctuation of the economic and market environments to prevent adverse effects from inflation and deflation.	Procurement Department Sales Department Finance and Accounting Department

Risk Item	Category	Risk Description	Response measures	Management Unit
Information risks	Social	Operations involving information may be subject to human or natural hazards that result in downtime or inability to operate normally.	To control and maintain the Company's business, production, research and development, accounting, and other related important operational activities, relevant information security operations management measures, such as application system development and maintenance, backup mechanisms, firewalls, server room uninterruptible power supply systems, and access control systems, have been established to ensure the normal operation of important information systems and information security	Information Department
Risks related to regulatory compliance and controls	Social	Risk of penalties imposed by regulatory or supervisory authorities, or significant financial or reputational loss due to violation of self-regulation standards under the law as well as good practice principles.	- Regulatory inventory : Take inventories of regulations that must be complied with at the Company's main operating locations, and make a list thereof. - Regulatory updates : Each department should regularly monitor and update the list of regulations required to be followed for operations. - Identification of regulations : The updated list of regulations is submitted to the department in charge of each operating location for identification to confirm that the operation is in compliance with the regulations and to report such to the respective supervisor. - Compliance review : Compliance is ensured through reviews by an internal cross-departmental or external independent unit (e.g. legal consultant). - Establishment of an effective internal control system to enhance prevention of compliance risks, etc.	All Departments
Environment, safety and health disaster risks	Environmental	Environmental hazards caused by accidents encountered in the course of construction, production, and living.	The Company reduces the risk of environmental, safety, and health hazards through relevant regulations, education and training, advocacy, and systematic operation.	Management Department Labor Safety Department

Risk Item	Category	Risk Description	Response measures	Management Unit
Financial risks	Economic	Various unforeseen and uncontrollable factors in various financial activities (fundraising, investment, etc.) that may cause the final financial results obtained by the Company during a certain period and within a certain scope to deviate from expected operational goals, resulting in an economic loss.	- The Company focuses on the development of its core business and does not engage in high-risk, highly leveraged investments. - The Company has established the Lending of Funds to Others Management Guidelines, the Endorsement and Guarantee Management Guidelines, and the Acquisition or Disposal of Assets Management Guidelines for risk control and as a basis for lending funds to others, engaging in endorsements and guarantees, as well as acquiring or disposing of assets.	Finance and Accounting Department
Staff turnover risks	Social	Staff outflow leads to the need for re-recruitment and training by the Company, which increases labor costs and can delay work progress or even paralyze the organization.	- Employee Growth: A well-planned in-house training program enables employees to respond to changes in the environment and enhance their professional competence from time to time, and encourages employees to grow and learn continuously. - Safe Workplace: The Company has a Labor Safety and Health Committee in place and has formulated the Labor Safety and Health Work Rules to protect the safety and health of workers and prevent occupational injuries. - Welfare and Care: The Company has the Employee Welfare Committee in place, which is committed to providing complete welfare and care for employees and endeavors to create a work environment that balances work and family.	All Departments
Climate change risks	Environmental	With the impact of the greenhouse effect, rising global temperatures, and the intensification of extreme weather conditions, the threat of typhoons and floods is more severe than ever before, and water shortages in some areas are also seriously affecting industrial and domestic water use. Therefore, in the future it will be necessary for the Company to increase its investment in natural disaster prevention, post-disaster facility maintenance, and energy acquisition for operations.	Adhering to the concepts of sustainable operations and carbon reduction, DINGZING provides clients with environmentally friendly high-tech films, and further ensures that its production and manufacturing processes can harmoniously coexist with the ecological environment by minimizing the waste of resources and materials.	All Departments

3.4 Regulatory Compliance

Material Topic	Management Policy
Issue Impact Statement	Laws and regulations are fundamental to corporate governance. The Company's employees, managers, and directors are duty-bound to comply with applicable laws and regulations so that the Company can reduce its operational risk levels and exposure to penalties while enhancing its economic performance.
Policy and Commitment	One of DINGZING's core values is regulatory compliance. Each unit is responsible for reviewing relevant laws and regulations to ensure that the Company's internal rules are in line with the current laws and regulations. The Company also pays attention to the trends in relevant laws and regulations so it can respond to the impacts of changes in these regulations at an early stage.
Management Policy	1.Regularly review official documents sent by competent authorities as well as updates and subsequent revision directions of existing laws and regulations to minimize the Company's risk of regulatory non-compliance. 2. In terms of regulatory compliance, the Company's management continues to pay attention to domestic and foreign policies, laws, and regulations with the potential to impact the Company's business and finance, while formulating various corporate governance rules and guidelines. The audit unit also checks the status of regulatory compliance in accordance with relevant regulations and requests each unit to strengthen education and training on relevant laws and regulations as well as internal advocacy
Responsible Unit	Regulatory compliance is the responsibility of the Company as a whole, and the responsible unit is the department head of each unit.
Resources Invested	1. Participate in regulatory advocacy meetings organized by competent authorities. 2. Conduct regular education and training on relevant laws and regulations. 3. Post updated rules of the Company in the bulletin board area for easy reference by employees. 4. The auditing unit conducts regular audits pursuant to relevant laws and regulations.
Complaint Mechanism	There is a contact portal on the company website. Official website : www.dingzing.com
Short-, Medium- and Long-Term Goals	No material violations of economic, environmental, or social laws and regulations. Note: "Material" is defined as a single fine exceeding NT\$1,000,000.
2023 Action Plan and Performance	Through pre-incident prevention, mid-incident control, and post-incident tracking, the Company effectively reduced and eliminated operating risks, and took early and proactive response measures to avoid violating relevant laws and regulations or encountering material incidents that affect the Company's operations. There were no material violations of laws and regulations in 2023, and therefore the target set for this year has been attained.
Effectiveness Evaluation	Number of material violation cases

Regulatory compliance is the foundation of DINGZING's operations, and all employees are required to take it seriously and prudently. Nevertheless, regulatory changes have been rapid in recent years. If they are not responded to appropriately, it will create significant risks and lead to severe losses and impacts. Therefore, through the division of functions and responsibilities, each department carries out the relevant regulatory management, regularly updates regulatory changes, analyzes and evaluates the impact thereof, and formulates response measures respectively. If necessary, all employees are also made aware of such regulations through education and training or internal advocacy. Additionally, DINGZING has implemented internal audits and a whistle blowing and complaint system to ensure strict compliance.

In 2023, DINGZING did not pay any significant fines for violations of laws and regulations in the aspects of corporate governance, environmental protection, labor rights and interests, and product responsibility.

2023 DINGZING Regulatory Compliance Status

Corporate Governance Regulations	· No violations of the Company Act · No violations of securities and financial laws and regulations · No incidents of corruption, bribery, or improper benefits. · No infringement against stakeholders due to its products and services.	Human Rights Regulations	· Compliance with labor-related regulations · No child laborers · No discrimination or harassment · No forced labor · No infringement of the rights of indigenous people
Environmental Protection Regulations	· No material violations of air pollution regulations · No material violations of wastewater treatment regulations · No material violations of waste disposal regulations	Anti-competitive Practices	· No involvement in anti-competitive practices · No involvement in antitrust incidents

3.5 Sustainable Supply Chain Management

In addition to demanding its own sustainable development, DINGZING also prudently selects suppliers that fulfill their corporate social responsibilities, expecting that all business partners interacting with DINGZING will adhere to the principles of trustworthiness and integrity. Therefore, DINGZING has formulated the Supplier Management Guidelines to evaluate suppliers based on their quality, production capacity, and technical capabilities. The Company prioritizes cooperating with companies that are legal, reputable, and have not violated human rights or environmental laws and regulations. In the future, DINGZING plans to gradually incorporate ESG standards into the supplier selection and audit items. All of the important clients with whom the Company has dealings have certain ESG requirements. In 2023, 55% of the major suppliers publicly declared their commitment to ESG.

3.5.1 Evaluation Process for New Suppliers

For the adoption of new suppliers, the Procurement Department conducts a preliminary quality system review to evaluate the quality, production capacity, and technical capability of the suppliers, and classifies such suppliers into three grades of A, B, and C according to the evaluation results, with Grade A and Grade B being qualified suppliers and Grade C being unqualified suppliers that are not allowed to cooperate with the Company.

Levels	A	B	C
Score	70 points or more	60~69	Below 60 points

3.5.2 Periodic Supplier Audits

DINGZING evaluates its major suppliers at the end of each year and is required to fill out a Supplier Evaluation Form; qualified suppliers will continue to be used, and unqualified suppliers will be replaced. In 2023, 100% of the Company's suppliers passed the audit.

Supplier Audit Items :

Categories	
Technology and other development and innovation capabilities	30%
Delivery date and cooperation level (production capacity)	30%
Five major quality management items (document control, education and training, manufacturing process operation, quality control, and inventory control)	40%

Supplier audit status over the past 3 years :

Item	2021	2022	2023
Number of Suppliers Audited	21	18	18
Number of Qualified Suppliers	21	18	18
Percentage of Qualified Suppliers	100%	100%	100%

Note: The listed suppliers are those above a certain capital amount.

3.5.3 Percentages of Local Procurement

DINGZING actively courts local suppliers in an effort to lower management and operating costs and reduce indirect transportation greenhouse gas emissions caused by international transportation. In 2023, DINGZING's percentage of local procurement reached 43.4%. Additionally, the percentage of local procurement has been gradually increasing over the last 3 years as the Company strives to minimize carbon emissions from long-haul transportation in response to the need for global carbon reduction.

Percentages of local procurement over the past 3 years :

Item	2021	2022	2023
Local procurement volume (kilograms)	2,803,467	3,890,089	3,990,775
Percentage of local procurement	27%	39%	43.4%
Percentage of qualified procurement	100%	100%	100%

Note: The term "local" in the context of local procurement refers to suppliers with warehouses or factories in Taiwan.

Chapter 4

Product Research, Development and Innovation, and Customer Relationship Management

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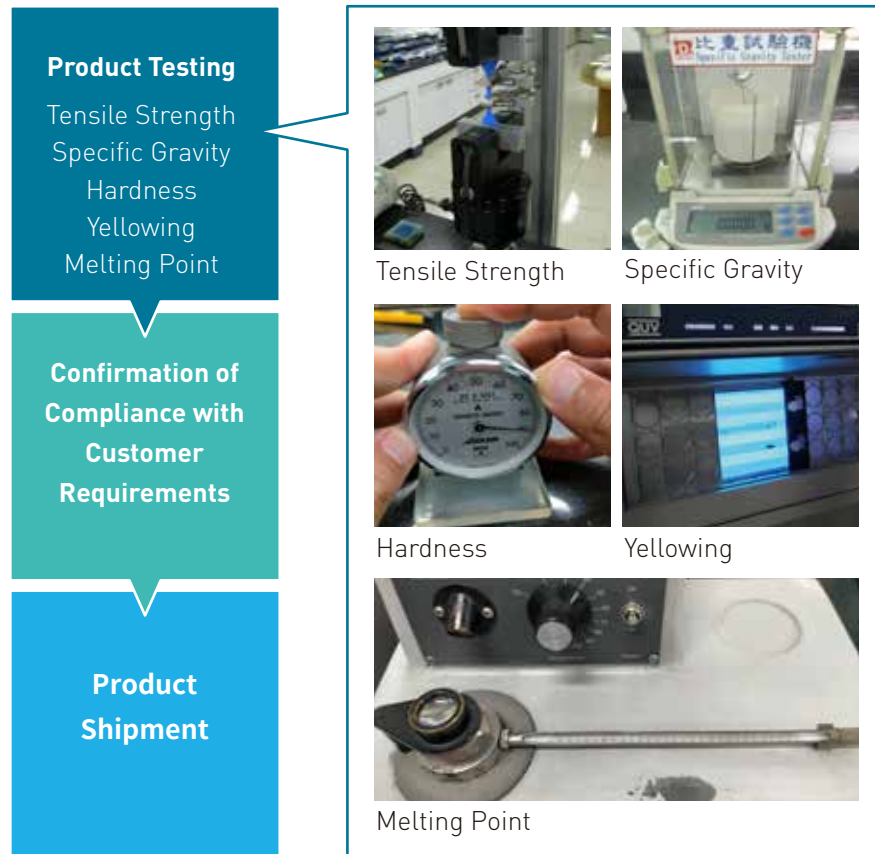
4.1 Product Safety

Material Topic	Management Policy
Issue Impact Statement	To ensure that the Company's products continue to meet and exceed customers' expectations, DINGZING has established a sound quality management system to build customer trust, and it continuously controls the use of hazardous substances during the product life cycle to avoid causing harm to the environment and human rights.
Policy and Commitment	Adhering to the principle of "Integrity First, Quality First", DINGZING continuously improves its products to ensure that product quality meets customer expectations, and aims to provide customers with high quality products.
Management Policy	DINGZING has obtained the ISO 9001 Quality Management System certification and established the PDCA continuous improvement quality management system, which is continuously optimized based on the existing system to ensure that the quality of the products produced by DINGZING is acceptable to customers.
Responsible Unit	Quality Testing Center
Resources Invested	1. Obtained the ISO 9001 quality management system certification. 2. Regularly conducted education and training on quality management. 3. In 2023, the budget for the Product Testing Laboratory was NT\$2 million.
Complaint Mechanism	There is a contact portal on the company website. Official website : www.dingzing.com
Short-, Medium-, and Long-Term Goals	1. In order to meet the requirements of the textile industry and related industries, DINGZING plans to obtain the bluesign® Standard Certification. 2. In recent years, DINGZING has entered the automotive market. In response to the supply chain norms and standards, the Company plans to obtain the IATF 16949 Global Automotive Quality Management System Certification. 3. DINGZING will apply for and obtain relevant certification systems and standards as the application field of its products expands.
2023 Action Plan and Performance	1. Continued to maintain the validity of the ISO 9001 certification. 2. Continued to obtain the OEKO-TEX certification and the GRS recycled materials certification to ensure that the Company's products conform with the EU's REACH and RoHS regulations.
Effectiveness Evaluation	To be reviewed at the management review meeting at the end of each year

4.1.1 Product Quality Assurance

DINGZING believes that quality assurance is the most basic commitment to customers. The Company demands the highest standard of product quality and has set up a Product Testing Laboratory to conduct multiple tests prior to shipment, including: tensile strength, specific gravity, hardness, yellowing, and melting point, to check the durability and stability of products and ensure that the product quality meets customers' requirements. In 2006 , DINGZING obtained the ISO 9001:2015 Quality Management System certification, and the Company will continue to maintain the validity of the certification in the future.

Pre-Shipment Testing Process :



ISO 9001:2015 Certification



To meet the requirements of both domestic and international customers, DINGZING has obtained a number of international sustainability certifications, such as the OEKO-TEX certification and the GRS recycled materials certification. These certifications serve as the Company’s guarantee that all manufacturing processes and finished products conform to international sustainability standards.

