



Fulgent Sun

**Fulgent Sun International (Holding) Co., Ltd.**

## **2024 Sustainability Report**



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## **1. Report compilation principles**



# 1. Report compilation principles

## 1. Compilation principles

Welcome to the fourth “Sustainability Report” issued by Fulgent Sun International (Holding) Co., Ltd. (stock code: 9802, hereinafter referred to as “Fulgent Sun”). The purpose of this report is to enable all stakeholders to better understand Fulgent Sun’s commitment to environment, society, and corporate governance (Environment, Social, & Governance, hereinafter referred to as “ESG”) through the information disclosure on sustainable operation in the Sustainability Report.

## 2. Reporting period and organizational boundaries

The ESG management policies, material topics, responses, and action performance of Fulgent Sun in 2024 (January 1 to December 31) are disclosed in this Sustainability Report. Additionally, the contents of some issues can be traced back to the implementation results in 2023, allowing for a comprehensive demonstration of the performance and outcomes of the related projects.

The financial performance is the combination of the consolidated financial report with the transaction currency defaulted to New Taiwan Dollars. The disclosure scope of financial performance is the same as the financial reports, which cover: Fulgent Sun International (Holding) Co., Ltd., and all subsidiaries. The scope of disclosure that is different from the aforesaid content, if any, will be explained respectively.

## 3. References

The content and data of this report are managed by the relevant responsible units of Taiwan Headquarters, Fujian Sunshine, Vietnam Fulgent Sun, and Cambodia Sunbow in accordance with the GRI standards (2021), with reference to the sustainability disclosure theme of the Sustainability Accounting Standards “Apparels, Accessories, and Footwear” and Taiwan Stock Exchange’s “Climate-Related Information of TWSE/TPEX Listed Companies,” which are confirmed and approved by the heads of each unit and responsible sustainable development department through document management to ensure the presentation of the sustainability report in-depth and in-breadth, and to present our achievements in all aspects of ESG to the stakeholders taking as a whole.

## 4. Release frequency

The last edition was published in August 2024; the current edition is published in August 2025, and the next edition is scheduled for publication in August 2026.

## 5. Feedback

Please feel free to share any comments you may have on the “Fulgent Sun 2024 Sustainability Report” with us, which will help us continue to move towards realizing sustainable governance concepts.

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## **2. Letter from Chairman**



## 2. Letter from Chairman

First, thank you for reading the 2024 Sustainability Report of Fulgent Sun Group. Fulgent Sun Group was established in 1995 and became the third listed footwear company in Taiwan in 2012. The management team of Fulgent Sun has strived to fulfill its corporate social responsibility over the past three decades, implemented sustainable development principles, and prided itself on going beyond the timelines set by the competent authorities in the sustainable development roadmaps. We aim to leverage capital market regulations and resources to have sustainability information managed and disclosed in a pragmatic manner and with integrity, and ensure that all stakeholders understand our ESG efforts.

The board of directors had the “Corporate Governance and Sustainable Development Committee” officially established in 2019 to practice the concept of sustainable development, and aim to substantially strengthen the competitiveness of the Group, enhance added value, and simultaneously take into account sustainable development by improving various soft and hard capabilities. The Group had the first “Sustainability Report” released in 2022 in accordance with the GRI Guidelines and with an aim to encourage each department to incorporate sustainability issues into its daily management work, and hopes to encourage the entire supply chain partners to jointly enhance sustainability awareness and thereby create a reciprocal and symbiotic situation. The Group had the second Sustainability Report issued in 2023 with the SASB sustainability accounting standards included for the first time, had the TCFD climate change finance-related recommendations addressed, and then had a carbon inventory project officially initiated in 2024 to fulfill corporate sustainability responsibilities with the net-zero carbon emissions designated as the main goal. Also, the carbon inventory scope of the Taiwan headquarters has been extended to Scope 6 in 2025. The Group widely adopts sustainable materials, promotes energy-saving and carbon reduction initiatives, enhances product sustainability, ensures that production processes comply with global environmental regulations, and actively participates in ESG-related international standard certifications.

“Fulgent Sun Group” is working with more than 50 internationally renowned brands as OEM partners, currently with sneakers, outdoor shoes, hiking shoes, loafers, multi-functional shoes, etc., well introduced in Europe, the United States, Asia, and other countries worldwide. Among them, the sales from the top three customers accounted for about 50%, the top ten customers accounted for more than 80%, and the top 20 customers accounted for more than 90% of the total sales. The Group insists on maintaining a multi-brand sales strategy in order to help reduce the impact of sales decline in a single brand or region, to secure business stability. The Group has always adhered to the core values of “Harmony & Faithfulness, Innovation, Velocity, Excellence,” upheld the spirit and attitude of “morality, wisdom, diligence, and dedication,” and strived to achieve the goal of “outstanding navigation and excellent precision.” The fact that Fulgent Sun has won internationally renowned brand customers over and become a mutually beneficial and symbiotic partner to each other proves Fulgent Sun Group’s dedication and devotion to ESG-related tasks, with a profound foundation resulted.

In retrospect of 2024, a year full of challenges with escalating geopolitical risks, declining global economy, and worsening inflation, despite a slight decrease in revenue due to the macroeconomy, the Group’s consolidated income amounted to NT\$14.61 billion in 2024. The Group had demonstrated excellent financial resilience and operational performance with a gross profit of NT\$2.79 billion and a gross profit margin of 19.08% achieved, driven by rigorous cost control and capacity optimization strategies. Notably, gross profit margin had increased for six consecutive quarters since the second half of 2023, operating profit reached NT\$1.27 billion with an operating profit margin of 8.70% achieved; also, net income before tax was NT\$1.74 billion, Net Income attributable to owners of the parent was NT\$1.38 billion, and earnings per share (EPS) after tax was NT\$7.23. The Group’s profitability remained robust, and it is primarily attributable to the improvement of operational and

management efficiency, optimization of product portfolio, the support of signature brands, and the gradual emergence of economies of scale that further demonstrate an increasingly robust operational pattern.

In terms of corporate governance, we firmly believe that while performance is important, good corporate governance is everything. The Group has been ranked in the top 20% of all listed companies in the Stock Exchange's Corporate Governance Evaluation for six consecutive years. The Group is committed to optimizing the internal management structure, enhancing corporate transparency, and ensuring that the decision-making mechanisms meet international standards. The Group will establish an Internal Control System for Non-Financial Reporting (ICSR) in the future to ensure the sustainability reporting quality; also, emphasize the connection between sustainability information and financial statements and plan ahead for the relevant timelines in accordance with the "Blueprint for Aligning with IFRS Sustainability Disclosure Standards" issued by the Financial Supervisory Commission.

In terms of social welfare, we always give back to society with appreciation. The "Charitable Trust Fulgent Sun Group International Charity Fund" was established with the Yunlin County Government serving as the governing authority to promote cultural, educational, and religious development in the Yunlin region, and to establish or sponsor charitable and social education projects. In addition, donations are made to the Medical Development Foundation to promote medical scholarship, teaching, and research.

In prospect, although the global economy still faces challenges, we are optimistic that the outdoor sports and leisure industry will have a positive medium- to long-term development trend. Therefore, the management team will continue to uphold its core values and spirit, and strive to achieve "Excellence, Quality, and Efficiency." We will steadily expand production capacity, diversify and optimize the deployment of production bases (including the new Vietnam Sunglory plant and the new PT. Sun Bright Lestari plant in Indonesia), enhance smart production and digital transformation, improve production efficiency and reduce manufacturing costs. The Group will also continue to deepen the existing brands and actively invest in new brand customer development; also, enhance the Group's software and hardware capabilities and focus on the OEM of high-value-added mid-to-high-end functional shoes.

In summary, despite the external challenges faced by the Group in 2024, Fulgent Sun Group has demonstrated strong resilience and stable profitability with its sound business strategy, profound foundation, refined management efficiency, and emphasis on ESG and corporate governance. We will continue to improve corporate governance regulations with a more rigorous attitude to ensure the rights and interests of relevant stakeholders, and will closely observe new domestic and international issues and trends, implement sustainable development-related results, establish an internal control system for non-financial reporting (ICSR) to ensure the quality and reliability of all data and information in sustainability reports, continuously improve corporate governance systems, and enhance internal control management mechanisms in order to create long-term value and strive for equal treatment of shareholder rights. We hope to share the company's operating results with all shareholders and employees, pursue long-lasting excellence, and create a mutually beneficial and win-win situation.

We sincerely ask all stakeholders to provide us with your suggestion, affirmation, and encouragement continuously.

**Fulgent Sun International (Holding) Co., Ltd.**  
**Chairman Wen-Chih Lin**



### **3. About Fulgent Sun**





### 3. About Fulgent Sun

#### (1) Company Profile

Fulgent Sun Group was established in 1995 to manufacture professional sneakers and high-performance outdoor shoes, which is a sport and leisure industry, mainly engaged in the production and sales of sneakers and outdoor shoes. Fulgent Sun Group's headquarter is located in Taiwan with factories set up in China, Vietnam, Cambodia, Indonesia, etc.

In terms of sales, we cooperate with the major brand companies in the world to form strategic alliances for developing and producing professional sneakers and functional outdoor shoes. The company's business philosophy is people-oriented, implements humanistic management, treats employees as the company's most important assets, implements corporate social responsibility, continues to exercise corporate influence on customers, employees, and the environment, and realizes positive effects. The company's Taiwan headquarters has the operating scale expanded since 2011 and relocated to Yunlin Technology-based Industrial Park to have the company's resources integrated and the operating efficiency optimized.

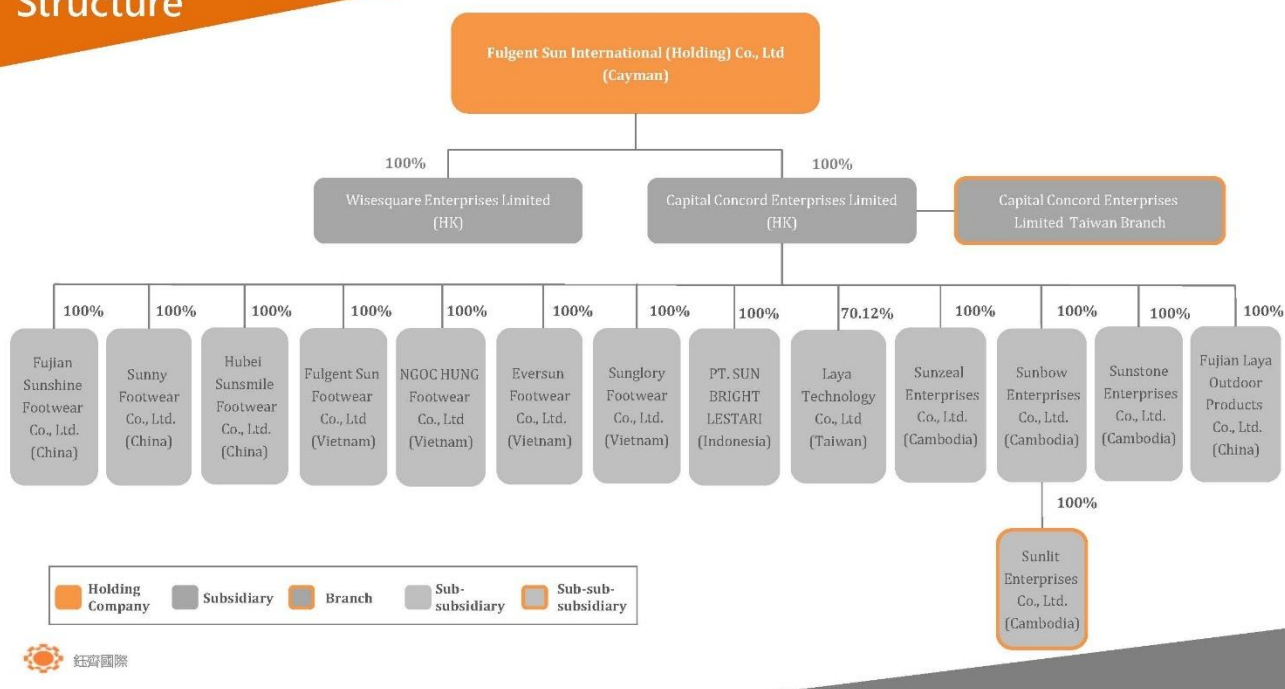
#### Fulgent Sun overview

Fulgent Sun was officially listed on the Taiwan Stock Exchange in October 2012 (Stock code: 9802)

Item	Description
Group business startup time	March 1995
Paid-in capital	NT\$1.91 billion
Markets	There are more than 50 internationally renowned brands as customers worldwide, with customers in Europe accounted for 44.28%, customers in America accounted for 39.08% (The United States accounts for about 3/4), and Asia accounted for about 15.11%.
Headquarters	No.76, Sec.3, Yunke Rd, Douliu City, Yunlin County

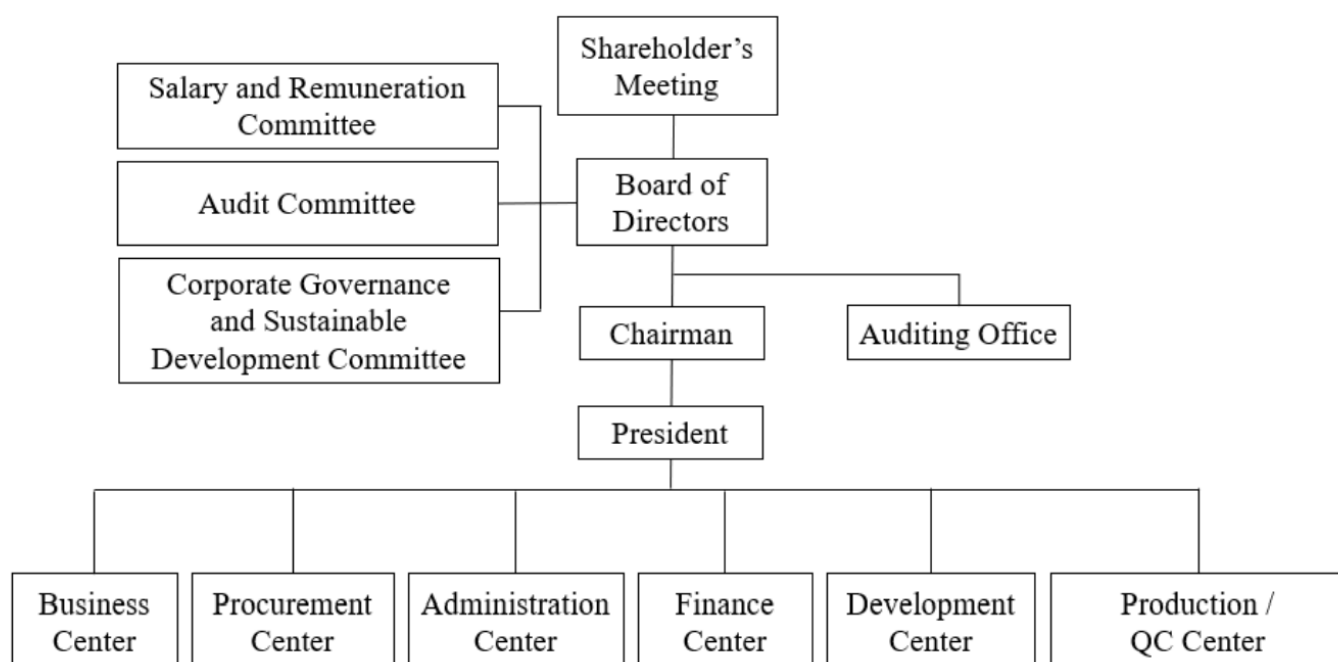
## Organizational chart

### Structure



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## Corporate governance structure



## Core Culture/Values

### 1. Core values

- **Harmony and Faithfulness:** We inherit Chinese traditional culture, consider human as our essential, take harmony as our treasure, and regard faithfulness as our credit.
- **Innovation:** We are bold in breaking conventions to innovate our products innovative, challenge existing patterns continuously, and improve manufacturing processes.
- **Excellence:** We pursue the goal of making flawless shoes, and make our products high value-added for customers.
- **Velocity:** We believe that victory or defeat is determined by the velocity; therefore, we are always one step ahead and seize the moment.