Mark / Certification	Description
Eco-Textile Standards OEKO-TEX® Standard 100 The logo for OEKO-TEX Standard 100. It features a green circular emblem with 'OEKO-TEX' in white. To the right, the text 'STANDARD 100' is displayed in bold, with 'TP001 156412' and 'TESTEX' in smaller text below it.	The OEKO-TEX emblem is one of the world’s most well-known marks in the textile industry. It is mainly applied to textile raw materials, intermediate products, and final products at all stages of production, certifying whether such materials contain residues of harmful substances that can affect human health. It serves as a reference for the public in their purchases of environmentally friendly textiles. The restrictions posed by OEKO-TEX not only align with the current international and national legal requirements, but also consider the relevance of future developments. DINGZING is dedicated to protecting consumers’ health and has been OEKO-TEX certified since 2015. The Company continued to maintain the validity of the certification in 2023.
Global Recycled Standard The logo for the Global Recycled Standard (GRS). It features a circular emblem with a globe and the text 'Global Recycled Standard'.	In view of the global trend of environmental sustainability, the recycling and reuse model has increasingly become the focus of attention, and various major brand manufacturers have begun to use environmentally friendly recycled materials. To prove that materials provided by DINGZING are indeed derived from recycled materials, DINGZING obtained the Global Recycled Standard (GRS) certification in 2020. In addition to regulating the percentage of recycled materials used in products, GRS also includes site-specific monitoring of production plants’ social responsibility, environment, and relevant chemicals to ensure that products conform to the European Union’s Reach Regulation on Substances of Very High Concern (REACH SVHC), the Zero Discharge of Hazardous Chemicals Manufacturing Restricted Substances List (ZDHC MRSL), and the GRS Hazard Codes.



4.2 Sustainable Product Innovation

With the global rise in awareness about environmental protection, TPU stands out for its characteristics of being environmentally friendly, non-toxic, 100% recyclable, and easy-to-process, and it has been accepted worldwide as an environmentally friendly material. Through a one-stop R&D and production model, DINGZING has independently developed key raw materials and manufacturing process technologies using sophisticated R&D equipment. The company has established an R&D database consisting of tens of thousands of records of material improvements generated through customer feedback and demand, and it has continuously worked on the application development of green reclaimed materials to provide customers with various solutions. Furthermore, DINGZING has obtained the ISO 14001 certification, the Global Recycled Standard (GRS) certification, the textile non-toxic guarantee certification (OEKO-TEX), and other certifications related to environmental protection and recycled materials in order to align with the global trend of focusing on environmental protection issues and to develop product applications in the direction of diversified fields.

Material Topic	Management Policy
Issue Impact Statement	DINGZING has been in the TPU industry for over 40 years. To realize the goal of sustainable development, DINGZING continues to expand the application of TPU materials and introduce high value products that satisfy customers' core needs. This effectively enhances the competitiveness of the Company and helps customers achieve their environmental goals.
Policy and Commitment	DINGZING is committed to the application development of green reclaimed materials and constantly expands their application fields, with the goal of being an important member of the industry's green supply chain and contributing to industrial energy saving, carbon reduction, and environmental sustainability.
Management Policy	DINGZING continues to improve and develop its formulation technology and production processes and introduce high value technical products based on various product categories, industry characteristics, and customer needs.
Responsible Unit	Research and Development Department
Resources Invested	1. NT\$117,436,000 was invested in 2023, accounting for 4.00% of the total revenue. 2. A total of 15 personnel were devoted to R&D in 2023.
Complaint Mechanism	There is a contact portal on the company website. Official website : www.dingzing.com

Material Topic	Management Policy
Short-, Medium- and Long-Term Goals	DINGZING's strength lies in market diversification; its success is not directly related to the downturn or profitability of any specific market. DINGZING's products are widely used in different industries, such as automotive materials, medical supplies, consumer electronics materials, bags and luggage, sports accessories, outdoor sport devices, ready-made clothes, hydraulic systems and equipment, and pneumatic systems, including products with various industrial attributes. In the future, product items will be adjusted in response to market trends and customer needs.
2023 Action Plan and Performance	1. NT\$117,436,000 was invested in 2023, accounting for 4.00% of the total revenue. 2. A total of 15 personnel were devoted to R&D in 2023.
Effectiveness Evaluation	1. For important development projects, the Sales Director reviews the project's progress on a weekly basis together with their subordinates and the customer to see if any product adjustments are necessary, and then discusses the project with the Site Plant Manager, Development Director, and the immediate site supervisor to determine if the project meets the customer's needs and to check the product certification information. 2. The Company researches and develops topics proactively. The Sales Department collects market information and reports such information via the Salesforce communication software in a timely manner. The Plant Manager, Development Director, President, and Sales Director then evaluate the market feasibility and proceed with development.

4.2.1 Research and Development

4.2.1.1 Research and Development Strategy

TPU resin is the raw material for TPU products. DINGZING is the only company in the world engaged in the entire production cycle of TPU, from raw materials to finished products. Therefore, the Company has a great advantage in terms of its ability to develop new products and customize products. At present, the Company's R&D is focused on a variety of composite and multifunctional materials as well as products with increased non-yellowing. The formulas and compositions of composite and multifunctional materials can be adjusted as needed to ensure satisfaction of customer needs; the non-yellowing products have the characteristic of good weatherability, which increases durability and quality during outdoor use. DINGZING's research and development team and technical service team continue to improve and develop formulas, technologies, and production processes based on various product categories, industry uniqueness, and customer needs to develop high value technical products. In the future, the Company will gradually invest in necessary research and development personnel as well as instruments and equipment, and strengthen the integration of resources to continue to expand product applications.

4.2.1.2 Investment in Research and Development Resources

Research and development and innovation is the foundation of the Company, and the head of the Research and Development Department is the Chairman of the Company. Each year, the Company continues to invest in substantial amounts of funds, manpower, and time in independent research, development, and improvement of raw materials and manufacturing processes to ensure technological advancement and product reliability. By accumulating technological advantages and innovative capabilities, the Company can meet the needs of customers in various fields and further capture the market of high-end products to maintain profitability.

Research and Development Department Organizational Chart :



Academic Background and Work Experience of Research and Development Personnel :

Year	2021		2022		2023	
Education	Number of People	Percentage (%)	Number of People	Percentage (%)	Number of People	Percentage (%)
Masters	4	25.00	4	23.53	4	26.67
Bachelors / Associate	10	62.50	11	64.71	10	66.67
High School / Vocational	2	12.50	2	11.76	1	6.66
Total	16	100.00	17	100.00	15	100.00
Average Years of Education	16		16		18	

Investment in Research and Development Over the Years :

Year	2021	2022	2023
Research & Development Costs (A)	73,559	107,233	117,436
Net Operating Income (B)	2,539,743	2,607,212	2,792,380
Percentage of R&D Costs (A / B)	2.90%	4.11%	4.00%

Unit: NT\$1000

4.2.1.3 The Innovation Playground Concept

“Innovation Playground” does not refer to a specific location or department of DINGZING, but rather to the notion that DINGZING embraces the spirit of innovation and the strength of research and development. Whenever customers pay a visit to DINGZING, they feel like they’re entering an “Innovation Playground” where they can work hand in hand in coordination with designers, engineers, and material specialists at every stage of the process, from conception to commercialization of the product, to stimulate the creation of high value products. Additionally, DINGZING continues to challenge limitations and share the ideas and applications that are continuously being accumulated.

DINGZING’s insistence on innovation and excellence has been a part of the Company’s culture since its founding, but there was never a specific name for it. Therefore, President Keng-Hsien Lin strengthened this concept by proposing a specific name, which allowed the Company’s spirit to be thoroughly implemented from top to bottom. By adhering to the persistence of innovation, deeply exploring the potential needs of customers, and innovating key technologies and products, DINGZING has become a leading enterprise in the industry.

Product Research and Development Process :



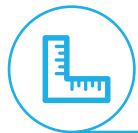
Consultation

Consult with DINGZING’s experts to learn about the various purposes of materials. DINGZING’s cross-industry experience allows it to help customers find the materials that best meet their application needs.



Collaboration

Collaborating with DINGZING ensures that the materials selected will be successfully integrated into the production process. DINGZING has developed hundreds of unique applications in collaboration with companies from various industries.



Customization

Customization is achieved using DINGZING’s advanced materials; the texture, color, and width can be adjusted according to the production and application requirements. The Company’s on-site equipment uses DINGZING’s own resins for production and material preparation to provide finished products of the best quality.

Innovation Playground :



4.2.2 Project Highlights

4.2.2.1 Automotive Paint Protection

In recent years, DINGZING has continued to expand its product applications. In the automotive market, advanced technical films can be applied to a variety of automotive materials, such as interior and exterior surfaces, windows, spare parts, and components, to provide superior protection and make follow-up maintenance easier. Currently, DINGZING not only provides air cushions for lumbar support and sunroofs for high-end automobiles, but has also introduced revolutionary products such as automotive paint protection film, which is commonly known as “rhinoceros skin”. In addition to its anti-yellowing properties and good ductility, TPU also has the characteristic of self-repairing scratches and it is highly resistant to corrosion and pollution, enabling it to effectively insulate car paint from substances such as bouncing road surface gravel, oil splatters, and dust pollution; meanwhile, the use of TPU instead of the mainstream PVC is more in line with the concept of environmental protection, making it the first choice in high-end automotive paint protection films.



4.2.2.2 Da Vinci Surgical Robot Protective Cover

As the global population continues to rapidly age, chronic and cardiovascular diseases are driving the development of high-value medical materials as well as the demand for raw materials. TPU film is water-proof and breathable, with bacterial filtration capabilities as well as biocompatibility and anticoagulant properties; therefore, it is widely used in medical devices such as medical dressings, bandages, medical mattresses, medical respirators, and blood bags. Additionally, in recent years the Company has continued to expand its applications within the medical industry to new products such as sterile protective covers for minimally invasive surgical robots (Da Vinci arms). The minimally invasive robotic surgical system is the latest minimally invasive surgical system, and it is widely used, having performed over 10 million operations in the United States, Europe, Asia, and other countries.

Sterile protective covers for Da Vinci surgical robots can effectively isolate the patient's blood and body fluids that splashes during surgery. As a disposable consumable, the waste volume from protective covers accumulated after each operation is considerable. Currently, medical waste is mostly disposed of through incineration or via landfill. Compared to traditional materials, TPU has the advantage of decomposing naturally, and it can be burned without producing poisonous gases. Therefore, the potential future market applications in the biomedical field are considerable.



4.3 Customer Relationships

4.3.1 Customer Relationship Management

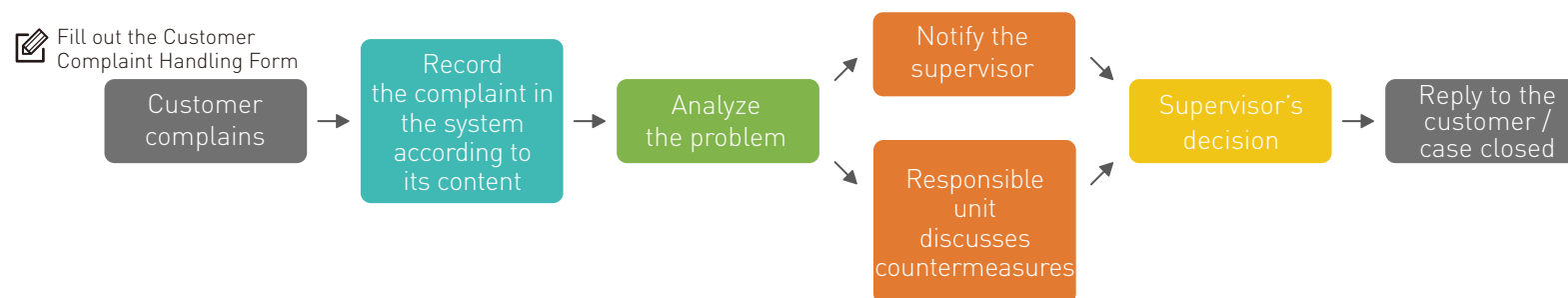
The Company is committed to the development of high value and differentiated products, with an experienced R&D team and stable production quality. With Taiwan as the operation and R&D center, as well as subsidiaries and sales offices in China, Southeast Asia, Europe, and the U.S.A., the Company has a service network that spans the globe. DINGZING has also established a professional service team with dedicated business units in charge of delivery dates, quantity, quality, packaging, and transportation. At the same time, through regular and unscheduled visits, DINGZING remains closely apprised of its customers' needs and jointly develops new application products with brand manufacturers in various fields. In response to the industry's future development and overall economic trends, the Company has formulated its future business strategy and direction as follows: The short-term policy is to deeply cultivate the needs of existing customers and enhance their overall satisfaction level with DINGZING, thereby increasing the Company's market share; the long-term strategy is to expand the development and application of products, develop high value and diversified applications, continue to expand product applications, and actively develop emerging markets in Europe, America, Southeast Asia, and the rest of the world.

Customer Communication Channels :

Channel	Description
Regular Visits	DINGZING visits customers at least once a month to understand how they use the Company's products.
Periodic Communication	DINGZING contacts all customers periodically, and contacts important customers at least once every 2 weeks via phone, e-mail, or video call.
Project Management during Development	During the collaboration period, DINGZING regularly reports on the progress of new product developments and production status until mass production has been stabilized.

Customer Complaint Handling Process :

When a customer complaint occurs, the sales unit immediately finds out the details of the situation and fills out a Customer Complaint Handling Form, which briefly describes the customer's basic information and complaint. Upon receipt of the complaint form, an investigation is promptly launched to determine the attribution of responsibilities. The results of such a determination are submitted to the supervisor of the responsible unit for approval, then forwarded to the responsible unit to formulate the improvement measure. After the improvement measure proposed by the responsible unit has been approved by the supervisor, the responsible unit replies to the customer within a stipulated time limit. There were no major incidents of customer complaints in 2023.



4.3.2 Customer Privacy

DINGZING attaches great importance to customer privacy and the protection of customer information. In addition to signing confidentiality agreements in accordance with customer needs, DINGZING has also established a sound information security management mechanism to ensure the confidentiality and security of customer information. The Company has formulated the Information Security Policy, the Information Security Management Internal Control System, the Information Security Incident Notification and Response Mechanism Procedures, and other guidelines. All internal staff, outsourcing service providers, and visitors are required to comply with the relevant rules. The Company also prevents customer data leaks caused by human or non-human factors through authorization controls, setting up firewalls, filtering software, data download alerts, off-site backup, internal information security advocacy, and other methods. As of the end of 2023, there were no complaints regarding the loss or leakage of customer data or infringement of privacy rights.

4.3.3 Customer Affirmation

As the world's awareness of environmental sustainability rises, consumers are gradually shifting away from PVC, PE, NYLON, NBR, PET, and other tradition materials, and choosing TPU products with better performance, more environmental protection, and easy processing. One after another, major brand manufacturers in various industries are also switching to TPU materials for new product development and applications. DINGZING has established close relationships with major brand manufacturers through long-term cooperation, spanning the outdoor leisure equipment industry, sporting goods and functional apparel industry, medical consumables industry, automotive industry, and consumer electronics industry. Currently, the numbers of product applications and industry customers are also growing continuously, and the Company is highly regarded by customers.

Chapter 5

Environmentally Sustainable Operations

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DINGZING's Environmental Policy and Commitment

The Company adheres to the business philosophy of sustainable operations as well as energy saving, carbon reduction, and a commitment to reducing waste of resources and materials. Additionally, production and manufacturing processes are planned based on the concept of environmental coexistence, and the ISO 14001:2015 environmental management system has been introduced to ensure proper operation by staff. Various dedicated personnel have also been put in charge of air, water resources, and waste in the hope of effectively minimizing the impact of operating activities on the environment and ensuring that effective environmental management is carried out. DINGZING adopts an environmentally friendly operations strategy: the manufacturing process does not produce harmful gases, and the wastewater generated by the manufacturing process is reused through wastewater recycling without impacting the environment; furthermore, all substances regulated or banned by government agencies are declared in accordance with the law to ensure regulatory compliance. DINGZING also follows international norms and does not use any of the hazardous substances outlined in the European Union's REACH and RoHS regulations, and the Company makes every effort to promote the 3G environmental policy of "Green Materials, Green Manufacturing, and Green Commitment" in its production lines.

DINGZING's 3G Environmental Policy :

1. Green Materials

The high-tech film produced by the Company is made of naturally decomposable Thermoplastic Polyurethane (TPU), which does not produce toxic gas during the heating process, and is therefore very suitable for use as a sealant or an adhesive. TPU is an emerging organic polymer material that contains no heavy metals, is non-toxic, and has no plasticizers. Its positive attributes include favorable physical properties and biodegradability; it does not pose harm to the human body or the environment. In terms of texture, scratch-resistance, and elastic recovery, it functions better than PVC and is the best option for replacing PVC.

2. Green Manufacturing

DINGZING's plants produce high-tech films mainly through the use of electricity and a special manufacturing processes that does not generate wastewater or cause air pollution. The Company makes every effort to ensure that every step of the production process is carried out in the most energy-efficient manner. To ensure that the manufacturing process and products meet international sustainability standards, DINGZING has actively obtained a number of international sustainability certifications, such as the OEKO-TEX certification and the GRS recycled materials certification.

3. Green Commitment

DINGZING's mission is to operate in a sustainable manner. Therefore, all resources are utilized effectively, and a "Zero Waste of Materials" policy is strictly enforced during the production process. Surplus materials leftover from the production process are collected and re-melted to make Provecta™ Recycled high-tech films.



Decompose naturally
within 5 to 10 years



100% Recyclable



No wastewater or air pollution
generated during the production process.



Zero waste of materials

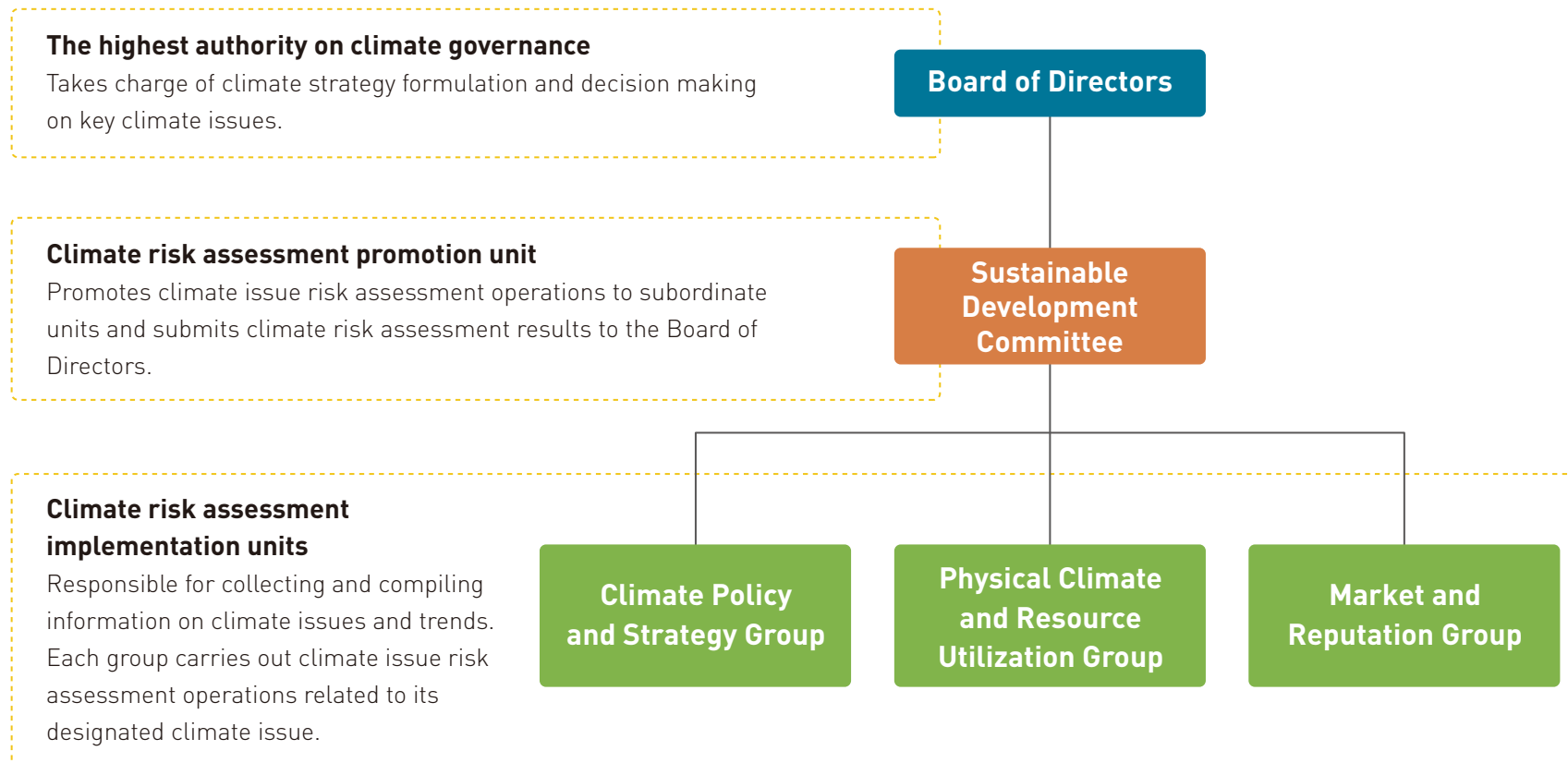
5.1 TCFD Climate-related Financial Disclosures

At the conclusion of the 2023 United Nations Climate Change Summit (COP28), it was expressed that global action on climate change still needs to be improved. As the impact of climate change and extreme weather on all mankind increases, the question of how companies will respond to climate risks has gradually become a focus of global investors' attention. In order to proactively face the climate risks and derivative opportunities that concern its own operations, in 2023, DINGZING followed the framework of the four core disclosures recommended by the Task Force on Climate-related Financial Disclosures (TCFD) to reveal the Company's strategies and management status in response to climate issues and establish the Company's process for assessing climate change risks and opportunities. Furthermore, by integrating these strategies into the existing corporate governance structure, the Company formulated management strategies and indicator targets for climate issues of critical importance. This will enable DINGZING to strengthen its operational resilience and seize climate opportunities amidst constantly evolving climate change trends.

5.1.1 Climate Governance

The Board of Directors is DINGZING's highest authority on climate governance and is mainly in charge of decision making and policy formulation on climate issues. The Sustainable Development Committee is subordinate to the Board of Directors; the Chairman serves as the committee chair and the President serves as the deputy chair. The Sustainable Development Committee is in charge of coordinating and promoting the Company's risk assessment of climate issues. The units under the Sustainable Development Committee that are responsible for climate issues are divided into three functional groups, which are the Climate Policy and Strategy Group, the Physical Climate and Resource Utilization Group, and the Market and Reputation Group; the leader of each group is appointed by the committee chair and takes charge of overseeing and promoting the risk assessment of climate issues within their respective group and reporting assessment results and management response strategies to the Sustainable Development Committee. The Sustainable Development Committee integrates the assessment results of the three groups and reports them to the Board of Directors for approval, thereby integrating climate risk management into internal management procedures.

Following the introduction of the TCFD framework in 2023, each year, the Board of Directors has monitored the current status of DINGZING's climate issue management and its progress toward achieving its goals. The Sustainable Development Committee reports to the Board of Directors periodically throughout the year, explaining the results of the annual climate risk assessment, the corresponding management strategies of each unit, and progress toward achieving short-, medium-, and long-term goals. DINGZING properly implements climate risk management through continuous tracking and review to ensure that the climate risks identified by the Company are minimized while gradually improving the climate resilience of its operations to achieve long-term climate goals.



5.1.2 Climate Risk Management

DINGZING has established climate risk management procedures in accordance with the TCFD framework. The Board of Directors is DINGZING's highest authority on climate risk management; it reviews and decides on management strategies for identified climate risks. DINGZING's climate risk assessment procedure is jointly implemented by the three functional groups: the Climate Policy and Strategy Group, the Physical Climate and Resource Utilization Group, and the Market and Reputation Group, which are convened by the Sustainable Development Committee. Each group focuses on the identified issues and develops specific management strategies, action plans, and goals for key climate issues to implement climate risk management. DINGZING has incorporated this procedure into its internal routine operational risk management procedures, and the Company convenes meetings periodically to review climate risk assessment procedures on the basis of climate and sustainability trends, thereby ensuring that the Company is aware of current climate risks at all times.

Assessment Procedure for Climate Risk and Opportunity Issues

DINGZING's climate risk assessment procedure meeting is convened by the Sustainable Development Committee and can be divided into the following steps:

Step 1

Collection and compilation of climate risk and opportunity issues

To understand the climate issues that concern DINGZING's industry, the Sustainable Development Committee collects and compiles the climate issues disclosed in sustainability reports of international benchmark chemical peer industries, TCFD reports, and CDP questionnaires from recent years and finds the convergence with potential climate issues that concern DINGZING's own operations. Such issues are included in subsequent stages of the risk and opportunity assessment.

Step 2

Defining the levels for quantification of climate issues

To ensure that different functional groups adopt consistent standards for the assessment of climate issues, the levels for quantifying issue materiality, likelihood of occurrence, and time of occurrence were first defined as follows:

A. Definition of levels of issue materiality:

1. Very severe: affects revenue by more than NT\$50 million.
2. Severe: affects revenue by NT\$10–50 million.
3. Ordinary: affects revenue of NT\$5–10 million.
4. Slight: affects revenue by NT\$1–5 million.
5. Very slight: affects revenue by less than NT\$1 million.

B. Definition of levels of likelihood of occurrence:

1. Almost certain to occur: likelihood of occurrence is over 90%.
2. Very likely to occur: likelihood of occurrence is 65–90%.
3. May occur: likelihood of occurrence is 35–65%.
4. Unlikely to occur: likelihood of occurrence is 10–35%.
5. Almost impossible to occur: likelihood of occurrence is less than 10%.

C. Definition of levels of time of occurrence:

1. Short term: occurring within 0–2 years.
2. Medium term: occurring within 3–10 years.
3. Long term: occurring after 10 years.

Step 3

Issue assessment

Each responsible unit under the Climate Policy and Strategy Group, the Physical Climate and Resource Utilization Group, and the Market and Reputation Group conducts assessments of materiality, likelihood of occurrence, and time of occurrence for the climate issues related to its own responsibilities and duties, reviews the status of the Company's response during the assessment process, and develops future management strategies.

Step 4

Issue materiality analysis and matrix mapping

After collecting and compiling the risk assessment results of the three climate groups, the materiality of each issue is calculated by multiplying the average materiality and the average likelihood of each issue, and then a materiality matrix map is drawn based on this data to identify the level of materiality of each issue.

Step 5

Resolutions on key climate issues

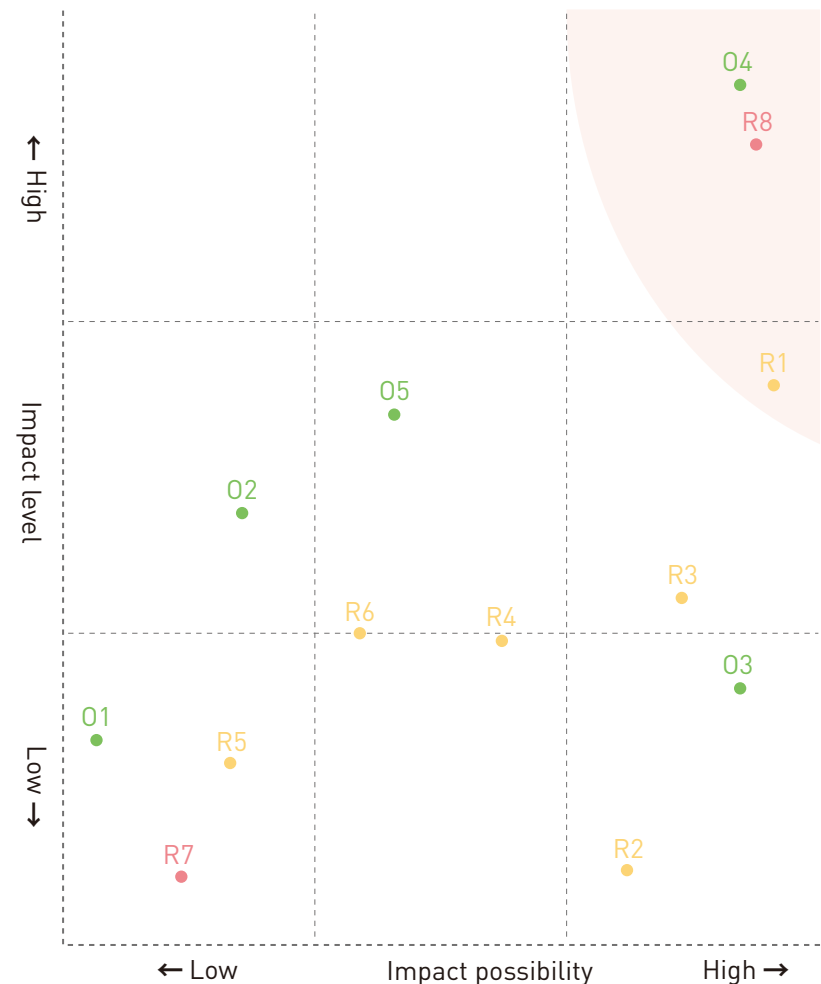
In order to grasp the main effects and financial impact of climate on DINGZING, the Sustainable Development Committee judges and resolves on DINGZING's key climate issues through a climate issue materiality matrix, then submits the key climate issues, management measures, and goals to the Board of Directors for approval so as to ensure that the Company can continuously grasp and respond to important climate risks.

Climate Risk and Opportunity Topic Assessment Process :

After collecting and compiling issues from peer industries on sustainability trends, 13 climate issues were selected for inclusion in the risk assessment process this year, including 6 transition risks, 2 physical risks, and 5 opportunity issues. After taking the materiality assessment results of each issue into account, it was decided that R1-Carbon pricing mechanism, R8-Changes in rainfall and climate patterns, and O4-Develop and/or increase low-carbon/environmentally friendly goods and services are DINGZING's key climate issues, and corresponding management measures and goals have been formulated for these three issues.

DINGZING's Climate Risk and Opportunity Matrix :

Category	Aspect	Climate issues included in DINGZING's assessment
Transition risks	Policies and regulations	R1-Carbon pricing mechanism
	Policies and regulations	R2-Requirements and supervision of existing products
	Market	R3-Changes in customer preferences for products
	Market	R4-Rising costs of raw materials
	Technology	R5-Ttransition costs of low-carbon / environmentally friendly technologies
	Reputation	R6-Increased attention and negative feedback from stakeholders
Physical risks	Immediate	R7-Increased severity of extreme weather events
	Long-term	R8-Changes in rainfall and climate patterns
Climate opportunities	Resource efficiency	O1-Use more efficient production and distribution processes
	Resource efficiency	O2-Recycling
	Energy source	O3-Use low carbon energy
	Products and services	O4-Develop and/or increase low carbon / environmentally friendly goods and services
	Market	O5-Enter new markets



5.1.3 Climate Strategy

DINGZING's three key climate issues are R1-Carbon pricing mechanism, R8-Changes in rainfall and climate patterns, and O4-Develop and/or increase low-carbon/environmentally friendly goods and services. The climate groups and the responsible units have conducted an inventory, confirmed the impact of these issues on the Company, and developed future management strategies and response measures. The impact statement and response strategies for the three key issues are as follows.