### 2. Vision

- On the top of the multifunctional footwear industry.

### 3. Mission

- **Solve problems.** Encourage employees to find solutions together and make employees continue to grow and be full of vitality through their engagement.
- **Improve productivity.** Assist employees in obtaining the best material and spiritual civilization with customers rewarded.

## (2) History

### Fulgent Sun Chronicles

Year	Description
1995-1999	<p>Startup phase:</p> <ul style="list-style-type: none"> <li>Fulgent Sun Group was established in 1995. Fujian Sunshine Footwear Co., Ltd. was established in Quanzhou to manufacture sneakers.</li> </ul>
2000-2005	<p>Formation of strategic partnership:</p> <ul style="list-style-type: none"> <li>Received GORE-TEX certification in 2000 for the production of waterproof outdoor shoes.</li> <li>The Group's laboratory received British SATRA certification in 2003.</li> <li>Fulgent Sun Footwear Co., Ltd. was established to manufacture outdoor waterproof shoes in 2003.</li> <li>Fujian Sunshine obtained ISO 9001 quality system certification in 2004.</li> <li>Sunny Footwear Co., Ltd. was established in 2005.</li> </ul>
2006-2010	<p>Expanding production capacity:</p> <ul style="list-style-type: none"> <li>Fulgent Sun Group joined the Nike In-line system officially to produce the Group's vulcanization shoes in 2009.</li> <li>Hubei Sunsmile Footwear Co., Ltd. was incorporated in 2009.</li> <li>Fulgent Sun Group promoted lean production to increase its competitiveness in 2009.</li> <li>Fujian Laya Company was established in 2009, specializing in representing famous European brands of outdoor shoes and garments, and opening up the sales market in Greater China area.</li> </ul>
2011~2012	<p>Going public/investment in Taiwan:</p> <ul style="list-style-type: none"> <li>Fujian La Sportiva Co., Ltd. was incorporated in 2011 to exclusively represent La Sportiva products in Greater China area.</li> <li>The Taiwan Headquarters in Yunlin Technology-based Industrial Park was officially in operation with domestic venture capital solicited in April 2011.</li> <li>Passed the listing review meeting of the Taiwan Stock Exchange in June 2012.</li> <li>Listed on the Taiwan Stock Exchange in October 2012 (Stock code: 9802).</li> </ul>
2013-2020	<p>Continued growth period:</p> <ul style="list-style-type: none"> <li>Sunbow Enterprises Co., Ltd. and Sunstone Enterprises Co., Ltd. were set up in Cambodia in 2013.</li> <li>Obtained GORE-TEX production technology "SURROUND" certification in 2014.</li> <li>NGOC HUNG Footwear Co., Ltd. was established to engage in the OEM production of outdoor shoes in 2015.</li> <li>Selected as a constituent stock of "Taiwan Corporate Governance 100 Index" in 2015.</li> <li>NGOC HUNG Footwear Co., Ltd. had passed GORE-TEX certification with the ability to produce waterproof outdoor shoes in 2016.</li> <li>Included in the constituent stocks of "MSCI Global Small Cap Indexes Taiwan Stocks" in November 2019.</li> <li>Among Top 6%~20% in the 6<sup>th</sup> evaluation of corporate governance by Taiwan Stock Exchange in 2020.</li> <li>Reviewed by Taiwan Index Plus and included in the "Corporate Governance 100 Index" in 2020.</li> </ul>

Year	Description
2021	<ul style="list-style-type: none"> <li>Among Top 6%~20% in the 7<sup>th</sup> evaluation of corporate governance by Taiwan Stock Exchange in 2021.</li> <li>Eversun Footwear Co., Ltd. was established to engage in the OEM production of outdoor shoes in 2021.</li> <li>Reviewed by Taiwan Index Plus and included in the “Taiwan Index Plus Small-Mid Cap Alpha Momentum 50 ETF” in 2021.</li> <li>Established PT. SUN BRIGHT LESTARI in Indonesia to engage in the production and sales of sneakers and outdoor shoes in 2021.</li> </ul>
2022	<ul style="list-style-type: none"> <li>Among Top 6%~20% in the 8<sup>th</sup> evaluation of corporate governance by Taiwan Stock Exchange in 2022.</li> <li>Laya Chemical Co., Ltd. was incorporated in Taiwan in August 2022 and is engaged in the production and sales of shoe materials and equipment.</li> </ul>
2023	<ul style="list-style-type: none"> <li>Sunzeal Enterprises Co., Ltd. was incorporated in Cambodia in 2023 and is engaged in the production and sales of sports, leisure, and outdoor footwear.</li> <li>Among Top 6%~20% in the 9<sup>th</sup> evaluation of corporate governance by Taiwan Stock Exchange in 2023.</li> <li>Sunglory Footwear Co., Ltd. was incorporated in Vietnam in 2023 and is engaged in the production and sales of sports, leisure, and outdoor footwear.</li> <li>Wisesquare Enterprise Limited was incorporated in Hong Kong in 2023.</li> </ul>
2024	<ul style="list-style-type: none"> <li>Among Top 6%~20% in the 10<sup>th</sup> evaluation of corporate governance by Taiwan Stock Exchange in 2024.</li> <li>Laya Chemical Co., Ltd. was renamed and registered as Laya Technology Co., Ltd. in 2024.</li> </ul>



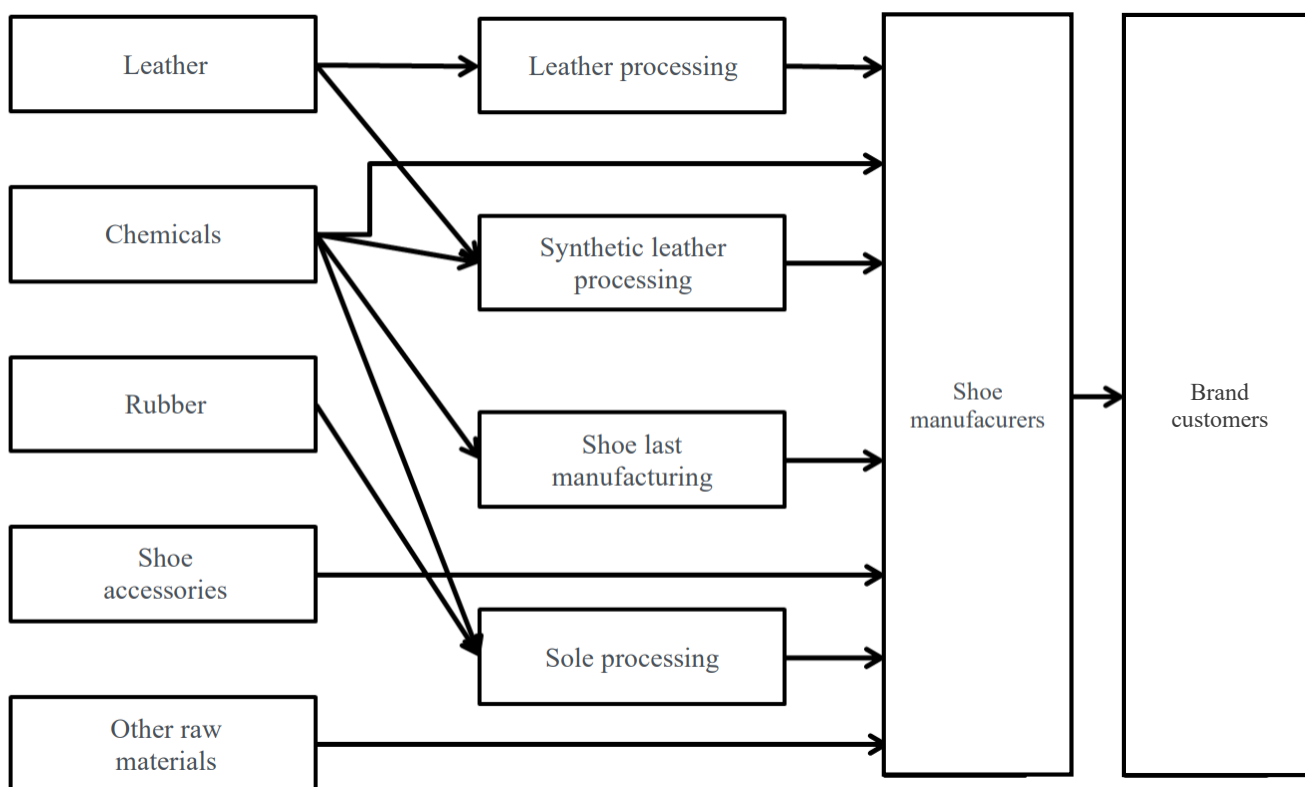
### (3) Products and Services

#### Main OEM brands

Fulgent Sun Group's product development team serves more than 50 internationally renowned brands worldwide. The company's products include sneakers, outdoor shoes, hiking shoes, loafers, functional shoes, etc., that are mainly sold in Europe, the United States, and Asia. The Group continues to uphold a multi-brand sales strategy to effectively mitigate the risk of sales decline in a single brand or region, to secure business stability and resilience.

#### Supply chain

Fulgent Sun Group specializes in shoe production. The main cooperative suppliers for a total of 1,346 companies are for the supply of shoemaking materials and machine tools. The upstream suppliers are mainly to supply Fulgent Sun with related raw materials (such as, leather, artificial leather, outsole), chemical composite materials (such as, mesh, shoelaces), and hardware accessories (such as, buttons), which are processed and produced by the midstream OEM and ODM manufacturers before forwarding them to downstream footwear brand customers for sale.



Note: Data Source: Industrial Development Bureau of the Ministry of Economic Affairs – The Upper-, Middle-, and Downstream Industries of Footwear Industry.

## Classification of suppliers

1. A total of 1,346 Tier-1 suppliers.
2. No relevant information available on Tier-2 and below suppliers.

Category	Number of companies	Geographical distribution
Artificial leather	49	<ul style="list-style-type: none"> <li>• Northeast Asia: Taiwan/Japan/South Korea/Mainland China/Hong Kong</li> <li>• South Asia: India/Bangladesh</li> <li>• Southeast Asia: Cambodia/Thailand/Vietnam/Singapore/Indonesia</li> <li>• Europe: Spain/France/UK/Italy/Germany</li> <li>• Americas: United States/Brazil/Canada/Dominica</li> </ul>
Chemical materials	117	
Packaging materials	111	
Leather	54	
Leather	175	
Consumables	109	
Textiles and foam	205	
Integrated materials	23	
Equipment/Parts	335	
Molds and last	41	
Shoelaces, buttons, and accessories	127	



## 4. Corporate governance





## 4. Corporate governance

### (1) Board of Directors

The Fulgent Sun board of directors consists of 8 members, including 3 executive directors and 5 independent directors. The average term for directors is 6 years, and the election adopts a candidate nomination system from the list of director candidates. Fulgent Sun for ensuring a good corporate governance has the diversity policy regulated for the composition of board directors in the “Corporate Governance Best Practice Principles.” The board members generally have the necessary knowledge, skills and attainment to perform their duties. The factors to be considered include: Stakeholders’ (including shareholders’) opinions, diversity, independence, and managerial ability to respond to corporate challenges. It is also necessary to comply with the “Regulations Governing Appointment of Directors and Independent Directors” and the “Corporate Governance Best Practice Principles” to ensure the diversity and independence of board members.

The board of directors operates in accordance with the “Rules of Procedure for the Board of Directors” with a board meeting convened at least quarterly. There was a total of 6 board meetings convened in 2024 to review the Company’s business performance and discuss future development strategies in order to facilitate the formulation of corporate sustainability management objectives and decision-making. In addition, the Board of Directors is the highest governance body to supervise the company’s sustainable development. Also, it regularly reviews the ESG implementation results and future work plans coordinated by the Sustainability Development Committee, and supervises the promotion of sustainable development.