Code	Risk / Opportunity	Aspect	Climate Issue	Impact Statement	Time of Occurrence	Management Measures and Strategies
R1	Transition risks	Policies and regulation	Carbon pricing mechanism	Taiwan's Climate Change Response Act clearly stipulates that the country must achieve net-zero greenhouse gas emissions by 2050. In order to achieve this national goal, the Act clearly stipulates that a carbon fee will be levied on Taiwanese companies in stages, from highest to lowest carbon emitters. During the first stage, it is expected that carbon fees will be levied on enterprises with annual carbon emissions exceeding 25,000 tons in 2050. DINGZING's annual carbon emissions are about 21,000 tons, and thus the Company is not subject to the first wave of carbon fees. However, considering that future regulations and management conditions will become increasingly stringent, as well as the fact that the Company's orders have continued to grow in recent years and carbon emissions may increase due to increased production, there is a potential risk that carbon fees will be levied on the Company in the future, which may increase the Company's basic operating costs.	Medium term (Occurring within 3–10 years)	1. DINGZING completed the greenhouse gas inventory of Xiaogang Plant and Kaohsiung Plant in 2023 and established an internal greenhouse gas inventory system. In the future, the Company will conduct greenhouse gas inventory year by year and track the carbon reduction results. 2. DINGZING's plants have been equipped with solar panels covering a total area of 14,596 square meters. Through solar panels, the Company can reduce carbon emissions caused by the use of gray electricity. 3. Every year, DINGZING conducts an inventory to replace old equipment in the plant areas, promoting the optimization of manufacturing processes and phasing in energy-saving facilities, such as energy-saving air compressors and LED lighting intelligent control systems. This improves energy utilization and reduces energy consumption by the equipment.

Code	Risk / Opportunity	Aspect	Climate Issue	Impact Statement	Time of Occurrence	Management Measures and Strategies
R8	Physical risks	Long term	Changes in rainfall and climate patterns	In recent years, droughts have intensified due to extreme climate. Long-term drought in the South American Panama Canal has resulted in low water levels, making the canal impassable for shipping freighters. This has caused supply delays for downstream customers in the Company's supply chain and increased shipping costs. Since DINGZING's main raw materials come from neighboring Asian countries, it is not directly affected by this currently. However, the Company still needs to pay attention to the potential impact of the intensification of extreme weather on the upstream and downstream of the supply chain in the future. DINGZING's plants are located in southern Taiwan. With the exception of the plum rain and summer typhoon seasons, when heavy rainfall can cause short-term flooding, for most of the year the region is characterized by a high temperature and dry climate, and thus it is relatively more likely to face the risk of water shortages. Nevertheless, DINGZING's manufacturing processes do not require large amounts of water, so currently the impact of droughts on the Company is limited. However, if the number of drought days increase in the future, it may interrupt the domestic water supply in the plant areas, which would indirectly affect the production and shipping efficiency of the plant.	Long term (Occurring after 10 years)	1. Drainage facilities are built into all plant areas to reduce direct damage and losses caused by typhoons and temporary flooding of plant areas. 2. Before the dry season arrives, water storage facilities and reserved water are prepared within the plant areas. Additionally, water trucks are reserved from suppliers in advance to provide water supply to the plant in a timely manner during droughts. 3. Emergency response plan management guidelines have been established for the plant areas, and natural disaster emergency response education and training are regularly implemented for personnel within the plant areas. 4. The Company has established a secondary supplier system to maintain a stable supply of raw materials and reduce the risk of supply interruption due to the effects of extreme weather conditions on existing suppliers.

Code	Risk / Opportunity	Aspect	Climate Issue	Impact Statement	Time of Occurrence	Management Measures and Strategies
04	Opportunities	Innovative products and services	Develop and increase low-carbon and environmentally friendly products and services	In recent years, climate issues have brought about a change in global awareness of sustainability. Consumers and brands increasingly prefer sustainable products and materials. Continuous investment in the research and development of low-carbon and environmentally friendly materials will lead to opportunities to expand the niche markets for sustainable products and further increase the Company's purchase orders and revenue. DINGZING's main product is TPU film. It is 100% recyclable, non-toxic, biodegradable, and has other environmentally friendly properties that make it easier to incorporate scraps and recycled materials into the manufacturing process, which reduces raw material costs. In recent years, the Company has observed a trend within the medical, electronic, automotive, and leisure sports markets of switching to TPU materials for many of their products. The Company has also successively received requests to develop products for customers in different industries. DINGZING will continue to invest in the research and development of TPU materials with applications in different fields so as to continue to grasp market opportunities and demands derived from sustainability trends.	Short term (Occurring within 2 years)	1. The Company is actively expanding its cross-industry cooperation with customers from various industries and reducing its R&D costs by jointly developing TPU products with new applications, new material textures, and special specifications. 2. Dedicated units conduct research and analysis on the trends for the application of sustainable materials in various industries, which helps the Company determine its R&D direction for sustainable materials. 3. The Company will continue to make plans for the installation of solar panels on the roofs of its plants, aiming to reduce carbon emissions per unit of product through the use of self-generated electricity. 4. The production process follows the "zero waste of materials" policy. Materials leftover from the production process are recycled and processed into a line of recycled high-tech film products, which reduces the product carbon footprint.

5.1.4 Climate Indicators and Goals

In order to definitively implement the management of climate risks and opportunities, DINGZING adheres to the 3G environmental policy (Green Materials, Green Manufacturing, and Green Commitment) and continues to dynamically revise its climate targets and management actions. In 2023, DINGZING achieved its target of reducing waste by 9% compared with that of the previous year, and there was no impact on the Company due to extreme weather. The Company will continue to assess trends related to climate risk issues and dynamically revise and track the progress of current indicators and goals so as to improve climate resilience, and it will strengthen climate governance by seizing climate opportunities.

Indicator Type	Goal Description	Year of Goal Achievement	Current Goal Achievement Status
Low carbon operations (Scope 1 and Scope 2)	Carbon emission intensity reduced by 1% compared with that of the base year	2023	Achieved
	Carbon emission intensity reduced by 1% compared with that of the base year	2024	In progress
	Carbon emission intensity reduced by 3% compared with that of the base year	2025	In progress
	Carbon emission intensity reduced by 10% compared with that of the base year	2030	In progress
Energy transition	Renewable energy accounts for 5%	2025	In progress
Seizing climate opportunities	The amount invested in the R&D of TPU environmentally friendly materials accounts for 5%.	2024	In progress
	The development of new products made from TPU environmentally friendly materials accounts for 30%.	2030	In progress
	The percentage of recycled materials in products reaches 15%.	2030	In progress
	The number of raw material interruptions in the plant area caused by extreme weather factors is 0.	Annual continuous target	Achieved in 2023
	The number of plant shutdowns or operational interruptions caused by extreme weather factors is 0.	Annual continuous target	Achieved in 2023

5.2 Energy Resources Management

DINGZING adheres to the concepts of sustainable operations, energy saving, carbon reduction, and environmental coexistence, and plans its energy management policies and activities based on the three core corporate values of “Science, Innovation, and Collaboration”. In order to effectively achieve the goal of electricity saving and control, DINGZING records its actual electricity consumption in the Monthly Electricity Consumption Record Sheet every month and sets target values for electricity consumption. If the targets are not met, the Company actively works to understand the reasons and proposes improvement measures, if necessary. DINGZING monitors and controls manufacturing process equipment, lighting, distribution boxes, and other equipment through inspections, and shuts down facilities that are not in use to prevent electricity waste. Additionally, DINGZING actively promotes low-carbon energy transformation and has installed a 14,596-square-meter solar power generation facility on top of its plants, which generated a total of 1,588,296 kWh of electricity in 2023, reducing annual greenhouse gas emissions by approximately 786.21 tons and saving approximately NT\$7.11 million in electricity costs



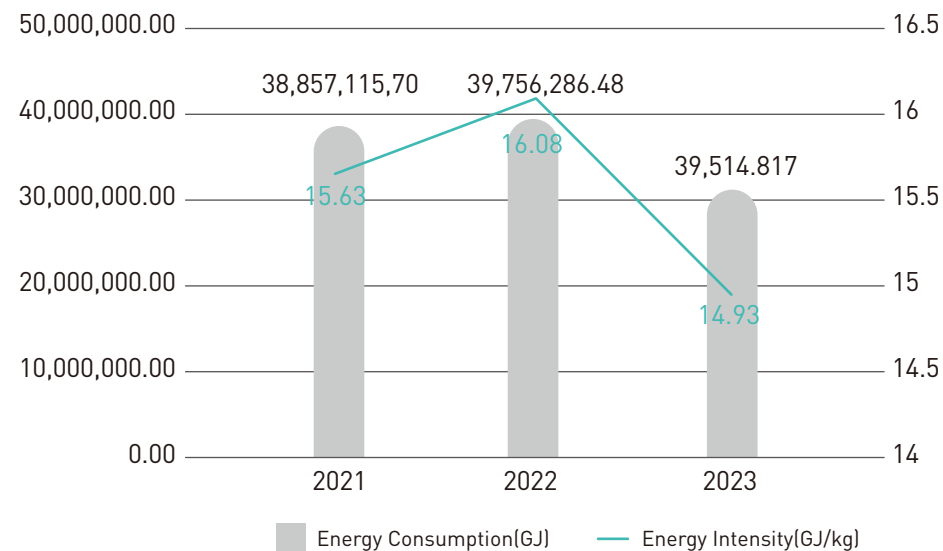
5.2.1 Energy Structure

In terms of energy usage, DINGZING's primary energy consumption comes from the use of electricity for manufacturing process equipment, which accounts for 98% of the total energy usage, followed by gasoline for company cars, diesel fuel for forklifts and emergency generators, as well as the use of natural gas. The total energy consumption in 2023 was 39,514,817 GJ, with an energy intensity of 14.93 GJ/NT\$1000, representing a 7% decrease compared with that of the previous year. The reason for the decrease in intensity was that lighting fixtures throughout the plant were successively replaced with energy-saving tube lights and light bulbs; furthermore, construction of the Pingtung Plant was completed and the additional production lines served to increase both energy consumption and revenue. The reason for the increase in externally purchased electricity was that the Pingtung Plant had been under construction on a phase-by-phase basis for approximately 2 years, during which time the number of production lines increased year by year, resulting in an upward trend in electricity consumption.

Non-Renewable Energy (GJ)	2021		2022		2023	
	Kaohsiung	Pingtung	Kaohsiung	Pingtung	Kaohsiung	Pingtung
Externally Purchased Electricity	36,726,008	1,395,360	34,366,208	1,395,360	31,486,170	7,003,680
Gasoline	5,555.5	0	7,333.08	0	6,077.5	0
Diesel Fuel	53,395.1	5,710.1	50,654.5	5,710.1	52,833.8	4,265.2
Natural Gas	671,078	0	678,081.4	0	593,316	368,474
Total Consumption	38,857,115.70		39,756,286.48		39,514,816.50	
Annual Revenue (NT\$1000)	2,485,879		2,473,159		2,646,550	
Energy Intensity (GJ/NT\$1000)	15.63		16.08		14.93	

Note 1: Based on the latest Energy Products Unit Heating Value Table announced by the Bureau of Energy, Ministry of Economic Affairs.

Note 2: The Pingtung Plant was constructed on a phase-by-phase basis; therefore, the externally purchased electricity from 2020 to 2021 includes the electricity used for construction.



5.3 Greenhouse Gas Management

Material Topic	Greenhouse Gas Management
Impact Statement	Promoting greenhouse gas reduction through energy structure improvement or other carbon reduction actions can mitigate the Company's negative impact on climate change.
Policy and Commitment	DINGZING is deeply aware that the earth's climate and environment are gradually deteriorating due to the effects of greenhouse gases. As a citizen of the earth, and to fulfill corporate responsibility, the Company will devote itself to conducting a baseline inventory of greenhouse gas emissions at its plants so that it can properly control the plants' greenhouse gas emissions. Based on the results of the inventory, the Company will implement a voluntary greenhouse gas reduction program.
Management Policy	To reduce the environmental impact of operational processes, DINGZING promotes manufacturing process optimization and the transition to energy-saving devices, such as energy-saving air compressors and LED lighting smart control systems, which improve energy efficiency and reduce energy waste from equipment. Additionally, the Company actively purchases and installs facilities for green energy generation, enhances green construction, increases green space, and plants trees to reduce the generation of greenhouse gases.
Goals	2023 target achievement status (to reduce carbon emission intensity by 1% in 2023 compared to that of the base year): Achieved; the carbon emission intensity in 2023 was approximately 8% less than that of 2022. Short-term goal: Reduce carbon emission intensity by 0.5% in 2024 compared to that of the base year. Medium-term goal: Reduce carbon emission intensity by 3% in 2025 compared to that of the base year. Long-term goal: Reduce carbon emission intensity by 10% in 2030 compared to that of the base year.
Complaint Mechanism	There is a contact portal on the company website. Official website : www.dingzing.com
Action Plan	Reduced average annual electricity consumption by 0.5% by installing and upgrading energy-saving facilities.
Evaluation Mechanism	Implementation of the ISO 14064 certification and internal audits annually

Faced with the challenge of climate change on a global scale, enterprises must find ways to minimize greenhouse gas (GHG) emissions from their operations in order to mitigate negative environmental impacts. In order to effectively manage greenhouse gas emissions, in 2021, DINGZING began collecting energy usage data and conducting inventories of the refrigerant and fire suppressant gas fillings of various equipment to assess greenhouse gas emission activities and formulate a carbon reduction policy. DINGZING also actively advocates energy saving and carbon reduction to its employees, reinforcing the concept of carbon reduction and encouraging everyone to turn off air conditioners, electronic equipment, and utility appliances when not in use, thereby putting the spirit of energy saving and carbon reduction into practice. Additionally, the Company is actively replacing traditional equipment and lighting with more energy-efficient devices to gradually reduce greenhouse gas emissions.

5.3.1 Greenhouse Gas Inventory for the Past Three Years

The Company has established a greenhouse gas inventory mechanism by referring to the ISO 14064-1:2018 greenhouse gas inventory standard, and it conducts regular inventories of greenhouse gas emissions in each plant area to keep abreast of the status of greenhouse gas usage and emissions. In 2023, the Scope I direct greenhouse gas emissions were 2,042 tons CO₂e, and the Scope II indirect greenhouse gas emissions from the generation of purchased energy were 19,116 tons CO₂e. DINGZING's overall greenhouse gas emissions categories include: CO₂, CH₄, N₂O, and HFCs, among which, externally purchased electricity accounted for 90% of the total emissions from energy usage, with gasoline, diesel fuel, natural gas, etc. accounting for a combined 10% of the total greenhouse gas emissions. Taking the indicator of annual revenue (unit: NT\$1000) as the denominator of the intensity, the intensity of greenhouse gas emissions in 2023 was 0.0080 tons CO₂e/NT\$1000; this can be attributed to the replacement of old lighting fixtures with energy-saving devices, which resulted in a reduction in electricity use, leading to a decrease in Scope II greenhouse gas emissions. Additionally, the gradual completion of the Pingtung Plant and subsequent increase in production lines resulted in a rise in its greenhouse gas emissions compared to that of the previous year; whereas the Kaohsiung Plant relocated some production machines to the Pingtung Plant, resulting in a reduction in its greenhouse gas emissions compared with that of the previous year. DINGZING will continue to optimize its manufacturing processes and equipment to reduce energy consumption, waste, and the generation of greenhouse gases.

Items	Plant	2021	2022	2023	Share of Emissions in 2023 (%)
Scope I (tons CO ₂ e)	Kaohsiung Plant	1,762	1,762	1,349	6.38%
	Pingtung Plant	20	329	693	3.28%
Scope II (tons CO ₂ e)	Kaohsiung Plant	18,436	17,252	15,465	73.09%
	Pingtung Plant	700	2,273	3,651	17.25%
Total Emissions (tons CO ₂ e)		20,918	21,505	21,158	100%
Annual Revenue (unit : NT\$1000)		2,485,879	2,473,159	2,646,550	--
Greenhouse Gas Emission Intensity (tons CO ₂ e / NT \$1000)		0.0084	0.0087	0.0080	

Note 1: The emission coefficients are referenced from the Greenhouse Gas Emission Coefficient Management Table Version 6.0.4 announced by the Environmental Protection Administration (EPA) in June 2019, as well as the 2022 Electricity Emission Coefficients announced by the Bureau of Energy, Ministry of Economic Affairs.

Note 2: The GWP values are adopted from the IPCC Sixth Assessment Report in 2021.

Note 3: The above values are DINGZING's internal statistical values and have not yet been verified. The actual emission values will be the emissions as verified by the assurance unit in the next 6 months.

5.3.2 Energy Saving and Carbon Reduction Measures

Electricity usage is DINGZING’s main source of energy and greenhouse gas emissions. Therefore, DINGZING has been gradually replacing traditional machines, tools, and lighting fixtures with energy-saving models to reduce electricity consumption through active equipment upgrades. In 2023, DINGZING replaced old lighting fixtures in the Kaohsiung Plant, which reduced electricity consumption by 2,880,038 kWh and greenhouse gas emissions by 1,425.62 tons CO₂e compared with that of 2022; these measures also saved the Company approximately NT\$13,262,843. DINGZING will continue to improve the energy-consum-ing equipment in each plant and propose various energy and resource consumption improvement programs with the management goal of reducing energy and resource consumption.

Yearipsum	2022	2023
Power Saving (kWh)	352.20	2,880,038
Greenhouse Gas Emission Reduction(tonCO ₂ e)	179.27	1,425.6188

5.4 Air Pollution Prevention

DINGZING has formulated the Equipment Management Guidelines to prevent air pollution caused by the manufacturing process, and dedicated staff have been assigned to inspect and maintain the fixed pollutant prevention equipment every 6 months. The maintenance and inspection items include: burners, valves, pipe fittings, and filters, as well as the calibration of testing instruments, pressure gauges, and electrical parameters of relevant facilities to ensure that the emissions conform with laws and regulations. If fixed pollutant prevention equipment malfunctions or fails and cannot be repaired within 1 hour, the Company will immedi-ately halt all operations involving the pollutant, and will only resume after ensuring that the production process will not impact the environment. The Company did not encounter any malfunction of fixed pollutant prevention equipment or any situation necessitating the repair thereof in 2023. DINGZING also actively cooperates with the government to prevent the deterioration of air quality. Upon receiving a warning of air quality deterioration from the local competent authority, DINGZING will fully cooperate with the requirements of the competent authority and adjust its operations to maintain the local air quality.

5.4.1 Air Pollution Management

DINGZING’s Kaohsiung Plant does not generate significant air pollutants, whereas the Pingtung Plant generates volatile organic compounds (VOCs), particu-late pollutants, and nitrogen oxides (NO_x), generating 70.76 kg of VOCs, 104.22 kg of particulate pollutants, and 1082.95 kg of NO_x in 2023. DINGZING uses a regenerative thermal oxidizer (RTO) to prevent and treat the gases from the manufacturing process and to control the concentration of air pollutants emitted from the plants. In 2023, emissions from DINGZING’s plants were in line with the standards prescribed by laws and regulations. No ozone-depleting substances (ODS) were emitted from any of the operating sites.

5.5 Waste Management

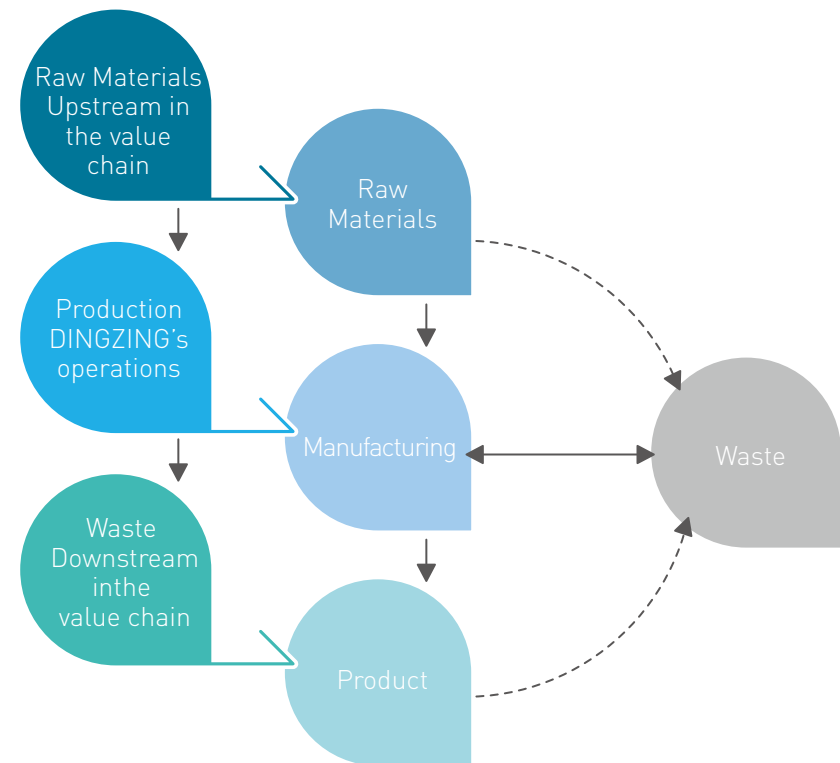
Material Topic	Waste Management
Impact Statement	Waste management is directly related to environmental responsibility and the Company's capacity for sustainable development. Proper waste management is conducive to minimizing environmental pollution and negative impacts, as well as saving resources, lowering operating costs, reducing waste damage to the ecosystem, and reducing resource wastage.
Policy and Commitment	DINGZING has formulated the Waste Management Guidelines, recycles valuable waste, and commissions legal and compliant waste removal, transport, and treatment operators as well as responsible units to handle the waste appropriately.
Management Policy	DINGZING regularly inspects the removal process every year to understand operators' removal and disposal methods and facilities, as well as their licenses and related documents, thereby confirming their legality and regulatory compliance. DINGZING strictly enforces the policy of "zero waste of materials" in its manufacturing process to ensure that all resources are effectively utilized; leftover materials from the manufacturing process are collected and re-melted for reproduction, which minimizes the volume of waste generated and reduces the possibility of environmental damage.
Goals	2023 target achievement status (achieving the target of reducing waste by 3% and increasing the recycling rate by 6% in 2023): Partially achieved, with a waste reduction of 9% in 2023 compared with the previous year, and the recycling rate remaining the same as that of the previous year. Short-term goal: Strengthen waste classification and recycling for reuse to achieve the target of reducing waste by 5% and increasing the recycling rate by 6% in 2024. Medium-term goal: Continuously achieve a 3% reduction in waste generation and a 6% increase in the resource recycling rate by 2025. Long-term goal: Reduce the waste incineration volume by 10% by 2030.
Complaints Mechanism	There is a contact portal on the company website. Official website : www.dingzing.com
Action Plan	Reduced plastic waste mixtures by 13% in 2023 compared with that of 2022
Evaluation Mechanism	Implementation of the ISO 14064 certification and internal audits annually.

DINGZING attaches great importance to environmental protection and has formulated the Waste Management Guidelines to strictly monitor waste and promote waste reduction in its business operations. Specific measures include the waste reuse program (recycling for reuse of polystyrene foam, packing bags, plastic waste, etc.), expanding the scope of items for recycling, and improving equipment to reduce the waste of lubricating oil. DINGZING also strictly selects its raw materials and suppliers, continuously improves technology, seeks environmentally friendly materials, and complies with all relevant regulations and customer requirements. DINGZING mainly manufactures various film materials and sells them to downstream processing factories after packaging. To ensure the safety of the products during transportation, DINGZING uses various packaging materials such as cardboard boxes, cardboard, paper tubes, polystyrene foam, bubble wrap, and adhesive tape. DINGZING actively coordinates with customers on methods to minimize the volume of packaging materials used without affecting the degree of protection by redesigning the product packaging to adopt thinner packaging materials or by using more compact designs. For example, the original polystyrene foam packaging was replaced with cardboard boxes, the size of the boxes was reduced to minimize the amount of filler materials (e.g., bubble wrap, dividers), and recyclable packaging materials are used (e.g., cardboard, paper, and plastic). Additionally, a “zero waste of materials” policy is strictly enforced in the manufacturing process, whereby leftover materials are collected for reuse. By re-melting these materials, they are ultimately used for the production of Provecta™ Recycled high-tech films. Because this type of film is made from recycled materials, the need for new materials is reduced, which minimizes waste and environmental impacts while bringing economic benefits for the Company.

Supervision of Waste Treatment :

DINGZING supervises the generation and flow of waste and hazardous substances and reduces waste output as much as possible through the “zero waste of materials” policy and packaging material reduction. By reducing resource waste, the Company achieves its goals of environmental protection and reduced environmental burden. DINGZING emphasizes resource classification and recycling and has set up recycling areas within the plants. Resource waste, such as paper, metal, glass, plastic, and other waste generated in the plant areas is collected together and then removed by external qualified recycling operators in accordance with regulations. Hazardous waste is clearly labeled with the name of the waste, stored centrally, and then handed over to qualified waste treatment operators for disposal. When outsourcing the disposal of hazardous waste, DINGZING sends dedicated staff to conduct on-site audits to ensure that no environmental pollution occurs during the disposal process. GPS tracking devices are also installed in the transport vehicles, and the waste disposal operators are required to fill out the Waste Disposal Tracking and Audit Form when they come to the plants to collect the waste, guaranteeing that hazardous wastes are properly disposed of in a compliant manner. There were zero incidents of regulatory violations by the waste disposal operators in 2023.

DINGZING's Waste Flow Diagram :



5.5.1 Waste Output Structure

In 2023, DINGZING disposed of 349.35 tons of non-hazardous waste, including plastic waste mixtures, wood waste mixtures, fiber waste or other cotton/cloth waste mixtures, lubricant waste, paper waste mixtures, etc., and no hazardous waste was generated. DINGZING treats waste through incineration and recycling. Due to the implementation of the waste reuse program starting in 2022, DINGZING recycled polystyrene foam, packing bags, and plastic waste for reuse, and also reduced the generation of lubricant waste through the improvement of equipment; therefore, the total volume of waste in 2023 was reduced by 9% compared with that of the previous year, and plastic waste mixtures were reduced by 13%.

Year	Unit: metric tons	Total Volume		Recycling		Incineration	
	Plant	Kaohsiung Plant	Pingtung Plant	Kaohsiung Plant	Pingtung Plant	Kaohsiung Plant	Pingtung Plant
2023	Non-hazardous Business Waste	288.35	61	8.65	1.83	279.7	59.17
	Total Waste Volume	349.35		3%		97%	
2022	Non-hazardous Business Waste	372.02	13.8	10.29	0	361.73	13.8
	Total Waste Volume	385.82		3%		97%	
2021	Non-hazardous Business Waste	395.47	0	20.02	0	375.45	0
	Total Waste Volume	395.47		5%		96%	

Note 1: The Pingtung Plant sends recyclable waste back to the Kaohsiung Plant for treatment.
Note 2: The Pingtung Plant began large-scale production in 2022, and thus the generation of waste started in that year.

5.6 Water Resources and Wastewater Management

DINGZING understands the importance of water resources to the environment and society. Under the environmental condition of limited water resources, DINGZING cooperates with government regulations and administrative policies to move forward in the direction of sustainable water resource management. DINGZING obtains its water from the Taiwan Water Corporation; the Kaohsiung Plant uses water from the Fengshan Water Supply Plant and the Pingtung Plant sources its water from the Pingtung Exporting Processing Zone Water Purification Plant. According to the analysis results of the World Resources Institute (WRI) Aqueduct Water Risk Atlas, none of DINGZING's operating sites are located in areas with water stress. To reduce the potential impact of the plants' water use on local water resources, a water resource management system has been set up in the plant areas to regularly monitor the use of water resources, water conservation measures have been developed to reduce water consumption, and the plants' internal water recycling systems have been optimized to recycle wastewater and collect rainwater. Additionally, a wastewater treatment system has been set up to treat wastewater before discharging it to minimize pollution of local water resources, and the maintenance of management and equipment has been strengthened to prevent water leakage and wastage of water resources. In view of the potential risk of a water shortage, DINGZING carries out risk assessment of water resources to identify and solve problems in a timely manner, which prevents water scarcity and pollution from adversely affecting the plant areas. DINGZING actively reduces consumption of water resources at the source, strengthens the treatment of wastewater, and establishes good cooperative relationships to achieve the sustainable use and management of water resources.

5.6.1 Water Usage Structure and Management

The Company's water consumption structure mainly consists of water used for manufacturing processes and domestic water for daily use, and 100% of the water used comes from tap water. In 2023, the total water intake was 69,138 tons, with the cooling water towers accounting for most of the demand. Water intake decreased by 19,914 tons in 2023 compared to that of the previous year; this can be attributed to centralized cleaning of relevant machines in the plants, which reduced the frequency of water use. DINGZING will continue to monitor and examine the water usage situation and seek more feasible solutions to improve water resource consumption.

Wastewater Management and Control :

DINGZING's wastewater mainly consists of recycled cooling water and domestic sewage, which is centrally collected through wastewater collection pipes and then processed at a wastewater treatment plant in Linhai Industrial Park. Wastewater is never discharged directly into the ditches outside the plants. The Company commissions an external organization to conduct water quality tests every 6 months to ensure that the wastewater conforms to the Effluent Standards. Furthermore, the Company cooperates with the wastewater treatment plants in Linhai Industrial Park and Pingtung Technology Industrial Park, which assist the Company in monitoring the discharged wastewater at any given time. The results of the wastewater monitoring and control are provided to the Company on a monthly basis for checking and archiving so as to effectively control the volume of discharged water and the water quality. In 2023, there were two incidents of legal/regulatory violations related to discharge water quality. Due to the implementation of the 5s working environment on-site management project as well as the launch of large-scale cleaning operations, the discharge water quality was abnormal. The Combined Wastewater Treatment Plant sent personnel to conduct sampling within 24 hours, and the testing results confirmed that improvements had indeed been completed.

Unit : tons	2021	2022	2023
Total Water Intake	76,913	89,052	69,138
Total Water Discharge	12,056	39,757	31,331
Water Consumption	64,857	49,295	37,807

Water Quality Standards		pH	COD (mg/L)	SS (mg/L)
2021	Kaohsiung Plant	7.47	178	28
	Pingtung Plant	7.98	58.35	9.75
2022	Kaohsiung Plant	7.58	215	25
	Pingtung Plant	7.96	58.35	1.45
2023	Kaohsiung Plant	7.65	144.5	69
	Pingtung Plant	7.76	6.3	0.2
Regulatory Standard Values	Kaohsiung Plant	5-9	480	240
	Pingtung Plant	5-9	500	300

Note 1 : The Kaohsiung Plant adheres to the Effluent Standards of wastewater sewers management at Linhai Industrial Park.

Note 2 : The Pingtung Plant adheres to the Effluent Standards of wastewater sewers management at Pingtung Technology Industrial Park.

Note 3 : The Pingtung plant only started production in 2021, so there was no need for water quality testing in 2020.