#### Board of Directors structure

Age/Sex	Male	Female
Over 51 years old	5	3

#### Shareholder structure

Shareholder structure	Financial institution	Other juristic persons	Foreign institution and foreigners	Individual	Capital from Mainland China
Shareholding ratio	5.59%	11.43%	49.69%	33.28%	0.01%

#### Board directors

Name	Title	Education & Work Experience	Current Position
Wen-Chih Lin	Chairman	<ul style="list-style-type: none"><li>• Bachelor of Chemical Engineering, Feng Chia University</li><li>• President of Fulgent Sun International (Holding) Co., Ltd.</li></ul>	<ul style="list-style-type: none"><li>• Chairman, Fulgent Sun International (Holding) Co., Ltd.</li><li>• Chief Strategy Officer, Fulgent Sun Group</li></ul>

Name	Title	Education & Work Experience	Current Position
Fang-Chu Liao	Director	<ul style="list-style-type: none"> <li>• Bachelor of International Trade, Chinese Culture University</li> <li>• Vice President of Sales, Fulgent Sun International (Holding) Co., Ltd</li> </ul>	<ul style="list-style-type: none"> <li>• President, Fulgent Sun International (Holding) Co., Ltd.</li> <li>• CEO, Fulgent Sun Group</li> </ul>
Chih-Cheng Liao	Director	<ul style="list-style-type: none"> <li>• Doctoral Program in Industrial Management, National Yunlin University of Science and Technology (Currently Enrolled)</li> <li>• Assistant Manager of Sales, First Commercial Bank</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Vice President, Spokesperson, Financial Officer, and Corporate Governance Officer of Fulgent Sun Group</li> </ul>
Jin-Huang Huang	Independent Director	<ul style="list-style-type: none"> <li>• PhD in Mechanical Engineering, Northwestern University</li> <li>• Dean of Department of Mechanical and Computer-Aided Engineering, Feng Chia University</li> <li>• Dean of College of Engineering and Science, and Industry-Academia Officer and Vice Principal of Feng Chia University</li> </ul>	<ul style="list-style-type: none"> <li>• Chair Professor, Feng Chia University</li> <li>• Director, Winson Machinery Casting Co., Ltd</li> <li>• Independent Director, China Fineblanking Technology Co., Ltd.</li> <li>• Independent Director, Best Precision Industrial Co., Ltd.</li> <li>• Independent Director, Alformer Industrial Co., Ltd.</li> </ul>
Chun-An Li	Independent Director	<ul style="list-style-type: none"> <li>• PhD in Business Administration, National Chengchi University</li> <li>• Certified Public Accountant of Chun-An, Li Accounting Firm</li> <li>• Dean of College of Finance and Banking, National Kaohsiung University of Science and Technology</li> </ul>	<ul style="list-style-type: none"> <li>• Honorary Professor of Department of Finance, National Yunlin University of Science and Technology</li> </ul>
Chun-Ming Wu	Independent Director	<ul style="list-style-type: none"> <li>• Bachelor of Accounting, Soochow University</li> <li>• Vice President, Underwriting Department, Hua Nan Securities Co., Ltd.</li> <li>• Senior Vice President of Corporate Financing, Capital Securities Corp.</li> <li>• President, Zhanteng Venture Capital Consulting Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• President, Query Investment Co., Ltd.</li> <li>• Independent Director, Tecstar Technology Co., Ltd.</li> <li>• Independent Director, Lian Hong Art. Co., Ltd.</li> <li>• Representative Director, E-Elements Technology, Co. Ltd.</li> <li>• Representative Director, Lips Corporation</li> <li>• Director, Advanced 2D Materials Co., Ltd.</li> <li>• Representative Director, Marscat Games Co., Ltd.</li> </ul>

Name	Title	Education & Work Experience	Current Position
Shu-Ching Chou	Independent Director	<ul style="list-style-type: none"> <li>• PhD in Business Administration, National Sun Yat-Sen University</li> <li>• Chair of Department of Finance, National Yunlin University of Science and Technology</li> <li>• Accounting and Financial Manager of Gdstek Co., Ltd.</li> <li>• Senior Associate, Audit Department, KPMG Taiwan</li> </ul>	<ul style="list-style-type: none"> <li>• Professor, Department of Finance, National Yunlin University of Science and Technology</li> </ul>
Hui-Ying Wang	Independent Director	<ul style="list-style-type: none"> <li>• Supplementary Open Junior College for Business Administration, National Cheng Kung University</li> <li>• Manager of Kaohsiung Branch and Luzhu Branch, Senior assistant manager and director of Kaohsiung Regional Center, senior assistant and director of Tainan Regional Center, First Commercial Bank</li> </ul>	<ul style="list-style-type: none"> <li>• Legal Representative and Director of Fuding Asset Management Co., Ltd.</li> <li>• Independent Director, Dong Fang Offshore Co., Ltd.</li> </ul>

### Functional committee members

Name	Remuneration Committee	Audit Committee	Corporate Governance & Sustainable Development Committee
Wen-Chih Lin, Chairman			Chairman
Fang-Chu Liao, Director			V
Chih-Cheng Liao, Director			V
Jin-Huang Huang, Independent Director	Chairman	V	V
Chun-An Li, Independent Director	V	Chairman	V
Chun-Ming Wu, Independent Director	V	V	V
Shu-Ching Chou, Independent Director		V	V
Hui-Ying Wang, Independent Director		V	V

## Professional/Academic/Experience Background of Board Directors

Name of Director	Professional/Academic/Experience Background
Wen-Chih Lin	Possesses work experience necessary for business, finance, accounting, corporate business, and operational judgment. Served as the President, Fulgent Sun Group. Free of any matter as stated in Article 30 of the Company Act.
Fang-Chu Liao	Possesses work experience necessary for business, finance, accounting, corporate business, and operational judgment. Served as the Vice President of Sales, Fulgent Sun Group. Free of any matter as stated in Article 30 of the Company Act.
Chih-Cheng Liao	Possesses work experience necessary for business, finance, accounting, and operational judgment. Served as the Assistant Sales Manager, First Commercial Bank. Free of any matter as stated in Article 30 of the Company Act.
Jin-Huang Huang	Served as a lecturer or higher up in corporate business-related departments of public or private colleges and universities. Served as the Dean of the Department of Mechanical and Computer-Aided Engineering, College of Engineering and Science, Industry-Academia Officer, Vice Principal, and a visiting professor of Feng Chia University. Free of any matter as stated in Article 30 of the Company Act.
Chun-An Li	Served as a lecturer or higher up in business, finance, and accounting-related departments of public and private colleges and universities; also, professional and technical personnel who have passed national examinations, such as a certified public accountant. Served as the Dean of the College of Finance and Banking of National Kaohsiung University of Science and Technology, Dean of the Department of Finance of National Yunlin University of Science and Technology, Honorary Professor, and Certified Public Accountant. Free of any matter as stated in Article 30 of the Company Act.
Chun-Ming Wu	Possesses work experience necessary for business, finance, accounting, and operational judgment. Served as the VP of Underwriting Department of Hua Nan Securities, the Senior VP of Corporate Financing of Capital Securities Corporation and the President of Zhanteng Venture Capital Consulting Co., Ltd. Free of any matter as stated in Article 30 of the Company Act.
Shu-Ching Chou	Served as a lecturer or higher up in finance and accounting-related departments of public or private colleges and universities. Served as the Chair and professor of the Department of Finance of National Yunlin University of Science and Technology. Free of any matter as stated in Article 30 of the Company Act.
Hui-Ying Wang	Possesses work experience necessary for Finance and accounting. Served as the Manager of Kaohsiung Branch and Luzhu Branch, Senior Assistant Manager and Director of Kaohsiung Regional Center, and Senior Assistant Manager and Director of Tainan Regional Center of First Commercial Bank. Free of any matter as stated in Article 30 of the Company Act.

## (2) Ethical corporate management

We highly value the importance of corporate ethical management and operational transparency; therefore, the corporate governance structure is formulated and implemented in accordance with the Company Act, the Securities Exchange Act, and other relevant laws and regulations in order to improve management performance, and dedicate to protect the rights and interests of investors and other stakeholders through the comprehensive and systematic ethical corporate management. The company has also been ranked in the top 20% of all listed companies in the Stock Exchange's Corporate Governance Evaluation for six consecutive years (2020-2025).

In addition to professional capabilities and employee skills, we also value the importance of employees' ethics and integrity. We request all Fulgent Sun employees and business partners to comply with the business ethics standards and to substantiate the "ethical" corporate management.

Fulgent Sun requires directors and senior management to issue a statement of compliance with the ethical corporate management policy, and mandates employees to comply with this policy as a condition of employment. Fulgent Sun expressly stipulates that directors, managerial officers, and employees may not directly or indirectly provide, promise, request, or accept any improper benefits in the course of business activities, or engage in unethical acts that violate integrity, are illegal, or breach fiduciary duties. Management actions include but are not limited to the following:

- Board of Directors level: Approval and responsible for the formulation, supervision, and implementation of ethical corporate management policies and prevention plans.
- Senior management and operational level: The corporate governance director and human resources department under the supervision of the board of directors are committed to the promotion and operation of ethical corporate management and report to the board of directors regularly (at least once a year).
- Policies and multiple channels: Announce the code of conduct, ethical corporate management, and other policies on the company's official website and internal employee information website; also, set up multiple communication channels and report to the dedicated units.
- Promotion, education, and training: Regularly promote ethical corporate management standards to the employees every year. Provide relevant training courses to all employees and conduct promotional meetings occasionally with a total of 45 person/time trained for a total of 23 hours in 2024.
- Fulgent Sun requires the subsidiaries and the organizations that it has substantial controls over to encourage and promote relevant policies and norms, and keep information open and transparent, and implement ethical corporate management truthfully.

## Fulgent Sun's commitments to the “Responsible Business Conduct” Policy

Item	Description
Policy Commitments under “Responsible Business Conduct”	<ul style="list-style-type: none"> <li>Fulgent Sun clearly stipulates in the “Ethical Corporate Management Best Practice Principles” and “Codes of Ethical Conduct” that Fulgent Sun’s personnel must comply with the relevant moral standards and uphold integrity in corporate business operations, and may not directly or indirectly provide, promise, request, or accept any improper gains, or engage in unethical acts that violate integrity, that are illegal, or that are breach fiduciary obligations in order to obtain or maintain benefits.</li> <li>The “Regulations Governing the Report and Disciplinary Acts for Violations of Ethical Conducts and Ethical Corporate Management” are established in response to any violation committed; also, establish Fulgent Sun’s internal and external reporting channels and processing systems for the substantiation and implementation of Fulgent Sun’s “Codes of Ethical Conduct” and “Ethical Corporate Management Best Practice Principles,” and for protecting the legitimate rights and interests of the whistleblower and counterparties.</li> <li>The policy commitment to responsible business conduct that is passed by the highest governance body (board of directors) within the company is applicable to all corporate activities and business relationships of Fulgent Sun.</li> </ul>
Official governmental documents for reference in policy formation	Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies, etc.
Is it required by the policy to exercise due diligence?	The human rights due diligence process will be planned in accordance with relevant international human rights laws and regulations to ensure the comprehensive and improved implementation of human rights protection.
Is it required by the policy to exercise the precautionary principle?	The company has formulated the “Risk Management Policies and Procedures” and the “Information Security Risk Management Policy”. The risk management task force regularly reports the risk management operations to the board of directors every year in order to effectively manage risks and enhance operational stability and resilience.
Are human rights regulated in the policy?	<ul style="list-style-type: none"> <li>Fulgent Sun respects and supports the relevant international human rights norms and strictly complies with the laws and regulations of the countries where it operates to protect employees’ basic human rights and labor rights.</li> <li>We prohibit forced or compulsory labor in any form or the employment of forced or child labor. All employees work voluntarily and enjoy the freedom of having their employment relationship terminated with a reasonable notice issued.</li> <li>Harassment and cruelty of any kind and in any form, including sexual harassment, abuse, slavery, corporal punishment, threats, exploitation, physical or mental pressure, or verbal abuse, are prohibited in all business sites of Fulgent Sun. Fulgent Sun actively creates a safe and respectful work environment.</li> <li>In terms of recruitment and appointment process, employment decisions are based on occupational functions of the applicant. In terms of training, promotion, severance, and retirement, it will be upheld in accordance with the principles of fairness and non-discrimination; also, personnel will not be treated differently or discriminated against for the reasons of race, religion, skin color, nationality, age, and gender.</li> </ul>

Note: Please refer to the website at [https://www.fulgentsun.com/investors01\\_4.asp](https://www.fulgentsun.com/investors01_4.asp) for Fulgent Sun’s corporate governance-related policies and commitments in detail.



## Anti-corruption

Fulgent Sun adheres to the principle of ethical corporate management, is committed to preventing corruption in corporate operations, and enhances internal control mechanisms. We make law-abiding, integrity, and quality service our core business philosophy to ensure transparency and fairness in all business activities.

Fulgent Sun has formulated the “Rules Governing Anti-Corruption” to enhance corporate governance and, based on the actual situation of the company, promote a strict anti-corruption system. We enhance the supervision and management over crucial operations and key personnel to ensure a commitment system for combating commercial bribery. The company truthfully complies with the principle of fair competition, guides managerial personnel to act lawfully, be honest and trustworthy, consciously resists corruption in any form, and establishes a good corporate image.

Fulgent Sun encourages internal and external personnel to report unethical behavior or misconduct. There is an opinion box and a public reporting hotline made available by Fujian Sunshine Factory, which are used to prevent commercial bribery and to handle complaints/reports. The stakeholders who have found an unethical act or corruption can report it through such channels to the managerial officers, department heads, and relevant departments. We promise to keep the identity of the whistle-blower and the content of the reported incident in confidence, and anonymous reporting is permitted. There was no violation of “Anti-Corruption / Commitment” in 2024.

## Business Ethics Management

Fulgent Sun has formulated the “Ethical Corporate Management Best Practice Principles” to establish a corporate culture of ethical management and to complete the sustainable development of the company. The ethical management task force is responsible for promoting the company’s ethical management policy and preventive measures, and encouraging all employees to substantiate the value of ethics. The task force will be based on the business philosophy of sustainable development to promote the importance of moral standards to new recruits and all colleagues, ban all unethical acts, and protect stakeholders against loss of interests.

We urge the directors and managerial officers to comply with the company’s ethical standards. Fulgent Sun’s “Code of Ethical Conduct” is formulated in accordance with the “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies,” which includes: preventing conflicts of interest, avoiding opportunities for personal gain, responsibility for confidentiality, fair trade, protection and proper use of company assets, compliance with laws and regulations, encouragement to report any incidents of illegal or unethical conduct, and disciplinary measures.

In terms of the prevention mechanism of the board of directors against the conflict of interest, we have formulated the “Related Party Transaction Management Operations,” “Ethical Corporate Management Best Practice Principles,” and “Codes of Ethical Conduct” and have established an “Ethical Management Task Force.” The said Task Force shall report its practice to the board of directors at least once a year, and organize internal and external education and training related to ethical corporate management issues, so as to substantiate various business regulations and behaviors.

The Audit Committee of Fulgent Sun aims to assist the board of directors in formulating or amending the company’s internal control system and important operational procedures, as well as matters involving the interests of the board of directors. The Audit Committee is formed by five independent directors. Directors, managerial officers, and employees are all obliged to act in the best

interests of Fulgent Sun, avoid any conflicts of interest, and perform audits in accordance with the “Procedures for Board of Directors Meetings,” “The Exercise of Power by Audit Committees,” and “The Exercise of Power by Remuneration Committees” to verify the recusal of the board of directors. The operation of the Remuneration Committee is also in compliance with regulations. Directors, managerial officers, and other stakeholders attending or attending on a non-voting capacity the board meeting, as well as the juridical persons they represented, who have a conflict of interest in the proposals to be discussed in the board meeting should have themselves recused from the meeting and may not participate in discussions and voting.

We have it stipulated in the “Code of Ethical Conduct” that our employees must have official duties handled in an objective and efficient manner, and may not generate illegal gains for themselves, their spouses, parents, children, or relatives within the second degree of kindship through their job positions held in the company. If there is any loan or guarantee, material asset transactions, or purchase (sales) of products conducted between Fulgent Sun and the affiliated enterprises of the aforementioned personnel, the relevant personnel of Fulgent Sun should proactively explain it to the company whether there is any potential conflict of interests with the company, which shall be handled in accordance with the code of conduct of Fulgent Sun in order to prevent conflicts of interest from occurring.