Chapter 6

Happy Workplace and Social Inclusion

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6.1 Human Rights, Diverse and Inclusive Workplace

Material Topic	Management Policy
Issue Impact Statement	In today's larger environment where ESG is emphasized, human rights as well as a diverse and inclusive workplace have become unavoidable issues for corporate management. A sound management approach to human rights can create a workplace culture of respect and equality while preventing the expansion of human rights violations.
Policy and Commitment	DINGZING is committed to building a human rights-compliant, diverse, inclusive workplace in line with the ESG spirit.
Management Policy	Continuously pay attention to issues and regulations related to human rights, diversity, and inclusion in the workplace; respond to or deal with the latest developments on these issues in a timely manner so as to continue to build a positive image of the Company with respect to protecting human rights and fostering a diverse and inclusive workplace.
Responsible Unit	Human Resources Section of the Management Department
Resources Invested	Periodically advocate and organize education and training on topics related to human rights and a diverse and inclusive workplace, as well as the latest regulations.
Complaint Mechanism	There is a contact portal on the company website. Official website : www.dingzing.com
Short-, Medium-, and Long-Term Goals	Short-term goal : Complete a comprehensive review of the Company's rules and regulations by the end of 2024 to ensure compliance with human rights as well as the rules and spirit of a diverse and inclusive workplace. Medium-term goal : Implement human rights as well as the rules and spirit of a diverse and inclusive workplace by 2025. Long-term goal : Achieve the target of having zero complaints related to human rights or diverse and inclusive workplace by 2028.
2023 Action Plan and Performance	There were no labor dispute cases arising from issues related to human rights or diverse and inclusive workplace in 2023. The Company introduced the social responsibility management system and framework in 2023.

DINGZING attaches great importance to labor rights and has formulated human rights related policies, including the Work Rules on Sexual Harassment Complaints and Discipline Management Guidelines, the Elimination of All Forms of Racial Discrimination Management Guidelines, the Child Labor and Young Workers Management Guidelines, the Work Rules: Working Hours, Breaks, Vacations, and Leaves Management Guidelines, and other policies in order to safeguard the freedom of association for both employees and suppliers and to ensure that there are no instances of child labor employment, discrimination, or violation of the right to freedom of association. DINGZING has formulated the Employee Complaints Management Guidelines, and the e-mail address dennis.pan@dingzing.com as well as a postal mailing address have been set up to receive complaints. The status of incoming mail is verified on a daily basis, and complaints are handled as quickly as possible. All personnel involved in the handling of complaints are responsible for maintaining complete confidentiality; information related to the complainant and the process of the complaint is kept confidential to protect the rights and interests of employees. In November 2023, DINGZING established a social responsibility management system and framework that aligns with international standards and comprehensively reviewed the Company's rules and regulations, optimizing the systems for preventing sexual harassment, combatting racial discrimination, and prohibiting child labor, as well as the employee complaint system. In 2023, the Company did not receive any human rights-related complaints, and there were no incidents of discrimination on the basis of ethnicity, gender, religion, party affiliation, or sexual orientation, nor were there any incidents related to sexual harassment or workplace bullying. Additionally, DINGZING conducts advocacy, education, and training on human rights for employees. In 2023, DINGZING arranged training courses on sexual harassment prevention that were attended by 24 employees, with an average training time of 2 hours.

To meet the needs of social responsibility, DINGZING has conducted annual risk analyses of various social responsibility requirements since 2023 and made corresponding improvement plans to ensure that the Company aligns with social responsibility standards and can continuously improve. The items for analysis are child labor, forced or compulsory labor, health and safety, freedom of association and collective bargaining rights, discrimination, disciplinary measures, salary and remuneration, and management systems. A social performance team assessment group established by labor and management representatives performs the risk assessment and analysis. The risk index is sorted according to score (highest to lowest), which serves as a reference for prioritizing the amelioration of social responsibility risks. These measures serve to mitigate major or potential threats and reduce the possibility of occurrence or the negative impacts brought by such threats.



Human rights-related risk identification and response :

Possible human rights risks	Mitigation and remediation measures
Forced labor	Improve the complaint mechanism (Work Rules: Employee Complaint Guidelines) to prevent or remedy the risk of occurrences.
Discrimination	Prevent discrimination in accordance with the Elimination of All Racial Discrimination Management Guidelines.
Child labor	Prohibit the employment of child labor and prevent and remedy the risk of occurrences in accordance with the Child Labor and Youth Labor Management Guidelines.

6.1.1 Staff Diversity

As of the end of 2023, DINGZING had a total of 605 employees, among whom none were contracted employees and all were formally employed. DINGZING does not discriminated in terms of salary and benefits on the basis of gender, age, nationality, race, religion, or position, but due to the current demographics of the technology industry, male employees accounted for nearly 80% of the total workforce. In terms of age distribution, employees between the ages of 30 and 50 accounted for the majority of the workforce, representing approximately 84.3% of the total personnel, followed by employees younger than 30 years of age, who accounted for 10.58% of the total personnel. This age distribution is conducive to supporting the Company’s rapid growth. DINGZING hopes to establish a friendly workplace that upholds the values of diversity, equality, and inclusiveness, and treats all new hires equally in accordance with their rank, including those with disabilities and those of aboriginal descent. DINGZING cares about uplifting vulnerable groups; in 2023, the Company employed five employees with physical or mental disabilities, which is above the legal requirement, and three employees with aboriginal status.

Age					
2023		< 30 years old	30–50 years old	> 50 years old	Total
Male	Number of People	58	403	21	482
	Percentage	10%	67%	3%	80%
Female	Number of People	6	107	10	123
	Percentage	1%	17%	2%	20%
Total		64	510	31	605

Employee Type					
2023		Senior Executives	Mid-level Executives	General Staff	Total
Male	Number of People	24	131	327	482
	Percentage	4%	22%	54%	80%
Female	Number of People	3	22	98	123
	Percentage	0.5%	3.5%	16%	20%
Total		27	153	425	605

Note 1: Senior Executives: Chairman, President, Vice President, Plant Manager, Chief Inspector, Senior Manager, Vice Plant Manager, Department Chief, Manager, Department Director, Special Assistant, Division Chief, and Deputy Division Chief.

Note 2: Mid-level executives: Deputy Department Chief, Assistant Manager, Assistant Department Director, Section Chief, Team Leader, Assistant Team Leader, Chief Engineer, Senior Specialist, Senior Engineer, Senior Specialist, and Secretary.

6.1.2 Sound Salary and Remuneration System

DINGZING provides employees with stable and competitive salary packages, which are determined based on the individual's academic background, professional knowledge and skills, seniority, and personal performance. The overall salary and remuneration of all employees do not differ based on gender, age, race, nationality, religion, political stance, or sexual orientation.

Gender Pay Ratio :

2023	Senior Executives		Mid-Level Executives		General Staff	
	Male	Female	Male	Female	Male	Female
Salary	79%	100%	89%	100%	119%	100%
Remunerations	89%	100%	102%	100%	129%	100%

Note 1: Senior Executives: Chairman, President, Vice President, Plant Manager, Chief Inspector, Senior Manager, Vice Plant Manager, Department Chief, Manager, Department Director, Special Assistant, Division Chief, and Deputy Division Chief.

Note 2: Mid-level executives: Deputy Department Chief, Assistant Manager, Assistant Department Director, Section Chief, Team Leader, Assistant Team Leader, Chief Engineer, Senior Specialist, Senior Engineer, Senior Specialist, and Secretary.

Note 3: Salary and remuneration include: base salary + shift allowance + overtime pay + meal allowance + no vacation bonus + quarterly bonus + three festivals bonuses + year-end bonus + profit-sharing bonus + lottery bonus + birthday gift money + marriage, childbirth, and funeral allowances + travel allowance + children's scholarship + childcare allowance.

DINGZING is also committed to providing a transparent and fair compensation system. The ratio of the annual total income of the highest paid individual at DINGZING to the median of the annual total income of all other employees (excluding the highest paid individual) in 2023 (i.e., the median ratio) was 5.58. The ratio of the percentage increase in the annual total income of the highest paid individual of DINGZING to the median of the percentage increase in the annual total income of all other employees (excluding the highest paid individual) in 2023 (i.e., the median increase ratio) was 3.15.

6.2 Talent Attraction and Retention

Material Topic	Management Policy
Issue Impact Statement	In view of Taiwan's labor shortage due to the declining birthrate, coupled with the magnetic effect of the technology industry on talent, talent attraction and retention has become increasingly important. The Company endeavors to avoid talent loss, which can lead to a knowledge gap within the Company, and it strives to enhance its competitiveness within the industry.
Policy and Commitment	In response to the issue of talent attraction and retention, the Company has continued to promote the enhancement of salaries and benefits as well as the listing of its shares on the stock exchange in recent years to achieve the goals of talent attraction and retention through relevant policies and systems.
Management Policy	Continue to optimize the salary and benefits system and enhance the Company's visibility through various channels. In conjunction with enhancing the internal training system, DINGZING strengthens its ability to attract and retain advanced talents.
Responsible Unit	Human Resources Section of the Management Department
Resources Invested	Expand the manpower of relevant units, strengthen the promotion of education, training, certification, and auditing activities, continue to optimize the performance appraisal system, and enhance employee cohesion.
Complaint Mechanism	There is a contact portal on the company website. Official website : www.dingzing.com
Short, Medium, and Long Term Objectives	Short-term goal : Continue to promote the professional competency system and establish professional competency education and training database to help employees improve their professional competencies; at the same time, enhance the Company's visibility through various channels. Medium-term goal : Achieve DINGZING's year-round advanced talent recruitment and retention targets by 2025. Long-term goal : Full institutional and cultural upgrades by 2028.
2023 Action Plan and Performance	DINGZING completed its listing on the Taiwan Stock Exchange in May 2022, which enhanced the Company's systems and visibility. Additionally, continuous enhancement of salary and benefits has created the effect of talent attraction and retention, which is reflected in the re-recruitment and turnover rates. In 2023, the overall salary increased by 3% compared with that of the previous year, and the turnover rate decreased by 3.01% compared with that of the previous year.

DINGZING complies with Taiwan's labor laws in recruitment and hiring and uses a variety of recruitment channels to attract talent, including headhunters, job centers, campus recruitment, online recruitment, and referrals. DINGZING provides equal employment opportunities and an inclusive environment. Individuals are considered on the basis of their professional ability and experience with no discrimination based on age, race, gender, sexual orientation, religion, political affiliation, national origin, marital status, physical appearance, or physical disability. After recruitment, DINGZING has a clear system of promotion, assessment, training, rewards, and discipline to ensure that everyone has a fair opportunity for career development.

6.2.1 New Recruits and Turnover

In order to help new employees rapidly adapt to the workplace and culture, DINGZING provides a comprehensive Employee Handbook and New Employee Education and Training to help new employees understand DINGZING's corporate culture, industry concepts, and related occupational safety knowledge. Due to the fierce competition for talent in the industry as well as the nature of the technicians' shift work system, irregular recruitment and employee turnover occurs. DINGZING has enhanced the incentives for employee retention through salary adjustments and increased subsidies for early childhood education, resulting in a turnover rate of 4.57% in 2023, a decrease of 3.01% compared to that of the previous year.

(*Formula for calculating the turnover rate: Number of departures / end-of-period headcount + number of departures)

New Employees :

Age					
2023		< 30 years old	30-50 years old	> 50 years old	Total
Male	Number of People	8	16	1	25
	Percentage	31%	62%	3%	96%
Female	Number of People	0	0	0	1
	Percentage	0%	4%	0%	4%
Total		8	17	1	26

Departed Employees :

Age					
2023		< 30 years old	30-50 years old	> 50 years old	Total
Male	Number of People	6	20	0	26
	Percentage	21%	69%	0%	90%
Female	Number of People	0	3	0	3
	Percentage	0%	10%	0%	10%
Total		6	23	0	29

6.2.2 Smooth Communication Channels

In order to establish harmonious labor–management relations and promote labor–management cooperation, the Company has established diversified and smooth communication channels through which employees can make suggestions to the Company, such as the Employee Welfare Committee and labor–management meetings. DINGZING proactively seeks to understand the voices of its employees and address their feedback in a timely manner to achieve positive communication between labor and management. The Company holds at least four labor–management meetings per year, with a total of 12 employee-elected and Company-appointed representatives, and records the content of the meetings for follow-up and improvement. According to internal statistics, the topics discussed during labor–management meetings in 2023 focused on issues such as adjustment of business working hours, revision of work rules, rules on vacation and overtime hours in exchange for compensatory leaves, implementation of the Labor Occupational Accident Insurance and Protection Act, and the revision of maternity leave and paternity leave.

DINGZING follows the Labor Standards Act as well as other laws and regulations to implement notification procedures to ensure that employees who are laid off have the protection of advance notice; those who have worked for at least 3 months but less than 1 year will be given notice 10 days in advance; those who have worked for at least 1 year but less than 3 years will be given notice 20 days in advance; and those who have worked for at least 3 years will be given notice 30 days in advance. Employees who are laid off without advance notice in accordance with the preceding regulations will be paid wages for the aforementioned period of notice. DINGZING regularly announces its operating status through bulletin boards, internal websites, and the Market Observation Post System in accordance with laws and regulations to keep employees informed of the Company’s developmental progress and other information. In the event of major changes in operations, an announcement will be made 2 weeks in advance to keep the employees well informed in order to strengthen labor–management communication.

6.2.3 Diversified Employee Benefits

DINGZING provides employees with reasonable rights and benefits. The DingZing Advanced Materials Employee Welfare Committee (hereinafter referred to as the Welfare Committee) was established in accordance with the Employee Welfare Fund Act and with the consent of the competent authority, and it holds bimonthly meetings to listen to employees’ opinions and give feedback, cares about their physical and mental health, and sets up diversified and extensive social club activities that provide employees with opportunities to learn and increase their time for leisure and entertainment; in doing so it contributes to the maintenance of a good and harmonious labor–management relationship. Employees are the Company’s most important asset. The Welfare Committee is committed to creating the most suitable and high-quality environment for employees, and it aims to help employees manage both work and life so that they can achieve a state of happiness. The Welfare Committee is mainly responsible for the Company’s large-scale activities, the operation of social club activities, the coordination of employee trips, the distribution of bonuses and allowances, and other welfare measures.

Welfare and Benefits Programs	Description
Various types of bonuses	To show solicitude for hard working employees, DINGZING provides various bonuses to help them through life's events, big and small. The bonuses include: bonuses for the three major festivals; birthday gift money; and allowances for weddings, childbirths, funerals, travel, etc. In 2023, a total of 19 employees applied for allowances for weddings, childbirths, and funerals.
Contracted Vendors	To elevate employees' quality of life, DINGZING has signed contracts with 21 vendors, including restaurants, childcare centers, kindergartens, and tourist accommodations, so that employees can enjoy services at a preferential rate.
Early Childhood Education Subsidy	To alleviate the burden of childcare on employees, the Company provides subsidies for childcare and education. The subsidies are divided into two rounds of applications per year. In 2023, a total of 61 people applied in the first half of the year for a total amount of NT\$149,500, and 80 people applied in the second half of the year for a total amount of NT\$196,000.
Employee travel	To reward employees for their hard work, the Company organized an employee trip this year. Employees who had been with the Company for at least 1 year were provided a travel allowance of NT\$6,000 by the Company, and the Welfare Committee also provided a travel allowance of NT\$6,000, totaling NT\$12,000; furthermore, they were given 3 days of travel leave.
Employee Social Clubs	To encourage employees to enjoy life outside of work and provide opportunities to interact with colleagues from different units, the Company has nine social clubs with different characteristics, including the E7 Bowling Club, the DINGZING Captain Hiking Club, the DZ Badminton Club, and the Movie Appreciation Club. A subsidy in the amount of NT\$5,000 is provided three times per year.
Employee Insurance System	In accordance with the Labor Pension Act, the Company has a defined contribution pension plan that applies to employees of the Company within Taiwan. The Company contributes no less than 6% of salaries and wages each month to the employees' individual accounts at the Bureau of Labor Insurance.
Pet Care Leave	Pet care leave is equivalent to family care leave. Employees must provide proof of veterinary treatment; they will be granted leave without pay, and their attendance record will not be compromised.