### Management of conflict of interest

Item	Description
Cross-board membership	None
Cross-shareholdings with suppliers and other stakeholders	None
Controlling shareholders	None
Related parties, their relationships, transactions, and outstanding balances	Fulfill the requirements of disclosure with the related party information detailed in the “Note” to the annual report of the shareholders’ meeting.



## Negative impact remedy process

Fulgent Sun has clear and confidential whistleblowing and remedy mechanisms established with the best interests of the whistleblowers protected. It also ensures that all investigation procedures are fair, transparent, and effective. Members of the investigation team and relevant parties shall keep the investigation process and related information in confidence and may not have it released to the public without authorization. Fulgent Sun shall instruct the relevant responsible units to review and examine the internal control system and operating procedures for verified negative incidents with improvement measures proposed to prevent the same incident from reoccurring. No verified negative impact occurred in 2024 due to the implementation of strict remedial mechanisms.

The remedy mechanism and procedures are as follows:

1. Acceptance of reports and initiation of investigations: Fulgent Sun upon receiving the comprehensive reporting information in writing will have an investigation team formed within five (5) working days to initiate an investigation.
2. Formation of investigation teams and principle of recusal: An investigation team may be formed by the department heads and staff of the human resources department, audit department, etc. Stakeholders to the cases under investigation shall have themselves recused from serving as members of the investigation team to ensure the independence and impartiality of the investigation.
3. Duty of cooperation and principle of investigation: The investigation team shall conduct an investigation based on the fact, and the relevant parties, including the person being reported, are obliged to cooperate with the investigation.
4. Information confidentiality and responsibility for protection: The whistleblowing cases should be handled in a confidential manner with the whistleblowers protected. Members of the investigation team and relevant parties shall keep the investigation process and related information in confidence and may not have it released to the public without authorization, so as to protect the legitimate rights and interests of whistleblowers and persons involved in the case.

### Reporting channels

1. Anti-corruption mailbox: Accepts reports from shareholders, investors, customers, suppliers, contractors, and other stakeholders.
2. Contact channels for each stakeholder:  
Fulgent Sun International (Holding) Co., Ltd.  
Address: No. 76, Section 3, Yunke Road, Douliu City, Yunlin County  
Tel: +886-5-5514619 Fax: +886-5-5514630
  - Investor contact window:  
Spokesperson: Sunny Liao, Executive Vice President [sunny.liao@fulgentsun.com](mailto:sunny.liao@fulgentsun.com)  
Acting Spokesperson: Colin Hung, Chief Financial Officer [colin.hung@fulgentsun.com](mailto:colin.hung@fulgentsun.com)
  - Employee contact window: Administration Office, Ellie Shen [ellie.shen@fulgentsun.com](mailto:ellie.shen@fulgentsun.com)
  - Customer contact window: Sales Department, Anneya Lin [anneya.lin@fulgentsun.com](mailto:anneya.lin@fulgentsun.com)
  - Supplier contact window: Operating Department, Vicky Lee [vicky.lee@fulgentsun.com](mailto:vicky.lee@fulgentsun.com)
  - Community contact window: Administration Office, Ellie Shen [ellie.shen@fulgentsun.com](mailto:ellie.shen@fulgentsun.com)

## Financial Performance

Fulgent Sun demonstrated flexible business strategies and high organizational resilience while facing the uncertainty of the global economic and industrial environment and the impact of multiple negative factors in 2024. The company through the concerted efforts of all employees had demonstrated solid operating results with a revenue of NT\$14.61 billion and operating profit of NT\$1.27 billion achieved in 2024. In addition, the company recognized government subsidies for a total of NT\$14.47 million in the same year, demonstrating the benefits of policy support to the company's operations.

In terms of the output ratio of each manufacturing site, Vietnam, Cambodia, and China accounted for 58.93%, 27.47%, and 13.60% in 2024, respectively. In terms of the sales market structure, based on shipment destinations designated by brand customers, Europe accounted for 44.28% of total revenue; America accounted for 39.08%, of which, the US market accounted for approximately three-quarters of the total; and Asia accounted for approximately 15.11%. Overall, Europe and the US remain the primary consumer markets for outdoor sports and leisure products.

Item	Category	2024 (NTD)
Direct economic value generated	Operating revenue	14,611 million
Distributed economic value	Operating cost	8,368 million
	Employee salary and benefits	4,963 million
	Payments to Investors (Shareholders)	983 million
	Payments to the government	806 million
	Community investment	10 million
Reserved economic value	-	-519 million

Note:

1. Operating costs: Operating costs + operating expenses - direct/indirect employee remuneration - community investment
2. Payments to Investors (Shareholders): Cash dividend + interest expense
3. Payments to the government: Taxes and penalties
4. Community investment: Total amount of cash donations and material donations

### (3) Risk management

Fulgent Sun Group is with a multinational operation and specializes in the production and sales of sports, leisure and outdoor footwear. In terms of management, the board of directors identifies, evaluates, and controls material and potential risks through regular meetings, and sets up an independent audit system to regularly review various risk control measures. In addition, Fulgent Sun has customers from all over the world, and has implemented effective risk evaluation and management for the following key ESG issues to ensure the normal operation of various management mechanisms.

#### **Anti-terrorism risk**

Fujian Sunshine Factory has established the management system that complies with China's national regulations and customs anti-terrorism requirements by referring to the recommendations of the "Customs-Trade Partnership Against Terrorism (C-TPAT)" in order to prevent the infiltration of terrorists. Also, the corresponding program document is formulated in accordance with the operation and production process, and the relevant communication, propaganda, education, and training are carried out to ensure the safety of plant property, product production, management, and employees.

Note: The C-TPAT (Customs-Trade Partnership Against Terrorism) has been formulated by the U.S. Customs and Border Protection, Homeland Security Agency after the 911 incident to protect the U.S. homeland security. Products of the manufacturers that passed the C-TPAT factory inspection can be quickly cleared the customs and enter the United States with limited customs inspection for product safety.

#### **Climate risk management**

Climate change has had a critical impact on the global environment and business operations. Fulgent Sun has actively identified, evaluated, and managed climate-related risks and the possible financial implications by referring to the Task Force on Climate-related Financial Disclosures (TCFD) framework guidelines, which can be used as a reference for operational strategic planning and decision-making; also, the response and strategies adjustment for climate change risks in each factory area are formulated accordingly.

The factories of Fulgent Sun have acquired insurance policies to respond to and avoid natural disaster risks resulted from a climate change in order to avoid sudden or unpredictable accidents or natural disasters affecting the operating conditions and causing financial burdens or other risks.

TCFD framework	Disclosures	Description of Disclosures
Governance	(1) Board of Directors' supervising climate-related risks and opportunities	<ul style="list-style-type: none"> <li>Fulgent Sun's board of directors is the highest governance body for the formulation of climate strategies, the review and approval of action plans, and the review of climate action plan performance results. Fulgent Sun's board of directors regularly reviews the current year's climate-related action plan and results, and seeks the opinions of external experts and consultants as needed. The implementation progress of relevant action objectives will also be updated and revised annually according to the instructions of the board of directors.</li> <li>In terms of the climate-related management authorization, Fulgent Sun's board of directors has the "Corporate Governance and Sustainable Development Committee" appointed to be responsible for formulating climate-related policies, risk evaluation, and the promotion and inspection of related energy saving and carbon reduction projects.</li> </ul>
	(2) Management's responsibility of assessing and managing climate-related risks and opportunities	The "Corporate Governance and Sustainable Development Committee" sets relevant performance targets annually to ensure that the climate strategy can be incorporated into the department's annual operating activities, actively evaluates and controls possible operating risks, and regularly reports the results to the board of directors.
Strategies	(1) Identified short-term, mid-term, and long-term climate-related risks and opportunities	The phenomenon of climate change caused by the greenhouse gas effect with physical risks, including frequent typhoons, floods, and droughts, may cause flooding, power failure, or water supply interruption in the factory. Fulgent Sun assesses and analyzes climate change according to different time periods in order to minimize the impact of climate change on the operations, which brings related risks (physical and transitional risks) and opportunities to Fulgent Sun in short-term (2025), medium-term (to 2030), and long-term (after 2050).
	(2) Impact of climate-related risks and opportunities on business, strategy, and financial planning	<p>Climate change response and adaptation have become core issues for corporate sustainability along with the growing global attention to environmental issues. Fulgent Sun continues to monitor relevant policy changes and conducts forward-looking assessments of the "Climate Change Response Act" and future domestic and international development trends.</p> <p>According to our analysis, enterprises may face various risks, including environmental compliance risks such as carbon inventory, greenhouse gas reduction, and renewable energy use according to the regulatory requirements, as well as the risk of rising actual energy costs. If alternative energy and power structure cannot grow steadily, electricity prices may go up in the future.</p>

TCFD framework	Disclosures	Description of Disclosures
Strategies	(3) Potential impacts of different climate scenarios on operations (business), strategy, and financial planning	<p>The impacts of extreme climate events and transition actions on finance are as follows:</p> <p><b>Capital expenditure:</b> In order to achieve the requirement of each factory saving 1% of total electricity consumption, each factory must gradually have old equipment eliminated and replaced, and must implement an energy-saving management plan to improve equipment efficiency.</p> <ul style="list-style-type: none"> <li>• Various centralized production and load control plans must be implemented to improve power saving within the factory in order to comply with relevant regulations/customers' energy saving and carbon reduction requirements.</li> <li>• The aforementioned purchase/renovation of factory equipment will cause capital expenditure to go up.</li> </ul> <p><b>Earnings:</b> Once the “Carbon Border Adjustment Mechanism (CBAM)” is implemented by European Community in 2026, importers must purchase vouchers as payment for the carbon emissions of imported products, and the price is calculated based on the average closing price of the EU’s weekly carbon credit auctions, which will directly drive the carbon credit of sustainable/low-carbon products and related benefits of import and export trade.</p> <ul style="list-style-type: none"> <li>• The company will be able to respond to the demand for sustainable/low-carbon products in the future through the efforts of the R&amp;D unit, and increase the selection of low-carbon materials.</li> <li>• We suggest more suitable low-carbon materials to our customers based on our understanding on low-carbon materials supplied by various manufacturers in order to reduce the use of unsuitable materials, reduce development costs, and increase operating income.</li> </ul> <p><b>Direct costs:</b> International customers require the use of renewable energy accounted for a certain percentage of revenue by the year of 2025 in response to the development of net-zero emission in 2050. Therefore, we have actively evaluated and searched for green power suppliers, evaluate green power prices, and purchase green power credit required by customers/relevant regulations, which will cause the direct costs to go up.</p>

TCFD framework	Disclosures	Description of Disclosures
Risk management	(1) Process for identifying and assessing climate-related risks	Fulgent Sun continues to monitor global climate change issues and industry sustainability trends, gathering and understanding market dynamics, customer needs, and competitor practices through diverse information channels. The Group has established a horizontally integrated information exchange mechanism to enhance the identification and management of climate-related risks. Each responsible unit bases on its professional responsibilities to monitor key information such as regulatory requirements, environmental trends, and market development in real time, thereby ensuring that risk signals are promptly reflected to core operational departments such as manufacturing, industrial safety and environmental protection, and R&D, ensuring organizational resilience and efficient decision-making. The challenge of integrating the process of identifying, assessing, and managing climate-related risks with enterprise risk management mechanisms has become a key issue.
	(2) Processes for managing climate-related risks	Fulgent Sun, in the industry it operates, expects to have the results of various uncertainties and risks (including climate-related risks) controlled within the expected and tolerable range through active control actions taken
	(3) How are the processes for identifying, assessing, and managing climate-related risks integrated with enterprise risk management mechanisms	Fulgent Sun incorporates climate change into the material issues and key material risk projects for corporate sustainable development; substantiates risk management plans; plans response measures for operations, products, and supply chain management. According to the regulatory requirements, climate disaster trends, and other relevant factors, the company will continue to enhance the management of environmental risks related to climate change and incorporate them into the company's overall risk management system in order to ensure a systematic and effective response.
Index and objectives	(1) Indicators used for assessing climate-related risks and opportunities	In terms of climate change mitigation, Fulgent Sun uses greenhouse gas emissions per unit of revenue as the main key indicator for quantitative assessment. Also, the company sets other indicators such as the proportion of renewable energy usage, electricity usage per unit revenue, water consumption per unit revenue, etc. to comprehensively understand and continuously improve our environmental performance.

TCFD framework	Disclosures	Description of Disclosures
Index and objectives	(2) Greenhouse gas emissions (Scope 1, Scope 2, and Scope 3)	<p>Fulgent Sun conducted a greenhouse gas inventory in accordance with the international standard ISO 14064-1:2018 to calculate Scope 1, Scope 2, and Scope 3 GHG emissions in 2024. The calculation principles and methods for each category are explained as follows:</p> <ul style="list-style-type: none"> <li>• Scope 1: It refers to emissions from sources directly owned or controlled by the company, including greenhouse gases such as carbon dioxide produced by the combustion of fossil fuels. We conduct accurate estimates based on fuel usage data and corresponding emission factors.</li> <li>• Scope 2: It refers to emissions from indirect energy use, such as purchased electricity, steam, and heating. We conduct a systematic assessment and conversion based on energy supply sources and regional emission factors during the inventory process.</li> <li>• Scope 3: It includes other indirect emissions resulted during business operations and product life cycles, such as upstream and downstream supply chain activities. We actively collaborate with suppliers and downstream partners to collect data on relevant activities and generate estimates based on established methodologies in order to enhance data integrity and transparency.</li> </ul> <p>We will be able to effectively understand and identify the greenhouse gas emissions in 2024 through the aforementioned inventory techniques in compliance with international disclosure standards; also, it would serve as a foundation for advancing our carbon reduction strategy and enhancing our sustainable development performance. Next, we will continue to collect necessary information, conduct in-depth data analysis, and develop specific carbon reduction measures to fulfill our corporate environmental commitments.</p>



TCFD framework	Disclosures	Description of Disclosures
Index and objectives	(3) Management objectives and achievement (performance) of climate-related risks and opportunities	<p>Fulgent Sun for the objective of net zero carbon emission aims to pursue a win-win situation of “environmental protection energy saving and economic development.” Identify the area with high carbon emission in the factory, and plan to promote greenhouse gas inventory as the foundation for the follow-up planning and launching of various energy management actions.</p> <p>We believe that energy efficiency not only effectively reduces costs, but also helps reduce greenhouse gas emissions. Therefore, we actively plan energy-saving and power-saving actions in each plant, and introduce renewable energy facilities to effectively reduce carbon emissions.</p> <p>All factories of the Group had comprehensively installed LED lighting with better energy saving effect to replace traditional fluorescent lamps. In addition, Taiwan headquarters, Fujian Sunshine, Hubei Sunsmile, Sunny Footwear, Cambodia Sunbow, and Vietnam Fulgent Sun are equipped with solar power generation projects currently to effectively reduce fuel consumption and environmental pollution caused by traditional fuel, which helps save 20~50% energy compared with traditional coal-fired boilers and saves 10~30% energy compared with traditional cooling devices. A total power generation of 10,519.35MWh and a reduction of carbon emissions by 7,116.83 t-CO<sub>2</sub>e annually, which is equivalent to afforestation of 215.66 hectares, resulted in 2024.</p>

## Information security risk management

Fulgent Sun serves global brand clients and prioritizes client privacy and intellectual property rights; also, implements relevant management measures. We comply with the confidentiality agreements signed with brand clients and regularly train and educate our R&D personnel to reinforce their awareness of the importance of data confidentiality.

In terms of management mechanism, we take external protection and internal control as our strategies with software and hardware facilities constructed for the said purpose. We also arrange to have information security risk personnel trained regularly. There was no relevant material information security/privacy leakage incident that occurred in 2024 with the effective mechanisms implemented.



Level	Description of management measures
External protection	<ul style="list-style-type: none"> <li>The related service ports of the mail server are disclosed on the Internet, but the rest of the servers are within the VPN intranet only without being disclosed on the Internet.</li> <li>The E-mail service is equipped with anti-brute force deciphering and DDoS attack protection. The IP of the password that has been entered in error for 3 times will be automatically on the list. The IP of user who has made connections exceeding the limit will also be automatically on the list in order prevent DDoS attacks.</li> <li>Sangfor Taiwan Firewall Application Delivery (AD) virtual service can be reused to minimize the number of simultaneous connections, and to resist attacks effectively. Also, only specific ports are opened to the public without having all ports exposed on the Internet.</li> </ul>
Internal control	<ul style="list-style-type: none"> <li><b>Remote backup and drill management:</b> An offsite backup mechanism is established to ensure data security. Backed-up database files are regularly updated. Disaster simulation drills are to verify data availability and recovery performance, covering database, file, and restore testing.</li> <li><b>Prevention of online behavior:</b> Allow users to access specific websites through Sangfor Taiwan Firewall Internet Access Control (AC) in order to minimize the risk of data leaks and viruses.</li> <li><b>USB usage restrictions:</b> USB is blocked from all the Company's internal computers through AD domain control strategy, except for few users' USBs in a read-only mode (only read, not write), to minimize the risk of viruses and leaks.</li> <li><b>Malware protection:</b> All computers are equipped with ESET anti-virus software with the virus database updated on a daily basis, and complete anti-virus scan on a monthly basis to ensure system security.</li> <li><b>Account permission management:</b> Immediately delete the mailbox and disable the ERP system account of the employees upon their resignation; mailbox and ERP permissions are authorized according to business needs, and flexibly control the authorization for external communication and remote access.</li> <li><b>Emergency response drills:</b> Fire alarm tests are conducted regularly at each factory, and carry out disaster prevention and evacuation drills occasionally to enhance the ability to respond to emergencies.</li> <li><b>Information security awareness training:</b> Conduct information security education and training occasionally, and promptly update the information security data to employees in order to enhance their awareness of information security protection and to prevent information security incidents from occurring.</li> </ul>



## 5. Sustainable management mechanism

## 5. Sustainable management mechanism

### (1) Sustainable management organization

#### ESG management organization and mechanism

Fulgent Sun for the sake of implementing the concept of sustainable development had established the “Corporate Governance and Sustainable Development Committee” in 2019 that consisted of 8 directors to assume the responsibility for decision-making and supervision of the “Company’s impact on the economy, environment, and public.” The “Corporate Governance and Sustainable Development Committee Charter and Organization Structure” was also formulated.

The chairman (representative of the board of directors) of Fulgent Sun serves as the chairman of the “Corporate Governance and Sustainable Development Committee” with the meeting held at least once a year. The corporate governance group under the committee is to coordinate the economic, environmental, social, ethical, corporate management, and risk management task forces. All members have relevant corporate sustainability expertise and capabilities, and are responsible for the review of ESG decision-making and action plans, and the review and approval of related reports (such as sustainability, SASB, etc.). Also, the corporate governance task force under the committee is to coordinate and promote the task implementation, to regularly summarize the implementation progress and report it to the Corporate Governance and Sustainable Development Committee. The ESG report, stakeholder communication status, ethical corporate management policies, and plans for prevention of misconducts and supervision status should be reported to the Corporate Governance and Sustainable Development Committee every year.

The board of directors is the highest governance body to supervise the company’s sustainable development, and the implementation results and future work plans of sustainable development will be reported to the board of directors regularly. The “Corporate Governance and Sustainable Development Committee” is designated to coordinate the review and management of the company’s ESG action plan. The corporate governance team is to have the implementation progress summarized and reported to the board of directors regularly. In terms of communicating material events, key issues are reported and communicated at each board meeting by the corporate governance supervisor and through internal audit mechanism. Information disclosure on greenhouse gas inventory and verification has been communicated to the board of directors on a quarterly basis since January 2023 for a total of 4 times. The communication with the Board on the said subject will be conducted at the same frequency in 2024.

Department heads are designated members of the “Corporate Governance and Sustainable Development Committee,” and senior managers are responsible for the operation of the committee, formulating relevant ESG policies, action plans, and cross-department coordination work. The Corporate Governance and Sustainable Development Committee holds meetings regularly, and ad-hoc meetings are held when specific ESG issues arise during the year to ensure timely discussion and response. Furthermore, the management process, evaluation results, and overall ESG information are shared through the ESG website and other communication channels. The Group also maintains good interaction and negotiation relationships with multiple stakeholders.

Arrange exclusive courses for board directors to enhance their ESG collective knowledge in response to the ever-changing international competitive management environment and laws (such as corporate governance) to improve their modern management capabilities. We have stipulated that the factor of diversity should be considered for the formation of the board of directors, as well as the knowledge, skills, and experience of the directors needed for performing their duties, in accordance with Article 20 “Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies, which cover topics relating to corporate governance upon becoming directors and throughout their terms of occupancy” of Chapter 3 “Enhancement of Directors’ Occupational Competency” of the “Corporate Governance Best Practices Principle.” The 3-hour course “Integrating Sustainability Information into Internal Control Audits” was arranged for each member of the “Corporate Governance and Sustainable Development Committee” in 2024.

We have established an ESG governance structure led by senior management since the publication of the first sustainability report in 2022, allowing all departments to have sustainability responsibilities and implementation mechanisms integrated into their daily operational management processes, enhancing risk awareness and foresight in overall decision-making. We have formally incorporated sustainable development strategies and goals into the remuneration mechanisms for senior managers and key personnel to further deepen our sustainable governance practices and to serve as a key measure of motivating all employees to focus on long-term performance and sustainable value. Performance-linked projects include green product innovation, sustainable and responsible purchasing, low-carbon manufacturing transition, occupational safety and health, and other key ESG issues. The company strives to implement its sustainability goals at all levels of the organization and enhance its sustainable management culture by establishing a performance measurement mechanism aligned with its sustainable development goals.

In addition, Fulgent Sun prioritizes sustainability across its entire supply chain. We aim to expand our sustainability impact and build a resilient and competitive sustainable supply ecosystem through communication and collaboration with our business partners. We will continue to enhance our sustainability governance system to ensure our strategic direction aligns with global sustainability trends, and collaborate with stakeholders to create long-term value for both the company and society.

Task Force	Description of Job Responsibilities
Economic subjects	<ul style="list-style-type: none"> <li>• Improve corporate governance structure, enhance information transparency, and effectively implement core ESG to create long-term value for shareholders.</li> <li>• To be responsible for establishing and protecting the environment, value the importance of social responsibility, labor rights, safety, health, and sustainable supply chain, and establish long-term partnerships with suppliers.</li> </ul>
Environmental subjects	<ul style="list-style-type: none"> <li>• Continue to promote energy management, resource recycling, and strive to improve the efficiency of various resources in order to minimize the negative impact of product life cycle on the environment.</li> <li>• Improve energy efficiency by process innovation, reduce greenhouse gas emissions, minimize the impact of the plant on the environment, and provide employees and contractors with a safe and healthy working environment.</li> </ul>
Social subjects	<ul style="list-style-type: none"> <li>• Strive to safeguard the basic rights of colleagues, to be a good enterprise citizen, and to contribute to the development for employees, stakeholders, and the society.</li> <li>• Cooperate with “Charitable Trust Fulgent Sun Group International Charity Fund” to support or sponsor public charity and social education undertakings in order to achieve harmony and common prosperity with the community, enhance social welfare, and promote a warm and harmonious society.</li> </ul>
Ethical corporate management	<ul style="list-style-type: none"> <li>• Arrange ethical conduct related education, promotion, and training, and promote ethical corporate management and norms through new recruits training and website announcements.</li> <li>• Responsible for the complaint and reporting channels accessible by internal and external personnel with the follow-up processing handled by the designated personnel.</li> </ul>
Risk management	<ul style="list-style-type: none"> <li>• Evaluate risks regularly every year, and formulate management policies for each risk, which include management objectives, organizational structure, attribution of rights and responsibilities, risk management procedures, etc. that should be implemented accordingly and truthfully. The mission is to effectively identify, measure, and control the various risks of Fulgent Sun, and to control the risks arising from business activities within the tolerable range.</li> </ul>

## (2) Material issues

Materiality determination process		
<ul style="list-style-type: none"> <li>Frequency: Once a year.</li> <li>Materiality process/material issue review and signature: approved by the Chairman (representative of the highest governance body).</li> <li>Types of stakeholders participating in the assessment: Members of the ESG team of each department are to collect issues of concern to stakeholders in each business function.</li> </ul>		
Material Topics Identification Process		
1. Collect/identify various sustainability issues continuously	2. Salience sequencing	3. Results Confirmation/Material Issues Matrix
Continuously collect and analyze international sustainability issues and disclosure frameworks/standards (such as GRI Standards, TCFD, and SASB). These are integrated with relevant news about Fulgent Sun in 2024 to comprehensively identify ESG issues aligned with short-term, mid-term, and long-term ESG goals.	Representatives of the ESG team will initiate final issues analysis and discussion based on internal considerations, industry practices, and benchmarks after completing the topic salience assessment; also, set the “materiality threshold” of actual and potential impact issues for sequencing in order to complete the “annual material topic matrix.”	Present the “Annual Material Topic Matrix” that is established by the ESG Committee to the “Chairman (representative of the highest governance body)” for review and approval. The matrix is prepared based on the identification results of the current year and it is an important reference for ESG report disclosure/action plan planning

## Material topics differentiation results

Fulgent Sun while evaluating material topics shall consider the topic's "impact on the economy, environment, and people (positive/negative)" in order to identify the internal and external impacts of each subject comprehensively.

Type of impact	ESG Aspect	Material topics	The impact of the principle of materiality on the economy, environment, and people	Source of impact	Impact target
Actual positive	E	Emission	Promoting carbon reduction strategies and actions not only effectively helps reduce energy costs, but also drives the development of carbon reduction technologies with market potential, and helps increase corporate profits and competitiveness. Carbon reduction achievements can further help enhance stakeholder confidence.	Operational activities Products and services Business relations	Suppliers Employees Customers
	S	Customer privacy	In terms of protecting the intellectual property rights of customers, in addition to signing and honoring the confidentiality agreements signed with brand customers, Fulgent Sun also conducts audits and drills on R&D personnel, and regularly announces and educates the importance of information confidentiality to them.	Operational activities Products and services Business relations	Suppliers Customers
		Training and education	Provide on-job training to all employees. Regularly provide professional training to employees in line with their personal career plan in order to improve their personal abilities, which will help improve the overall quality, personal quality, and work skills of all the employees of Fulgent Sun.	Operational activities Products and services Business relations	Employees
	G	Economic performance	The company operates with the main business objectives of fulfilling corporate social responsibilities and sustainable management, complying with laws and regulations, and pursuing profits and taking into account the rights and interests of stakeholders.	Operational activities Products and services Business relations	Employees

Type of impact	ESG Aspect	Material topics	The impact of the principle of materiality on the economy, environment, and people	Source of impact	Impact target
Actual negative	S	Labor relations	It is difficult to recruit outstanding talents due to restriction of geographical proximity. Fulgent Sun is committed to the basic responsibility of creating harmonious labor relations, establishing a good employee welfare mechanism, and expecting to recruit more local and foreign outstanding young people to return to their hometowns for development.	Operational activities Products and services Business relations	Employees
		Employee diversity and equal opportunities	Fulgent Sun is committed to providing employees with a dignified and safe working environment, actively promoting gender equality in the workplace, ensuring the diversity of employees and fairness of remuneration and promotion opportunities, and ensuring that employees are not discriminated in employment and salary due to factors of race, gender, religion, age, political inclination, marital status, or physical and mental disabilities; and any other status protected by governing laws and regulations that result in discrimination, harassment, or unfair treatment; also, implement and optimize a diverse and equal workplace environment.	Operational activities Products and services Business relations	Employees
	S	Training and education	Provide pre-job trainings to all employees, combined with employees' personal career plans, and arrange professional trainings for employees to help improve their personal abilities regularly in order to enhance the overall quality, personal quality, and work skills of the employees of Fulgent Sun.	Operational activities Products and services Business relations	Employees



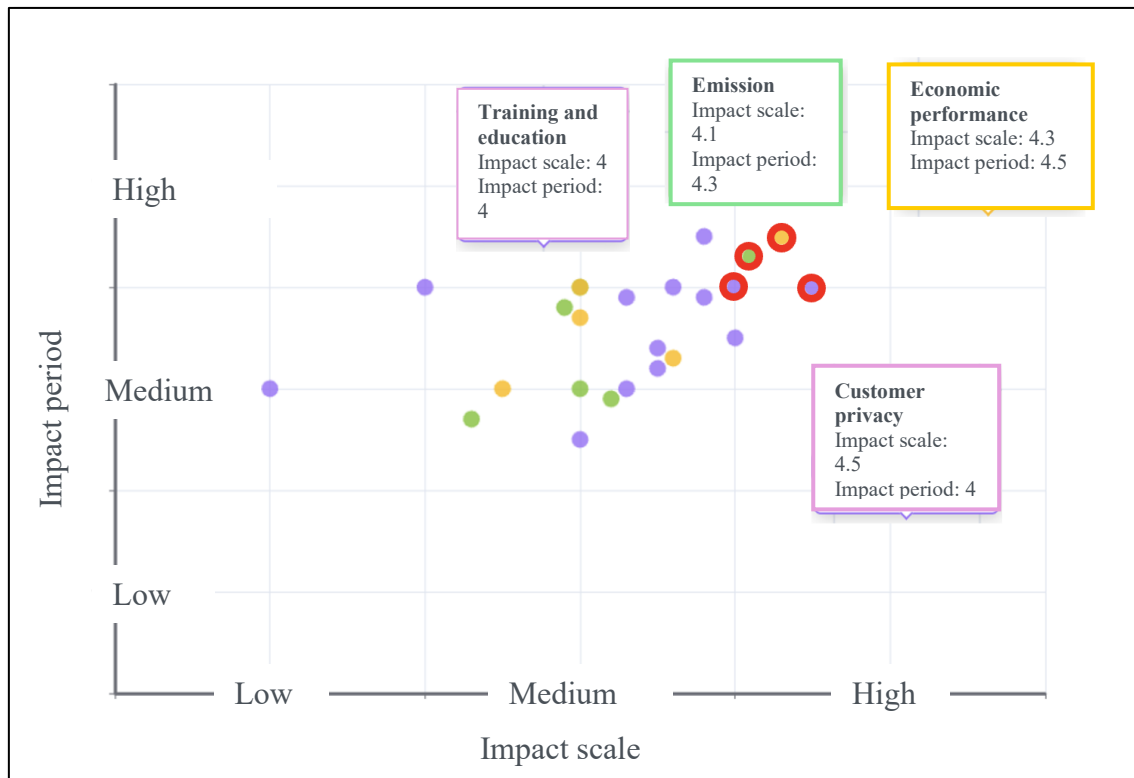
Type of impact	ESG Aspect	Material topics	The impact of the principle of materiality on the economy, environment, and people	Source of impact	Impact target
Potential negative	S	Labor / employer relations	Complying with labor rights laws and regulations and establishing communication channels for grievances are the key business goals emphasized by the company continuously.	Operational activities Products and services Business relations	Employees
		Occupational safety and health	Establish a comprehensive safety and health management system, provide employee with physical checkup and occupational safety training regularly, enhance employees' self-awareness of physical health, and fully protect the health and safety of workers.	Operational activities Products and services Business relations	Employees Customers