Festive Club



DINGZING Captain Hiking Club



DZ Badminton Club



Movie Appreciation Club



Fight the Fat Club



DIY Club

Parental Leave :

To encourage and support employees in raising the next generation, DINGZING complies with Taiwan's Gender Equality in Employment Act and promotes the establishment of a comprehensive application mechanism for family care leave and parental leave, protecting the rights and interests of employees so that qualified employees can apply for such leave in accordance with their needs. In 2023, three employees applied for parental leave without pay and one person was reinstated, which is a reinstatement rate of 100%. Three employees were reinstated in 2022 and all three of them stayed in office for at least 1 year, representing a retention rate of 100%. DINGZING has also signed special contracts with five licensed kindergartens and provides childcare subsidies so that employees can take care of their families while focusing on their work.

Item	Number of Male Employees	Number of Female Employees	Total
Total number of employees eligible for parental leave in 2023 (A)	59	10	69
Actual number of employees who took parental leave in 2023 (B)	2	1	3
Total number of employees who should have returned to work after taking parental leave in 2023 (C)	1	0	1
Total number of employees who returned to work in 2023 after taking parental leave in 2023 (D)	1	0	1
Total number of employees who returned to work in 2022 after taking parental leave in 2022 (E)	3	0	3
Total number of employees who completed parental leave and are still in service 12 months after returning to work in 2022 (F)	3	0	3
Application rate of parental leave without pay (B/A)	3.39%	10%	4.35%
Reinstatement rate (D/C)	100%	0%	100%
Retention rate (F/E)	100%	0%	100%

6.3 Career Development and Talent Cultivation

6.3.1 Talent Cultivation and Development

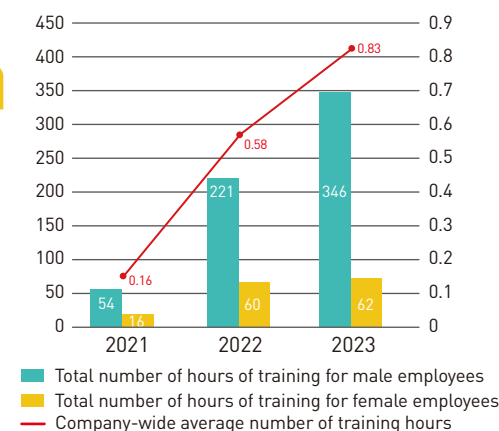
DINGZING adheres to the concept that human resources are the foundation of an enterprise, and plans comprehensive internal training programs, arranges education and training schedules every year, and discusses staff education and training programs in each department every 3 months. This enables employees to respond to changes in the environment, improves their professional abilities at any given time, and motivates them to grow and continue to learn. In order to enhance the professional competence of field technicians, DINGZING increased the total number of trainees and the total number of training hours. In 2023, the total number of training hours for employees reached 408 hours, and the average number of training hours for each employee was 0.83 hours. Male employees received a total of 346 hours of training, averaging 0.78 hours per person; whereas female employees received a total of 62 hours of training, averaging 1.27 hours per person. Senior executives received a total of 220 hours of training, averaging 12.2 hours per person; mid-level executives received a total of 52 hours of training, averaging 0.64 hours per person; and general employees received a total of 136 hours of training, averaging 0.35 hours per person. The average score of the overall education and training satisfaction survey in 2023 was 3.233, and the amount invested in education and training was approximately NT\$150,000.

2023 Education and Training Statistics :

Gender	Male			Female		
Employee Type	Total Training Hours	Total Participants (Person)	Average Number of Training Hours	Total Training Hours	Total Participants (Person)	Average Number of Training Hours
Senior Executives	182	15	12.1	38	3	12.6
Mid-Level Executives	38	75	0.51	14	6	2.33
General Staff	126	354	0.36	10	40	0.25
Total	346	444	0.78	62	49	1.27

Number of persons and hours of education and training in the past three years :

Gender	Male		Female		Total		
Year	Total Training Hours	Total Participants (Person)	Total Training Hours	Total Participants (Person)	Total Training Hours	Total Participants (Person)	Average Number of Training Hours
2023	346	444	62	49	408	493	0.83
2021	221	437	60	63	281	486	0.58
2021	54	425	16	16	70	441	0.16



6.3.2 Performance Management Mechanism

In order to treat each of our hard-working employees fairly, we have a fair performance appraisal system in place. Department supervisors conduct appraisals of their staff's performance, expertise, and characteristics in order to provide timely training and counseling. Regular appraisals are conducted once every other year in order to understand the work situation of the staff as well as their suitability for the job as a basis for training and job reassignment. The annual employee appraisal is conducted in December of each year. In 2022, not all employees were appraised due to the fact that some had to take parental leave or leave without pay. In total, 99% of the male employees and 98% of the female employees completed the appraisal.

Employee Type	Number of People	Number of Persons who Completed the Appraisal	Percentage of Appraisals Completed
Senior Executives	26	26	100%
Mid-Level Executives	154	154	100%
General Staff	432	430	99%

Note: Since employees taking parental leave and employees on leave without pay were not subject to appraisal, they were excluded from the aforementioned employee appraisal, which rendered the completion rate 100%.

6.4 Occupational Health and Safety

To ensure the safety and health of all employees at the Company, DINGZING promotes the Emphasizing Industrial Safety and Creating a Zero-Disaster Environment initiatives to protect employee safety. DINGZING is committed to eliminating potential hazards, enhancing the safety and health awareness of employees, complying with relevant regulations, and fulfilling responsibilities. The Company emphasizes protecting the environment, preventing pollution, preventing hazards, and achieving sustainable development. Management holds discussions with employees and their representatives to formulate occupational safety and health policies to ensure compliance with laws and regulations, prevent injuries and illnesses, and make continuous improvements in order to achieve the goal of sustainable development.

DINGZING follows the ISO 45001:2018 Occupational Safety and Health Management System, which is applicable to all production and operational activities, to fully understands the sources of hazards and risks in the workplace, assess the impacts on all relevant personnel (including all employees, contractors, and visitors), provide correct awareness to all personnel, and ensure that employees have a healthy and harm-free working environment. The ISO 45001 management system is subject to an internal check and audit once a year, as well as a re-verification and audit conducted by a third-party verification unit commissioned once every 3 years. In 2023, the Company passed the audit conducted by an external organization.



Environmental Safety and Health Policy :

- Comply with environmental safety and health regulations and support environmental safety and health protection.
- Prevent environmental safety and health incidents and continuously improve environmental safety and health
- Emphasize the requirements of environmental safety and hygiene, and create a safe, hygienic, disaster-free environment.

6.4.1 Occupational Safety and Health Worker Engagement, Consultation, and Communication

DINGZING has established an Occupational Safety and Health Committee, with labor representatives accounting for more than half of the committee members. Occupational Safety and Health Committee meetings are held regularly on a quarterly basis, and both management and employees sign labor contracts to protect the rights and interests of employees at work. Moreover, in order to prevent occupational injuries and protect the safety and health of workers, the Company has formulated the Labor Safety and Health Work Rules for all employees to follow to jointly prevent various accidents and the occurrence of industrial safety incidents. In 2023, the Occupational Safety and Health Committee primarily discussed the following topics at the meetings:

1. Reduce the probability of occupational accidents and implement 5S.
2. Implement automatic equipment inspection and maintenance
3. Implement waste classification and resource recycling
4. Organize on-the-job education and training
5. Implement working environment monitoring

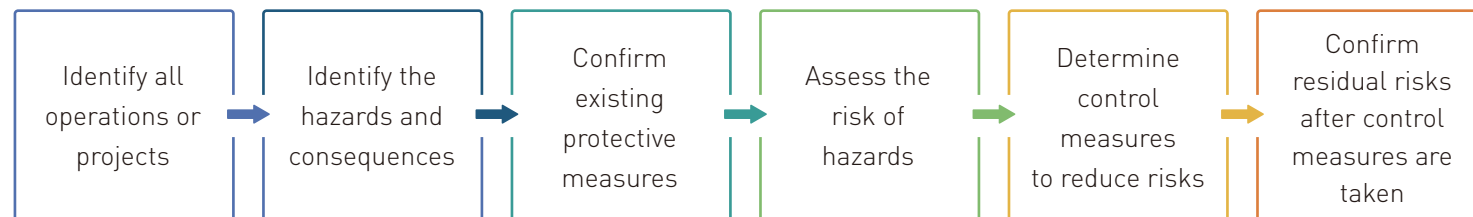
Additionally, the Company has formulated communication management procedures and established internal and external communication channels for the discussion of environmental safety and health and the environmental safety and health management system, both to facilitate communication among various departments and levels within the Company and so the Company can receive, record, and respond to messages from external stakeholders (including residents outside the plants, environmental groups, broadcast media, academic institutions, contractors, suppliers, county and municipal government environmental protection bureaus, and other related businesses and organizations in the vicinity).

6.4.2 Occupational Safety and Injury Prevention

Hazard Identification and Risk Management :

The Company has formulated occupational safety and health rules and set specific, measurable, and achievable goals. It emphasizes the continuous improvement of occupational safety and health protection measures for employees to achieve optimal occupational safety and health performance. The Company promotes enterprise risk management by systematically classifying hazards into five major categories: physical, chemical, biological, ergonomic, and other. These categories are used as a basis for the implementation and operation of the safety and health system, including its establishment, change, procurement, contracting, emergency response, automatic inspection and improvement, as well as the audit, revision and record keeping of the safety and health management system, in an effort to improve safety and health standards and ensure the proper implementation thereof.

Hazard Identification Chart :



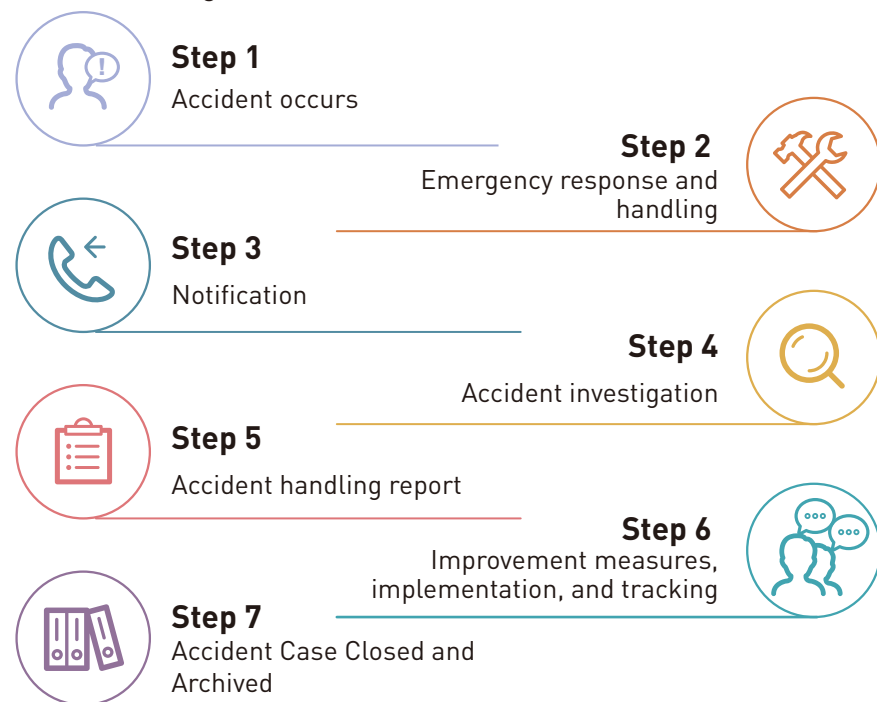
DINGZING calculates the probability of occurrence on the basis of the frequency of operational exposure and the probability of event occurrence, and ranks the risk level by also considering the severity of injury or loss. Additionally, in order to effectively reduce the occurrence of risk, DINGZING has established risk prevention measures, improved software and hardware facilities and protective equipment, and strictly supervises the implementation of control measures to effectively reduce the occurrence of hazards. The management mechanism is operated in accordance with the pants' Occupational Safety and Health Hazard Identification Management Guidelines. DINGZING's existing protective measures are as follows :

Category	Hazard Risk	Description of Relevant Protective Measures
Hardware Facilities	Falling / Tumbling	→ Guardrails / fences, safety nets, safety harnesses, safety elevation equipment, aerial work trucks, mobile scaffolds.
	Collision	→ Guardrails / fences, contact prevention devices (including alarms, stop contact devices).
	Objects Falling	→ Guardrails / fences / protective nets, safety catches or hooks, hoist overwind devices.
	Entanglement with Machinery	→ Guardrails / fences, braking rigging, dual hand-operated safety devices, light-sensitive safety devices, power shut-off devices, contact prevention devices.
	Hazardous Materials Exposure	→ Double casing, leak detectors, containment dykes, drainage pans, shower facilities, ventilation and exhaust devices.
	Electrocution	→ Electric shock prevention devices, leakage circuit breakers, grounding facilities.
	Fire / Explosion	→ Explosion-proof electrical equipment, fire detectors, fire-fighting facilities, high-temperature automatic sprinkler systems, explosion-proof walls, static elimination equipment (e.g., static clips, static brushes, static wires, static cloths, and increased humidity in the operating environment), refrigeration / freezer storage.
	Object Rupture	→ Intrinsically safe design (design pressure is higher than the maximum pressure in case of abnormality), temperature / pressure gauge, high temperature / pressure alarm, high temperature / pressure lockout system, pressure relief devices (including safety valves, rupture discs, pressure regulators, and other devices.), vacuum breakers.
	Chemical Spillage	→ Double casing, leak detectors, containment dykes, drainage pans, emergency shut-off valves, sprinkler systems, shower facilities, ventilation and exhaust devices.
Software	Education and training, various certificates of competency, health checks, emergency response plans or procedures, work permits, lock-out / tag-out procedures, various standard operating procedures (SOPs) or work instructions (WIs) (which must be labeled with their names or numbers), daily inspections, regular checks, contracting management, purchase management, change of management, and personnel monitoring throughout the process.	
Protective Equipment	Respiratory	→ Simple masks, dust masks, canister respiratory protective gear, gas mask canisters, self-contained breathing apparatus (SCBA).
	Protective Garments	→ Generally classified into A / B / C / D grades, depending on the level of protection required.
	Protective Gloves	→ Fire-resistant gloves, frost-resistant gloves, acid-resistant gloves, insulated gloves.
	Others	→ Safety masks, safety glasses, goggles, safety shoes, safety belts, safety helmets.

Incident Investigation and Follow-up Handling :

When an accident occurs, DINGZING values immediate notification, rigorous investigation, and the prevention of recurrence. The Company has formulated the Accident Handling Management Guidelines to standardize the procedures for incident notification, investigation, and improvement so as to ensure effective solutions and avoid the recurrence of the same injuries, unhealthy conditions, illnesses, and accidents. Immediately after the occurrence of an incident, on-site personnel carry out emergency response actions, and the supervisor of the unit where the accident occurred convenes all relevant units to form an investigation team, which jointly investigates and analyzes the causes of the accident. Based on the results of the investigation, the unit where the accident occurred proposes corrective and preventive measures, which will be continuously supervised and tracked by the dedicated unit to reduce losses and prevent recurrence of similar situations.

Accident Investigation Flowchart :



DINGZING's plants manage their resident personnel and contractors in accordance with government laws and regulations, and adjust the management model on a rolling basis in response to the current laws and regulations. In 2023, one accident occurred; the frequency of incapacitating injuries to employees was 0.80 and the severity rate of incapacitating injuries was 69, with no cases of occupational illnesses. DINGZING will continue to advocate safe work procedures and relevant education and training, maintain employee safety awareness, and ensure a safe working environment.