Note:

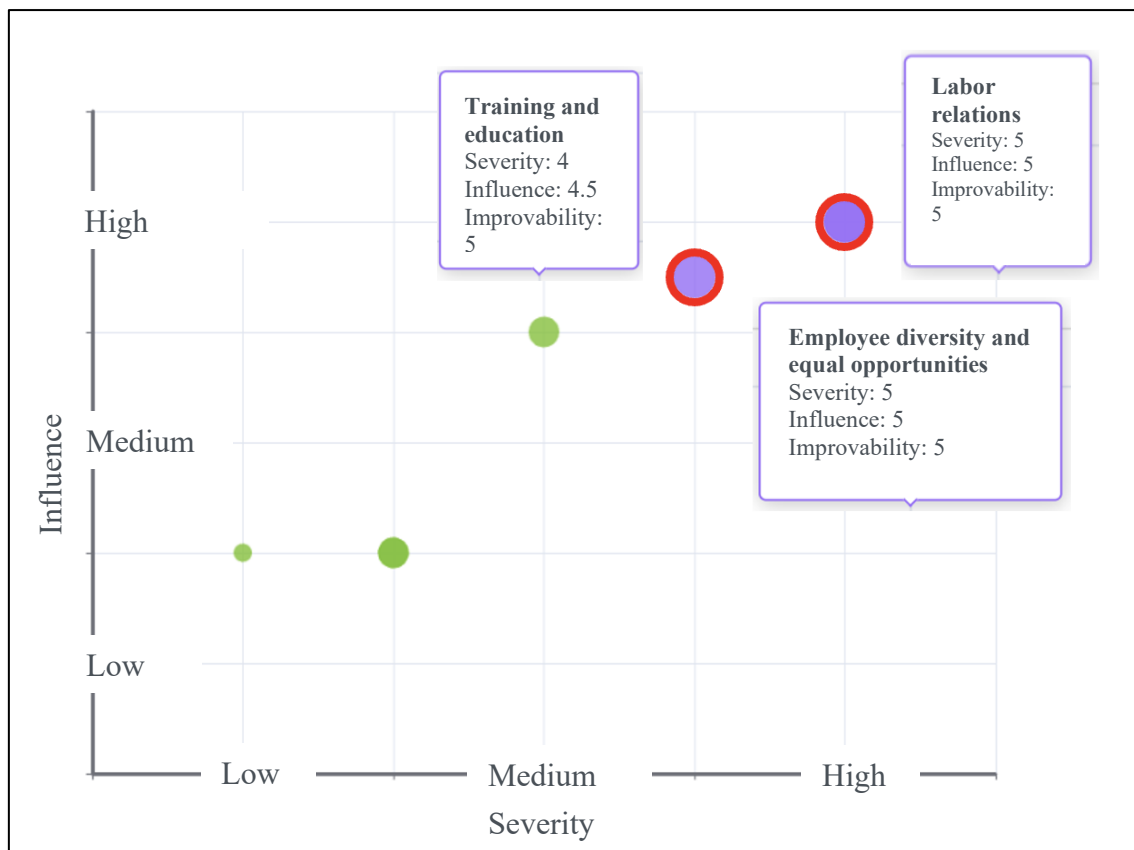
1. The material topics in 2024 remained unchanged from the previous year (2023).
2. No potential material positive topic was identified in 2024.

## Material Topic Matrix

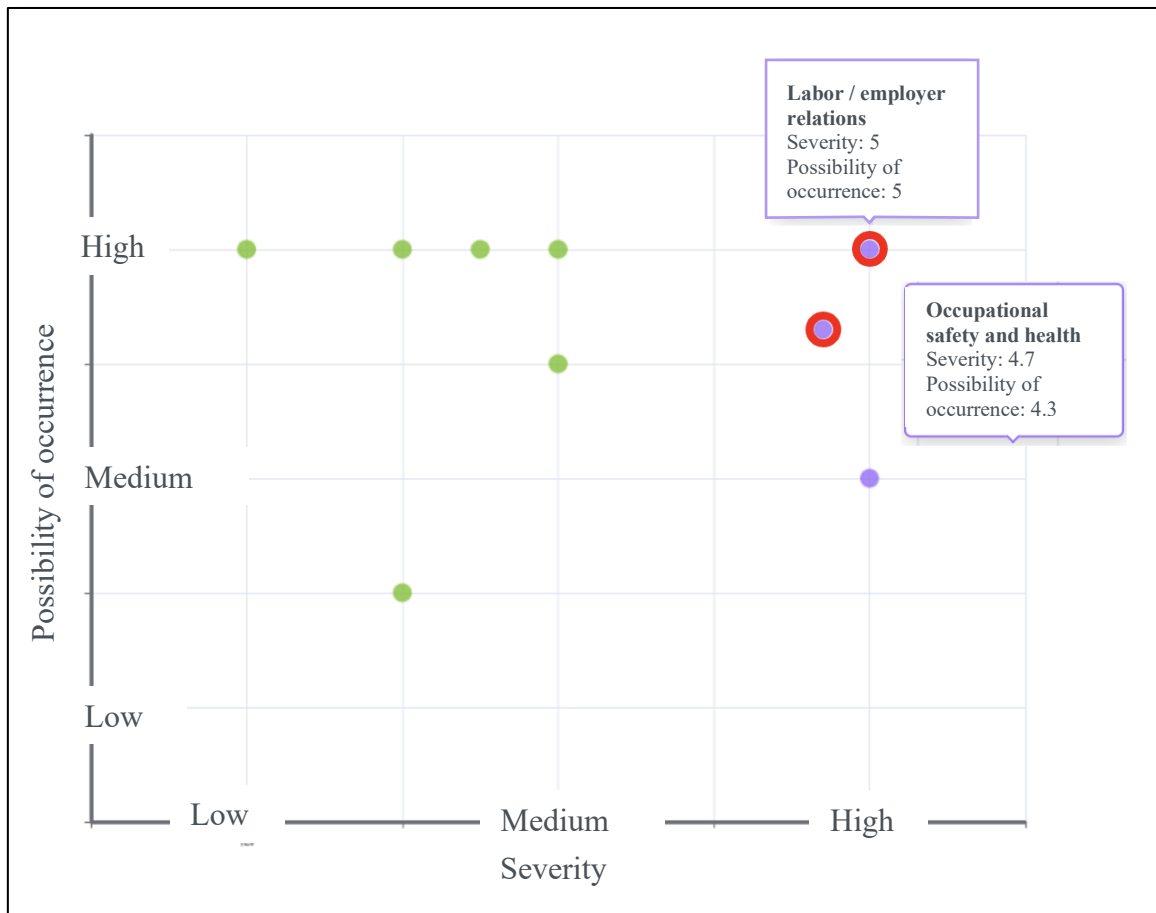
### 1. Actual positive



### 2. Actual negative



### 3. Potential negative



## Material topic management list

Sustainability aspect	Material Topic	Policies and Commitments	Inspection and tracking mechanism	Objective	Description of Progress in 2024
E	Emission	<p>Each factory is actively implementing the ISO 14064-1 system as the foundation for carbon reduction strategies and actions. Fulgent Sun set 2021 as the base year and adopted a three-year planning period, aiming to achieve a 3% reduction in electricity consumption per unit by 2024.</p> <p>Fulgent Sun has set 2024 as the base year and plans to achieve a 6% reduction in greenhouse gas emissions density (Scope 1 + 2) by 2030.</p>	The ESG report is with the SASB and TCFD structures incorporated with a greenhouse gas inventory conducted at the Taiwan headquarters and each factory.	<p>Introduce greenhouse gas inventories in each factory in accordance with the relevant laws and regulations on sustainable development. The scope of carbon inventory at the Taiwan headquarters will be expanded to Scope 6 in 2025, and a third-party verification schedule will be planned. The Group will continue to improve energy management and strive to dedicate efforts to reducing greenhouse gases.</p>	<p>The electricity consumption and carbon emissions of the Taiwan Headquarters, Fujian Sunshine, Vietnam Fulgent Sun, and Cambodia Sunbow are presented as follows:</p> <p>The total electricity consumption in 2024 was 67,737,615 kWh, a decrease of 2.8% from the base year (2021: 69,723,173 kWh). Although the target of reducing electricity consumption by 3% in 2024 was not achieved, Fulgent Sun remains committed to carbon reduction plans, and the use of renewable energy increased from 4.9% in the base year to 8.9%.</p> <p>Total greenhouse gas emissions (Scope 1+2) in 2024 were 37,883.16 t-CO<sub>2</sub>e, with an emissions density of 3.4493 t-CO<sub>2</sub>e/NT\$ million, which serves as the comparison base for the greenhouse gas emissions density in 2030.</p>

Sustainability aspect	Material Topic	Policies and Commitments	Inspection and tracking mechanism	Objective	Description of Progress in 2024
S	Customer privacy	Fulgent Sun strictly complies with customer contractual agreements and confidentiality commitments. We respect and are committed to protecting the privacy and confidentiality of our customers. We sign confidentiality contracts with customers and suppliers to protect the products, technologies, and related information provided by our customers; also, to effectively safeguard the confidentiality and security of customer information.	Fulgent Sun in addition to signing and complying with the confidentiality agreements with brand customers regularly trains and educates relevant R&D personnel on the importance of information confidentiality.	The confidentiality and security of customer information are maintained through strict control mechanisms.	There were no violations of customer privacy, nor any harm to the rights and interests of customers or suppliers caused by the loss of customer or supplier data.
S	Training and education	Provide an excellent and safe working environment, coordinate with professional and occupational functions at different levels, plan a progressive and comprehensive training system, build up diverse and excellent learning capabilities, and enhance the competitiveness of employees and the company.	Organize internal and external education and training and senior management meetings occasionally.	Plan different training frameworks and continuously optimize training programs based on employees' functions and levels, while also expanding career development opportunities.	A total of 78,507.9 hours and 18,463 person/time of education and training provided.

Sustainability aspect	Material Topic	Policies and Commitments	Inspection and tracking mechanism	Objective	Description of Progress in 2024
S	Labor relations	The basic responsibility of Fulgent Sun in promoting labor relations is to protect the rights and interests of employees and to ensure smooth communication channels. A good employee welfare mechanism is helpful in promoting labor-management harmony, improving job satisfaction and corporate cohesion, and thereby enhancing overall competitiveness.	Keep the labor-management meeting minutes and publish them internally.	Protect employee rights and interests and keep communication channels smooth with a comprehensive employee welfare mechanism established.	The headquarters will hold regular labor-management meetings every quarter and update employee benefits occasionally to enhance the transparency and participation of employee benefits.
S	Employee Diversity and Equal Opportunities	Fulgent Sun is committed to providing employees with a dignified and safe working environment, actively promoting gender equality in the workplace, ensuring the diversity of employees and fairness of remuneration and promotion opportunities, and ensuring that employees are not discriminated in employment and salary due to factors of race, gender, religion, age, political inclination, marital status, or physical and mental disabilities; and any other status protected by governing laws and regulations that result in discrimination, harassment, or unfair treatment; also, implement and optimize a diverse and equal workplace environment.	Regularly collect statistics on new and former employees, and analyze the diversity of current employees.	Continue to promote gender equality and related welfare policies, equal pay for equal work; also, implement and optimize a diverse and equal workplace environment.	Female employees in supervisory positions accounted for 66.74% of all supervisors.

Sustainability aspect	Material Topic	Policies and Commitments	Inspection and tracking mechanism	Objective	Description of Progress in 2024
S	Labor / employer relations	Cooperate with the Labor Standards Act to carry out relevant job reassignment and severance notices and preliminary announcement.	Regularly conduct evaluations and provide rewards in accordance with the performance appraisal and salary renewal policies.	Fulgent Sun has recruitment, promotion, and severance carried out through communication between the employer and employees to confirm mutual consensus and to have it carried out in accordance with the Labor Standards Act.	No inappropriate situations occurred.
S	Occupational Safety and Health	We continue to invest resources to actively identify and resolve various health and safety issues that may occur in the workplace in accordance with the structure of the ISO 45001 Occupational Health and Safety Management Systems. The Group regularly provides employees with health checkups and safety training, and provides employees with appropriate protective equipment depending on the characteristics of the process in order to ensure employee work safety.	<ul style="list-style-type: none"> <li>Occupational injury and disability injury data statistics.</li> <li>Perform environmental, safety and health inspections at the workplace regularly.</li> <li>Each factory is protected with a disaster prevention insurance policy acquired.</li> </ul>	Fulgent Sun will continue to create a healthy and secure workplace environment and aim for zero work-related injuries and zero disasters.	The recordable occupational injury rate was 1.11%.

Sustainability aspect	Material Topic	Policies and Commitments	Inspection and tracking mechanism	Objective	Description of Progress in 2024
G	Economic performance	The company operates with the main business objectives of fulfilling corporate social responsibilities and sustainable management, complying with laws and regulations, and pursuing profits and taking into account the rights and interests of stakeholders.	The monthly consolidated revenues and quarterly consolidated financial statements are disclosed on the Market Observation Post System and on the Company's official website.	Continue to implement the production capacity expansion plan, demonstrate multiple management synergies such as diversified factory deployments, dispersed sales regions worldwide, and product portfolio optimization.	The consolidated revenue was NT\$14.61 billion. Regarding the revenue contribution by region (destinations designated by brand customers), Europe and the United States remained the main markets for sales, accounted for approximately 80% of total revenues.



### (3) Stakeholder engagement

Fulgent Sun is committed to establishing a diverse and systematic communication and interaction management mechanism. We actively engage with various stakeholders through regular and irregular meetings, questionnaires, and project collaborations. We establish corresponding departments and communication channels in response to the concerns of different stakeholders to ensure timely and effective responses. Their feedback is incorporated into the company's corporate sustainability strategies and action plans to enhance transparency, foster trust, and jointly promote long-term value creation.

We adopt the six identification principles of the AA1000 SES Stakeholder Engagement Standard (SES) to identify stakeholders based on their responsibilities, influence, proximity, dependence, representativeness, and policy implications, including shareholders/investors, employees, consumers/customers, suppliers/contractors and local communities.



## Results of communication with stakeholders

Stakeholders	Engagement purpose	Engagement channel	Engagement frequency
Shareholders / investors	Shareholders/investors are Fulgent Sun's shareholders, whom we are responsible for.	<ol style="list-style-type: none"> <li>1. Shareholders meetings</li> <li>2. Investor conferences</li> <li>3. Breaking news</li> <li>4. Establish a stakeholder section on the company website with email addresses and contact numbers provided, to establish a smooth communication channel between investors and the company.</li> </ol>	<ol style="list-style-type: none"> <li>1. Once a year</li> <li>2. Regular / occasional</li> <li>3. Real time</li> <li>4. Real time</li> </ol>
Consumers / customers	Fulgent Sun generates income primarily from global brand clients. Therefore, we value the importance of client privacy and business secrets, and we implement relevant management practices. We cooperate with our clients to achieve mutual growth through frequent communication, collaborative prevention, and continuous improvement of products and services.	<ol style="list-style-type: none"> <li>1. Participate in brand customer seminars.</li> <li>2. Cooperate with customer product, environment, responsibility, and other requirements and inspections, as well as prevention and continuous improvement.</li> <li>3. Direct communication</li> <li>4. Participate in the quarterly evaluation meeting of brand customers.</li> <li>5. Provide e-mails and contact phone numbers in the Stakeholders section on the Company's website to establish a smooth communication channel between customers and the Company.</li> </ol>	<ol style="list-style-type: none"> <li>1. Regular</li> <li>2. Real time</li> <li>3. Occasional</li> <li>4. Quarterly</li> <li>5. Real time</li> </ol>
Employees	Fulgent Sun considers the employees the core element of sustainable operations. We continuously listen to employees' opinions and needs through diverse communication mechanisms, and foster two-way dialogue and trust, which are key competitive factors in achieving sustainable operations and excellence.	<ol style="list-style-type: none"> <li>1. Organize new recruit briefings, labor-management meetings, and management meetings.</li> <li>2. Provide employee with health checkups and inquiries.</li> <li>3. Provide e-mails and contact phone numbers in the Stakeholders section on the Company's website to establish a smooth communication channel between employees and the company.</li> </ol>	<ol style="list-style-type: none"> <li>1. Occasional</li> <li>2. At least once for each employee</li> <li>3. Real time</li> </ol>

Stakeholders	Engagement purpose	Engagement channel	Engagement frequency
Suppliers / contractors	Fulgent Sun's supplier partners mainly refer to manufacturers and agents. In addition to maintaining smooth communication with suppliers on a regular basis, supplier evaluation reports are prepared as well in order to continuously improve the quality of cooperation.	<ol style="list-style-type: none"> <li>1. Formulate conflict minerals control policies.</li> <li>2. Direct communication</li> <li>3. Prepare the supplier evaluation report regularly.</li> <li>4. Provide e-mails and contact phone numbers in the Stakeholders section on the company's website to establish a smooth communication channel between suppliers and the company.</li> </ol>	<ol style="list-style-type: none"> <li>1. Long-term</li> <li>2. Real time</li> <li>3. Quarterly</li> <li>4. Real time</li> </ol>
Communities	Fulgent Sun has established deep connections with the community, which has become a significant source of manpower. It provides strong support for the stable operation of the company's business. The company in promoting corporate social responsibility actively develops community feedback programs to enhance its positive impact.	<ol style="list-style-type: none"> <li>1. Arrange communication meeting with the community occasionally.</li> <li>2. Provide e-mails and contact phone numbers in the Stakeholders section on the Company's website to establish a smooth communication channel between communities and the Company.</li> <li>3. Participate in community public welfare activities held in the peripheral areas of the factory.</li> </ol>	<ol style="list-style-type: none"> <li>1. Occasional</li> <li>2. Real time</li> <li>3. Occasional</li> </ol>

## Diversified communication and complaint channels

Fulgent Sun has established diversified communication channels to actively understand stakeholder concerns and promptly address and respond to them; also, to fulfill its commitment to corporate social responsibility. Dedicated contact windows are set up for questions or suggestions from different stakeholders (such as shareholders, employees, and suppliers) to provide immediate and appropriate assistance.

We have the “Reporting channels and procedures for handling violations of ethical conduct and ethical corporate management” stipulated and internal and external reporting channels and processing systems established to help implement the “Codes of Ethical Conduct and Ethical Corporate Management Best Practice Principles” and to ensure the legitimate rights and interests of the whistleblowers and related parties.

The whistleblowing cases, if any, will be handled in a confidential manner to protect whistleblowers and complainants. Members of the investigation team and relevant parties shall keep the investigation process and relevant information in confidence and may not release it to the public without authorization. The reporting channels are as follows:

1. Anti-corruption mailbox: Handles reports filed by shareholders, investors, customers, suppliers, contractors, and other stakeholders.
2. Human Resources Department: Handles reports filed by colleagues within the company.

## Join associations

Name of association/organization	Identity	Invested amount (NTD)
SATRA	Members	243,180



## **6. Product responsibilities**



## 6. Product responsibilities

### (1) International product certification

#### Innovative research and development

Fulgent Sun is actively investing in innovation and research and development, striving to transform into a green industry, enhance environmentally friendly production, and develop new processes and technologies. We actively research new materials and reconfigure processes to meet solvent limits, such as in sole bonding and synthetic spray coating. In addition, we not only source eco-friendly shoe materials and extensively utilize sustainable materials to overcome environmental regulations, but also focus on developing high-performance materials. Our production processes comply with global environmental regulations and we actively participate in ESG-related international certification standards in order to meet consumers' diverse needs for product quality, comfort, and health benefits.

Fulgent Sun Group-Sustainable Innovation	
Strategy	Responding to trends and meeting market demands, customer orientation, and refinement of in-house production efficiency
Thinking	Automation, facilitation, and diversification

Product development is gradually moving towards smart footwear in response to market trends. Consumers' demands for footwear quality and functionality have gone beyond basic foot protection, requiring both safety and comfort. Fulgent Sun aims to enhance user safety and establish efficient and secure smart shoe development technology to further enhance the technological level of smart footwear and reinforce competitive advantage of products.

Global competition is getting severe gradually. The manufacturing process of shoes has been developed towards automation, facilitation, and diversification to improve the efficiency and scale of the footwear industry. Massive robotic arms loaded with automation control systems are implemented in the working procedures containing high repeatability and high demand for precision in order to secure a more stable quality of footwear and enable the shoe factory to achieve higher production efficiency, more effective factory management, and lower production cost.

Fulgent Sun continues to develop and explore, and the achievements from industry-academia cooperation have been fully realized in practical factory applications. The key applications of the automation in 2024 are as follows:

- A rotary computerized sewing machine is used for production, which is equipped with rotary three-dimensional feeding and sewing function. Automatic cylinder templates are used for hot and cold shaping, and are applied to 3D curved three-dimensional sewing of shoes, which simplifies operation and reduces the burden on employees.
- Implement CMEVA automatic rapid secondary molding technology and high-strength graphene molds to conduct heated and vacuumed process in order to shorten the EVA shaping heating time, further shorten the molding cycle, and ensure stable quality.
- EVA is efficiently recycled through crushing and mixing. The operation is simple, fast, and easy to clean. The materials can be recycled separately according to their color in order to improve recycling efficiency.

- Use ultraviolet 3D freezing UV irradiation machine that is equipped with double-sided irradiation and freezing functions, so that the upper and lower sides of the EVA sole can be irradiated at the same time, doubling the production efficiency. The temperature in the ultraviolet irradiation chamber is constant and uniform, without local hot spots, avoiding secondary foaming and deformation of EVA and reducing material loss.
- Regarding shoe soles, the front-end unit and the production unit base on the spirit of research to continuously trial-and-error and to record relevant parameters for different formulas and types of outsole and shoe soles in order to maximize the application of this equipment and to highlight the value of this technology.
- Fulgent Sun's automation in cutting process is highly mature; also, the application of automatic leather cutting machine is the last piece of the puzzle, which makes different types of materials in this process realize the highest production efficiency with different equipment.
- It is our prioritized mission to minimize the waste of leather and to maximize the use of materials, which is our way of committing to environmental friendliness. The application of this device has been extended to all workplaces of Fulgent Sun Group. We have managed to achieve the utilization target by using visual photography and electronic pen to circle the defects, and programming the computer for automatic typesetting and minimal cutting edge in order to improve material utilization; also, the implementation of this equipment has been extended to all work areas of the Group.

It is in our DNA to research and find the root causes, and that is what keeps us going forward. The said driving force allows us to continuously make improvements and seek for breakthrough in a mature process. We intend to search for the ways to embed automation application rooted in every corner of the factory and in the heart of every employee continuously.

We uphold a spirit of research and a thoroughgoing approach to drive continuous innovation and progress. We seek improvements and breakthroughs within established processes by integrating practical production practices, explore more efficient automation applications, integrate smart manufacturing into every corner of Fulgent Sun's plant, and internalize it as a shared philosophy and practice among our employees.

The strategic thinking and major achievements in "Shoe development" include:

Item	Contents
Supercritical foaming	The development of lightweight and high-flexibility inserting material is applicable to different shoe styles. The in-house production of such material is with the advantage of effective quality control and shorter development period.
3D knitted upper	Use 3D knitted upper for enhanced foot wrapping/comfort.
Fluorine-free waterproof woven material	Fully utilize fluorine-free waterproof woven fabrics that are highly wear-resistant and breathable. Producing products without fluoride chemicals is more friendly to human health and the environment, and it is in compliance with EU environmental regulations.

## Product certification

Fulgent Sun has profound technical requirements and standards to enhance manufacturing technology continuously and to accelerate product delivery. The Group also introduces various international certifications, strives to provide customers with high quality products, and fulfills the needs of global customers for high-quality products.

Factory	Certificate
Fujian Sunshine Footwear Co., Ltd.	<ul style="list-style-type: none"> <li>• GORE-TEX certification</li> <li>• SATRA Laboratory certification</li> <li>• ISO 9001: 2008</li> <li>• GB/T 19001-2000</li> <li>• GRS 4.0-2023</li> </ul>
Fulgent Sun Footwear Co., Ltd.	<ul style="list-style-type: none"> <li>• GORE-TEX certification</li> <li>• SATRA Laboratory certification</li> </ul>
Sunny Footwear Co., Ltd.	<ul style="list-style-type: none"> <li>• ISO 9001: 2008</li> <li>• GB/T 19001-2000</li> </ul>
Hubei Sunsmile Footwear Co., Ltd.	<ul style="list-style-type: none"> <li>• GORE-TEX certification</li> </ul>
Lin Wen Chih Sunbow Enterprises Co., Ltd.	<ul style="list-style-type: none"> <li>• GORE-TEX certification</li> </ul>
NGOC Hung Footwear Co., Ltd.	<ul style="list-style-type: none"> <li>• GORE-TEX certification</li> <li>• SATRA Laboratory certification</li> </ul>
Eversun Footwear Co., Ltd.	<ul style="list-style-type: none"> <li>• GORE-TEX certification</li> </ul>

Skills and Products
<p>Capable of producing a variety of footwear:</p> <ul style="list-style-type: none"> <li>• Cold-molded shoes: Sneakers, running shoes, tennis shoes, basketball shoes, snow boots, sports sandals, loafers, outdoor shoes, waterproof shoes, and GORE-TEX shoes</li> <li>• Vulcanization products: Shell shoes and vulcanized shoes</li> <li>• Workshop departments: Rubber outsole, EVA, injection EVA, embroidery, printing, high-frequency welding, and laser cutting</li> </ul>



## Other sustainability certification

Plant	International certification	Description of international certification
All plants	Higg FEM certification	<ul style="list-style-type: none"> <li>Higg Index is an innovative self-evaluation tool developed by the Sustainable Apparel Coalition (SAC).</li> <li>Higg can help apparel and footwear manufacturing industries, retail industry, and brand owners to evaluate impacts on environmental, social, and labor performance and identify opportunities for improvement at each stage of a product lifecycle.</li> </ul>
Vietnam Fulgent Sun	Bluesign® Product	<ul style="list-style-type: none"> <li>Bluesign® is an international environmental protection norm formulated by EU experts and representatives collectively. The headquarter of Bluesign is in Switzerland and it is a certification standard adopted by many textile suppliers worldwide.</li> <li>Obtaining Bluesign® certification means that the utilization efficiency of product resources is optimized, the impact on environmental damage is minimized, and the textile production process and textiles are guaranteed to fully and strictly comply with ecology, health, and consumer safety regulations.</li> </ul>
Fujian Sunshine	IPE Blue Map	<ul style="list-style-type: none"> <li>Institute of Public and Environmental Affairs (IPE) builds an environmental information database, Blue Map website, and APP; integrates environmental data services, and applies them to green procurement, green finance, and government environmental decision-making.</li> <li>Many enterprises are inspired to realize the transformation of environmental protection through the joint efforts of enterprises, governments, non-profit organizations, research institutions, etc. in order to promote the improvement of environmental information disclosure and environmental governance mechanisms.</li> </ul>
Fujian Sunshine	GRS Global Recycled Standard Certification	Global Recycling Standard Certification (GRS Certification) is an international, voluntary, and comprehensive product standard to determine third-party certification requirements for recycling content, production and sales supervision chain, social and environmental practices, and chemicals restrictions. The goal of GRS certification is to increase the use of recycled materials in products and reduce or eliminate the hazards resulted from the production.
Cambodia Sunbow	UNIDO	United Nations Industrial Development Organization (UNIDO)

## (2) Considerate customer service

### Customer privacy

Fulgent Sun strictly complies with customer contractual agreements and confidentiality commitments. It also respects and strives to protect customers' privacy and confidentiality. The products, technologies, and related information provided by customers are protected through the execution of confidentiality agreements with customers and suppliers.

Fulgent Sun ensures, through a rigorous control mechanism, that internal and external related personnel and manufacturers will have the "Strictly complying with customer contract agreements and confidentiality commitments" incorporated into the pre-job training courses for the new recruits and conducted related businesses in accordance with the ethical standards. It trains and manages employees systematically to comply with the requirement of confidentiality when dealing with customers. Under these control mechanisms, there have been no incidents of harm to the rights or interests of customers or suppliers resulting from privacy violations or the loss of customer or supplier information.