2023 :

Category	Employees
Total number of hours worked (Note 1)	1,235,664
Number of general occupational injuries in person-time (Note 2)	1
Number of serious occupational injuries in person-time (Note 3)	0
Number of fatalities	0
Total number of recordable occupational injuries (person-times)	1
Number of lost workdays (Note 4)	86
Percentage of deaths due to occupational injuries	0
Percentage of serious occupational injuries	0
Frequency rate of incapacitating injuries (FR) (Note 5)	0.80
Severity rate of incapacitating injuries (SR) (Note 6)	69

Note 1: The total number of hours worked by all persons

Note 2: Injuries resulting in lost workdays of 180 days or less

Note 3: Injuries resulting in lost workdays exceeding 180 days, excluding the number of fatalities.

Note 4: Counting from the day following the date of injury or death

Note 5: Frequency rate of incapacitating injuries (FR) = number of registered injuries (person-times) per million hours worked; calculation formula: number of injuries (person-times) that should be registered $\times 1,000,000 \div$ total number of hours worked.

Note 6: Severity rate of incapacitating injuries (SR) = number of lost workdays due to incapacitating injury per million hours worked; calculation formula: number of lost workdays due to incapacitating injury $\times 1,000,000 \div$ total number of hours worked.

6.4.3 Creating a Secure Workplace

Occupational Safety Training :

DINGZING complies with regulatory requirements to strengthen employees' concept of workplace safety. In addition to the 3 hours of general safety and health education and training for new employees, the Company organizes regular training every 6 months on toxic chemicals, fire prevention, and general education on hazards and emergency response; these practical drills ensure that relevant staff possess the knowledge and skills required to respond to emergencies and can effectively execute emergency response measures at different stages of a disaster, resulting in reduced losses. In addition to the mandatory safety and health education and training, the Company also organized a series of emergency response drills and exercises in 2023 to familiarize relevant personnel with the knowledge and skills of disaster response. The Company has even joined the Southern District Drug Disaster Prevention Organization; it regularly participates in meetings and drills and periodically updates the Company's prevention organization information. In 2023, the Company provided a total of 877 hours of occupational safety and health education and training to 140 participants, and the content of the courses included safety and health training for first aid personnel, safety and health training for special operators, and safety and health training for operators of hazardous machinery or equipment.

2023 Emergency Response Drills :



2023 Occupational Safety and Health Education and Training :



Health Promotion and Advocacy :

In order to care for employees’ health, the Company provides health checkups for workers every 3 years, and employs professionals who meet the Labor Health Service Physician/Labor Health Service Nursing Personnel qualifications to provide health services. Additionally, the Company provides health services in multiple sessions to accommodate workers’ shifts at their regular workplaces, which increases the service coverage rate. Health checkups are conducted during work hours and within 1 hour after work to promote workers’ participation. To encourage workers to participate in workplace health services, overtime pay is given to workers who participate in health services after work. The examination items are divided into 13 categories: namely, general examination, urine examination, blood test, liver and kidney function, blood fat, bile function, blood glucose, heart function, chest X-ray, hepatitis, cancer screening, ultrasound, ABI, and rheumatoid arthritis. The frequency of the examination is superior to that required by the law in an effort to provide comprehensive health care. Health examination reports are centrally managed by dedicated personnel, and individual examination reports are delivered to employees while safeguarding the employees’ privacy. DINGZING also has a fixed on-site resident nurse and invites doctors to conduct on-site examinations once a month. Furthermore, DINGZING is committed to promoting healthy lifestyles and behaviors and regularly organizes health promotion activities to encourage employees to achieve a work–life balance.

Category	Personnel
Employee Health Screening	DINGZING values the physical and mental health of its employees and provides health checkups more frequently than the statutory requirement. The comprehensive examination items enable employees to understand their own health conditions and take good care of themselves or seek medical treatment in a timely manner.
Health Promotion Activities	DINGZING actively promotes health enhancement activities and encourages employees to participate in sports or outdoor activity clubs (hiking, bowling, fight the fat, stretch your body, movie appreciation, and lure fishing). In 2023, a total of 13 activity sessions were organized by various clubs, with a cumulative total of 153 participants.
Health Lecture	In order to enhance employees’ health awareness, DINGZING invited the resident doctor of Xiaogang Hospital to give lectures and share knowledge. Two lectures were held in 2023, with topics including “How to Understand Physical Examination Reports” and “Introduction to Oral Cancer”, attracting a total of 50 participants.

6.5 Social Engagement

6.5.1 Organizing a science summer camp

In order to give back to society, establish good neighborly relations, and support science education, DINGZING collaborated with neighboring FongYang Primary School as well as Fong Ming Elementary School in rural Dalinpu to organize four rounds of science summer camp activities during the 2023 summer vacation. A total of 60 schoolchildren participated. The activities were divided by theme into two camps with different characteristics; namely, the Magic Crystal Camp and the Space Rocket Camp. By conducting experiments and engaging in hands-on activities, the children learned new scientific knowledge and were exposed to new scientific horizons through personal participation.



Appendix 1. GRI Standards Index Table

- **Disclaimer of Use :** DINGZING has prepared this sustainability report in accordance with the GRI Standards, using data and information for the period covering January 1, 2023, to December 31, 2023
- **GRI 1 Version Used :** GRI 1: Foundation 2021
- **GRI Application of Industry Standards :** None

GRI Standards	Disclosure Items	Page	Corresponding Chapters / Supplementary Notes
GRI 2 : General Disclosures (2021)			
GRI 2 : General Disclosures (2021)	2-1 Organizational details	06	1.1 Company Profile
	2-2 Entities included in the organization's sustainability reporting	01	About the Report
	2-3 Reporting period, frequency and contact point	01	About the Report
	2-4 Restatements of information	-	Restatements of information was not conducted
	2-5 External assurance	-	External assurance was not conducted
	2-6 Activities, value chain and other business relationships	06-08	1.1 Company Profile
	2-7 Employees	61	6.1 Human Rights and Diversity in the Workplace
	2-8 Workers who are not employees	61	6.1 Human Rights and Diversity in the Workplace
	2-9 Governance structure and composition	11 / 17	2.1 Sustainable Governance Framework 3.1 Corporate Governance
	2-10 Nomination and selection of the highest governance body	17	3.1 Corporate Governance
	2-11 Chair of the highest governance body	17	3.1 Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	11	2.1 Sustainable Governance Framework
	2-13 Delegation of responsibility for managing impacts	11	2.1 Sustainable Governance Framework
	2-14 Role of the highest governance body in sustainability reporting	12	2.2 Material Topics Identification and Analysis
	2-15 Conflict of interest	17	3.1 Corporate Governance
	2-16 Communication of critical concerns	12 / 21-24	2.2 Material Topics Identification and Analysis 3.3 Risk Management
	2-17 Collective knowledge of the highest governance body	17	3.1 Corporate Governance

GRI Standards	Disclosure Items	Page	Corresponding Chapters / Supplementary Notes
GRI 2 : General Disclosures (2021)			
GRI 2 : General Disclosures (2021)	2-18 Evaluation of the performance of the highest governance body	18	3.1 Corporate Governance
	2-19 Remuneration policies	19	3.1 Corporate Governance
	2-20 Process to determine remuneration	19-20	3.1 Corporate Governance
	2-21 Annual total compensation ratio	61	6.1 Human Rights and Diversity in the Workplace
	2-22 Statement on sustainable development strategy	02	Message from the Chairman
	2-23 Policy commitments	-	Management Policy for Each Material Topic
	2-24 Embedding policy commitments	-	Management Policy for Each Material Topic
	2-25 Processes to remediate negative impacts	-	Management Policy for Each Material Topic
	2-26 Mechanisms for seeking advice and raising concerns	20-21	3.3 Risk Management
	2-27 Compliance with laws and regulations	25-26	3.4 Compliance with Laws and Regulations
	2-28 Membership associations	08	1.1 Company Profile
	2-29 Approach to stakeholder engagement	14	2.3 Stakeholder Identification and Communication
	2-30 Collective bargaining agreements	65	6.2 Talent Attraction and Retention
Material Topics			
GRI 3 : Material Topics(2021)	3-1 Process to determine material topics	12	2.2 Material Topics Identification and Analysis
	3-2 List of material topics	13	2.2 Material Topics Identification and Analysis
Compliance with Laws and Regulations			
	3-3 Management of material topics	25	3.4 Compliance with Laws and Regulations
GRI 2 : General Disclosures (2021)	2-27 Compliance with laws and regulations	26	3.4 Compliance with Laws and Regulations

GRI Standards		Disclosure Items	Page	Corresponding Chapters / Supplementary Notes
Greenhouse Gas Management				
3-3 Management of material topics			53	5.3 Greenhouse Gas Management
GRI 305 (2016) : Emissions	305-1 Direct (Scope 1) GHG emissions		54	5.3 Greenhouse Gas Management
	305-2 Energy indirect (Scope 2) GHG emissions		54	5.3 Greenhouse Gas Management
	305-4 GHG emissions intensity		54	5.3 Greenhouse Gas Management
	305-5 Reduction of GHG emissions		54	5.3 Greenhouse Gas Management
Waste Management				
3-3 Management of material topics			56	5.5 Waste Management
GRI 306 (2020) : Waste	306-1 Waste generation and significant waste-related impacts		56	5.5 Waste Management
	306-2 Management of significant waste-related impacts		56	5.5 Waste Management
	306-3 Waste generated		57	5.5 Waste Management
	306-4 Waste diverted from disposal		57	5.5 Waste Management
	306-5 Waste directed to disposal		57	5.5 Waste Management
Product Safety				
3-3 Management of material topics			30	4.1 Product Safety
Sustainable Product Innovation				
3-3 Management of material topics			33	4.2 Sustainable Product Innovation
Human Rights and Diversity in the Workplace				
3-3 Management of material topics			61	6.1 Human Rights and Diversity in the Workplace
GRI 405 (2016) : Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees		17 / 61	3.1 Corporate Governance 6.1 Human Rights and Diversity in the Workplace
	405-2 Ratio of basic salary and remuneration of women to men		64	6.1 Human Rights and Diversity in the Workplace
GRI 406 (2016) : Non-Discrimination	406-1 Incidents of discrimination and corrective actions taken		63	6.1 Human Rights and Diversity in the Workplace

GRI Standards		Disclosure Items	Page	Corresponding Chapters / Supplementary Notes
Talent Attraction and Retention				
3-3 Management of material topics			65	6.2 Talent Attraction and Retention
GRI 201 (2016) : Economic Performance	201-3 Defined benefit plan obligations and other retirement plans		55-57	6.2 Talent Attraction and Retention
GRI 401 (2016) : Employment	401-1 New employee hires and employee turnover		66	6.2 Talent Attraction and Retention
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		67-68	6.2 Talent Attraction and Retention
	401-3 Parental leave		69	6.2 Talent Attraction and Retention
GRI 402 (2016) : Labor/ Management Relations	402-1 Minimum notice periods regarding operational changes		67	6.2 Talent Attraction and Retention
Other Topics				
GRI 200 : Economy				
GRI 201 (2016) : Economic Performance	201-1 Direct economic value generated and distributed		09	1.2 Economic Performance
GRI 205 (2016) : Anti-Corruption	205-1 Operations assessed for risks related to corruption		20-21	3.2 Compliance with Ethics, Integrity, and Anti-Corruption
	205-2 Communication and training about anti-corruption policies and procedures		20	3.2 Compliance with Ethics, Integrity, and Anti-Corruption
	205-3 Confirmed incidents of corruption and actions taken		21	3.2 Compliance with Ethics, Integrity, and Anti-Corruption
GRI 308 (2016) : Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria		27	3.5 Sustainable Supply Chain Management
	308-2 Negative environmental impacts in the supply chain and actions taken		27-28	3.5 Sustainable Supply Chain Management
GRI 414 (2016) : Supplier Social Assessment	414-1 New suppliers that were screened using social criteria		27	3.5 Sustainable Supply Chain Management
	414-2 Negative social impacts in the supply chain and actions taken		27-28	3.5 Sustainable Supply Chain Management
GRI 204 (2016) : Procurement Practices	204-1 Proportion of spending on local suppliers		28	3.5 Sustainable Supply Chain Management
GRI 300 : Environment				
GRI 302 (2016) : Energy	302-1 Energy consumption within the organization		51-52	5.2 Energy Resources Management
	302-3 Energy intensity		51-52	5.2 Energy Resources Management
	302-4 Reduction of energy consumption		55	5.3 Greenhouse Gas Management

GRI Standards	Disclosure Items	Page	Corresponding Chapters / Supplementary Notes
GRI 300 : Environment			
GRI 305 (2020) : Emissions	305-6 Emissions of ozone-depleting substances (ODS)	55	5.4 Air Pollution Prevention
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	55	5.4 Air Pollution Prevention
GRI 303 (2018) : Water and Effluents	303-1 Interactions with water as a shared resource	58-59	5.6 Water Resources and Wastewater Management
	303-2 Management of water discharge-related impacts	58	5.6 Water Resources and Wastewater Management
	303-3 Water withdrawal	59	5.6 Water Resources and Wastewater Management
	303-4 Water discharge	59	5.6 Water Resources and Wastewater Management
	303-5 Water consumption	59	5.6 Water Resources and Wastewater Management
GRI 400 : Society			
GRI 404 (2016) : Training and Education	404-1 Average hours of training per year per employee	70	6.3 Career Development and Talent Cultivation
	404-2 Programs for upgrading employee skills and transition assistance programs	70	6.3 Career Development and Talent Cultivation
	404-3 Percentage of employees receiving regular performance and career development reviews	71	6.3 Career Development and Talent Cultivation
GRI 403 (2018) : Occupational Health and Safety	403-1 Occupational health and safety management system	71	6.4 Occupational Health and Safety
	403-2 Programs for upgrading employee skills and transition assistance programs	73-74	6.4 Occupational Health and Safety
	403-3 Occupational health services	75-76	6.4 Occupational Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	72	6.4 Occupational Health and Safety
	403-5 Worker training on occupational health and safety	75	6.4 Occupational Health and Safety
	403-6 Promotion of worker health	76	6.4 Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	73	6.4 Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	71	6.4 Occupational Health and Safety
	403-9 Work-related injuries	72	6.4 Occupational Health and Safety
	403-10 Work-related illnesses	76	6.4 Occupational Health and Safety

Appendix 2. Disclosure of Climate-Related Information

The risks and opportunities that climate change poses to the Company and the relevant response measures taken by the Company :

Item	Disclosure	Page	Corresponding Chapters
1	The supervision and governance of climate-related risks and opportunities by the Board of Directors and the management	42	5.1.1 Climate Governance
2	How the identified climate risks and opportunities would affect the Company's business, strategy and finance (short-term, medium-term, and long-term)	47-49	5.1.3 Climate Strategy
3	The financial impact of extreme climate events and transition actions	47-49	5.1.3 Climate Strategy
4	How to integrate climate risk identification, assessment, and management processes into the overall risk management system.	43-46	5.1.2 Climate Risk Management
5	The scenarios, parameters, assumptions, analysis factors, and key financial impacts used when adopting the scenario analysis to assess resilience to climate change risks	-	Scenario analysis yet to be used
6	Content of the transition plan for responding and managing climate-related risks, as well as indicators and goals for identifying and managing physical risks and transition risks	50	5.1.4 Climate Indicators and Goals
7	Basis for price setting when using internal carbon pricing as a planning tool	-	Scenario analysis yet to be used
8	Information on the activities covered by setting climate-related goals, scope of greenhouse gas emissions, planning schedule, annual achievement progress, etc.	50	5.1.4 Climate Indicators and Goals



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