Control level	Control mechanism	Description of mechanism
Internal	Remote backup files	We regularly perform database restoration tests on our backed-up database files to ensure data security and simulate disaster drills (database restoration tests) to verify that our data backup system is operating effectively.
	Firewall access control (AC)	User access is limited to specific websites in order to minimize the risk of information leak and virus.
	USB control	By going through AD domain strategic control, USB is blocked from all the Company's internal computers, except for few users' USB in a read-only mode (only read, not write) in order to minimize the risk of viruses and leaks.
	Virus scan software	All computers are equipped with ESET anti-virus software with the virus database updated on a daily basis, and complete anti-virus scan on a monthly basis.
	Account management	The E-mail of resigning person will be deleted and the ERP access will be denied immediately upon his/her departure.
	ERP/mailbox setting permission	<ul style="list-style-type: none"> <li>E-mail is programmed to or not to receive and send external message according to the actual needs.</li> <li>Program, as needed, whether the user's mailbox can send and receive email on the group's external network.</li> </ul>
	Access card control	Interview before recruitment and review of background information in accordance with applicable laws, communicate the Company's access control and brand confidentiality requirements. A personal identification card for entering and exiting the Company premise is issued to each new recruit upon completing the reporting-to-duty procedure.

Control level	Control mechanism	Description of mechanism
Internal	External personnel access control	The access to the R&D Center is limited to the authorized personnel only. Unauthorized personnel who wish to access to the R&D Center shall file an application in advance to the responsible person for approval and then accompanied by the relevant personnel to enter the premise; also, no photographing nor recording is permitted throughout the tour.
External	DDOS attack protection	<ul style="list-style-type: none"> <li>The E-mail service is equipped with anti-brute-force attack protection and DDOS attack protection. The IP of the password that has been entered in error for 3 times will be automatically on the list in order to prevent DDOS attacks.</li> <li>Sangfor Taiwan Firewall Application Delivery (AD) virtual service utilizes session multiplexing to minimize the number of simultaneous connections and enhance attack resistance. Furthermore, only specific ports are opened to the Internet, avoiding exposure of all ports and enhancing overall information security protection.</li> </ul>
	External personnel access control	<ul style="list-style-type: none"> <li>External personnel shall state the reasons for the visit truthfully, and present a valid personal identification to exchange for the admission card. The mobile phone shall be placed in a transparent bag and it is intended for receiving incoming calls only.</li> <li>Visitors shall register brand and identity information truthfully, wear visitor badge, and be accompanied by the staff of the contact window to the designated office.</li> <li>We have signed confidentiality agreements with our brand customers to ensure information security and the interests of both parties.</li> </ul>

## Customer Health and Safety Certification/Verification

Fulgent Sun's products must pass RSL, GB, CPSIA, KC, SGS, CSA, ASTM, EN ISO, and other safety certifications prior to shipment. We have complied with the "Restricted Substances List (RSL)" specified by our customers to provide global customers with high-quality and environmentally friendly products. We ensure that all manufactured products comply with international health and safety norms by adopting strict procurement standards and strategies.

Fulgent Sun maintains regular communication with clients and undergoes relevant audits to ensure the effectiveness and safety of its raw materials. Regarding product quality management, we implement a rigorous raw material testing process to prevent the presence of substances prohibited by client specifications. If prohibited substances are discovered during subsequent incoming material inspections, procurement will be immediately suspended, the batch of materials will be quarantined, and production will be prohibited to prevent potential harm to human health or the environment.

Fulgent Sun is a member of the most authoritative British SATRA institution in the footwear industry with a certified laboratory in service. The services of the SATRA institution include footwear research and testing performed in accordance with international standards. Fulgent Sun classifies product quality in accordance with the SATRA standards, and checked whether the color, material, texture, and rules conform to the standard according to the material testing and sampling method in order to ensure that the quality of raw materials meets international requirements and customer expectations.

### (3) Supply chain management

We are guided by the principle of “Proficiency and diligence-oriented, cooperation with suppliers going for excellence, and becoming a trustworthy company to the customers and partners” to encourage our suppliers to refer to and follow the relevant ethics and human rights standards of Fulgent Sun, and provide dedicated and transparent grievance mechanisms in order to ensure sustainable and ethical management.

1. The “Supplier ESG Questionnaire” will be reviewed in the phase of review to ensure the sustainability of the supply chain; also, they will be informed of Fulgent Sun’s code of conduct in order to have their employees educated accordingly.
2. We will try to understand in-depth and evaluate suppliers’ practicing ethical corporate management and code of conduct through the “onsite audits” after having the contract signed.

#### **Conflict minerals management**

The mining of rare metals in the Democratic Republic of Congo and its surrounding regions has caused serious human rights and environmental problems; therefore, the ore resources mined in these regions are known as “conflict minerals.” As a global company, Fulgent Sun voluntarily complies with the “conflict minerals” regulations of the US Securities and Exchange Commission (SEC), and promises to investigate and disclose whether the products contain conflict minerals independently. Therefore, Fulgent Sun has the “Fulgent Sun Conflict Minerals Control Policy” formulated and works together with the suppliers to guarantee not to use the aforesaid “conflict minerals” by signing the “Declaration of Non-Use Conflict Minerals.” Fulgent Sun takes four steps to ensure complying with this international norm, including:

1. Define the scope of product and supplier: Audit suppliers.
2. Purchasing Department requires suppliers to investigate the country of origin: Provide the name of the smelter, audit and identify the origin of the minerals, and provide the third-party verified smelter’s certificate of mineral procurement.
3. Initiate a due diligence investigation: Based on the supplier’s response and traceability to verify whether the material contains conflict minerals.
4. The Inspection Unit is responsible for data preservation.

## Key Supplier Management/Audit

The key suppliers of Fulgent Sun include manufacturers and agents. In order to ensure that our partners can minimize the impact on the environment and society in the course of providing products and services, in addition to maintaining smooth communications, such as emails, telephone, and communication software, with suppliers regularly, we also require our major suppliers to provide the following ESG-related guarantees and self-evaluation forms in order to fulfill our commitment to sustainability jointly:

- Pass supplier evaluation and comply with supplier code of conduct.
- Comply with EU REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) and RSL regulations.
- Comply with the supply of goods, delivery time, service, and sustainability assessments.
- The company's ESG team follows up on suppliers' non-conformities and corrective actions to collaborate in improving quality.
- The company occasionally promotes relevant policies, including workplace hygiene, employee health, fire protection, carbon inventory, climate change, regulatory risks, occupational ethics, and conflict minerals.
- Regularly assess and monitor supplier ratings and require non-compliant suppliers to provide PDCA reports for improvement.

## Green Procurement Thinking/Achievements

To promote the sustainable and low-carbon transformation of the footwear industry, the green procurement thinking is adopted by all the factories of Fulgent Sun in the world. In addition to purchasing environmentally friendly, harmless, and non-toxic raw materials or semi-finished products, Fulgent Sun's factories also actively cooperate with local purchasing partners to implement local procurement of raw materials to minimize carbon emissions from transportation, fulfill the environmental responsibility of energy conservation and carbon reduction. This approach also directly reduces procurement costs and promotes local economic development.

Plant	Fujian Sunshine	Vietnam Fulgent Sun	Cambodia Sunbow
Local purchasing ratio	56.94%	44.28%	9.54%

Notes:

1. Each plant is to calculate the "total purchase amount from the country" to which the supplier belongs in accordance with the supplier list provided by Taiwan Headquarters.
2. Fulgent Sun's "local procurement" is the purchase amount from suppliers in the country. Fulgent Sun is a multinational group with a global procurement operated. Therefore, a local procurement represents the economic contribution to the country at where it operates.



## **7. Care for employees**



## 7. Care for employees

### (1) Manpower structure

#### **Staff Structure (Labor Relations)**

Fulgent Sun is committed to creating a respectful, inclusive, and supportive work environment to realize the comprehensive development of employees and the sustainable growth of the company. We regard the employees as the company's key stakeholders and important assets, and they are a key competitive factor for the company to move towards sustainable operations and excellence. Therefore, Fulgent Sun adheres to the concept and principle of "respecting human rights and caring for employees" to take care of the physical and mental health of employees through a reasonable remuneration and welfare mechanism, and by providing a healthy and safe working environment, so that employees can focus on their work and enjoy themselves at work.

Fulgent Sun strictly complies with the principle of no child labor, and particularly values the importance of diversity and equality of employees in all factories worldwide. It also provides foreign employees with equal and friendly remuneration and welfare mechanisms, and secures a safe and healthy working environment for them.

#### **Minimum notice period for operational changes**

Fulgent Sun adheres to the philosophy of people-orientation, and will treat all employees equally regardless of their positions or seniorities. A communication between labor and management will be conducted to confirm with a mutual consensus reached regarding the recruitment of new employees, prohibition or adjustment of promotion or demotion, and employee severance due to dissatisfactory performance evaluation. Initiate the job reassignment and severance notices and preliminary announcements in accordance with the Labor Standards Act:

1. A notice shall be issued 10 days in advance to the employee who has worked consecutively for more than 3 months but less than 1 year.
2. A notice shall be issued 20 days in advance to the employee who has worked consecutively for more than 1 year but less than 3 years.
3. A notice shall be issued 30 days in advance to the employee who has worked consecutively for more than 3 years.

We have job reassignment processed in compliance with the five principles:

1. It is necessary for business operations without an improper motive or purpose. However, if it is otherwise stipulated by law, the law shall prevail.
2. No adverse changes are made to workers' wages and other working conditions.
3. The reassigned job responsibilities are not beyond the physical and technical competence of the worker.
4. The employer shall provide necessary assistance to the reassigned worker if the work location is too far away from home.
5. Take into consideration the living interests of workers and their families into consideration.



## Employee communication

We have established and provided a variety of “labor-management communication” channels to actively listen and respond to the employees. We have also specifically implemented response measures and system optimization, continuously enhanced the employee care system, and promoted harmonious and stable cooperative relationships through the “employee proposal improvement system.”

Item	Taiwan	Other plants
Communication frequency	Once every quarter (regularly)	Occasionally
Communication channel	In addition to employee opinion box, employees can communicate or complain in writing, by QR code scanning, telephone hotline, or face-to-face. Also, Labor-management meetings will be held regularly to protect employees’ rights and obligations.	In addition to employee opinion box, employees can communicate or complain by “in writing, QR Code scanning, telephone hotline, or face-to-face” to protect their rights and obligations.

## 1. Staff structure

### (1) Taiwan Headquarters

Item	Type	Male (persons)	Female (persons)	Total (persons)
Contract	Full-time job (non-term contract)	22	139	161
	Temporary (term contract)	-	-	-
Nationality	Native country	22	139	161
	Foreign nationality	-	-	-
Employment Status	Full-time	22	139	161
	Part-time (including working students)	-	-	-

### (2) Fujian Sunshine

Item	Type	Male (persons)	Female (persons)	Total (persons)
Contract	Full-time job (non-term contract)	584	1,243	1,827
	Temporary (term contract)	-	-	-
Nationality	Native country	584	1,243	1,827
	Foreign nationality	-	-	-
Employment Status	Full-time	584	1,243	1,827
	Part-time (including working students)	-	-	-

### (3) Vietnam Fulgent Sun

Item	Type	Male (persons)	Female (persons)	Total (persons)
Contract	Full-time job (non-term contract)	2,353	6,335	8,688
	Temporary (term contract)	28	36	64
Nationality	Native country	2,310	6,329	8,639
	Foreign nationality	71	42	113
Employment Status	Full-time	2,381	6,371	8,752
	Part-time (including working students)	-	-	-

### (4) Cambodia Sunbow

Item	Type	Male (persons)	Female (persons)	Total (persons)
Contract	Full-time job (non-term contract)	1,122	3,583	4,705
	Temporary (term contract)	1,019	2,502	3,521
Nationality	Native country	2,101	6,039	8,140
	Foreign nationality	40	46	86
Employment Status	Full-time	2,141	6,085	8,226
	Part-time (including working students)	-	-	-

Note: For the statistical data in columns (1) ~ (4), “Nationality of native country” is based on the country where the “operating base” is located.

## 2. Employee diversity (equality with employees)

### Anti-discrimination

Fulgent Sun adheres to the concept of sustainable development, applies the highest standards to itself, fulfills the company's commitment to protecting labor rights through actions, and ensures that every employee works and grows in a safe, fair, and harmonious environment.

We strive to provide employees with a safe, healthy and comfortable working environment. Fulgent Sun, as a multinational enterprise, strictly complies with the laws and regulations of the countries where we operate, and actively protects labor rights and equal employment opportunities.

In terms of system design, we value diversity of employees and ensure fairness in remuneration and job promotions. We promise not to treat employees differently or exercise discrimination in any form against them based on the factors of gender, race, age, marital status, language, thought, religion, political inclination, appearance and features, physical or mental disabilities, etc., or any other situation protected by applicable laws and regulations.

#### (1) Taiwan Headquarters

Item	Type	Male (persons)	Male (%)	Female (persons)	Female (%)	Total (persons)	Total (%)
All employees	Total number of employees	22	13.66	139	86.34	161	100.00
	Under age 29	7	4.35	58	36.03	-	-
	Age 30~50	9	5.58	74	45.96	-	-
	Over age 51	6	3.73	7	4.35	-	-
Highest Governance Body	Total number of employees	5	3.11	3	1.86	8	4.97
	Over age 51	5	-	3	-	-	-
Senior Executive	Total number of employees	1	0.62	6	3.73	7	4.35
	Age 30~50	1	-	5	-	-	-
	Over age 51	-	-	1	-	-	-
Mid-Level Executive	Total number of employees	1	0.62	16	9.94	17	10.56
	Under age 29	1	-	1	-	-	-
	Age 30~50	-	-	15	-	-	-
Indirect Labor (IDL)	Total number of employees	15	9.31	114	70.81	129	80.12
	Under age 29	6	-	57	-	-	-
	Age 30~50	8	-	54	-	-	-
	Over age 51	1	-	3	-	-	-
Aboriginal people		-	-	-	-	-	-
People with physical or mental disabilities		-	-	-	-	2	1.24

Note: There is no direct labor (DL) in the Taiwan headquarters.

## (2) Fujian Sunshine

Item	Type	Male (persons)	Male (%)	Female (persons)	Female (%)	Total (persons)	Total (%)
All employees	Total number of employees	584	31.96	1,243	68.04	1,827	100.00
	Under age 29	56	3.07	85	4.66	-	-
	Age 30~50	320	17.51	748	40.94	-	-
	Over age 51	208	11.38	410	22.44	-	-
Senior Executive	Total number of employees	10	0.55	20	1.09	30	1.64
	Age 30~50	8	-	19	-	-	-
	Over age 51	2	-	1	-	-	-
Mid-Level Executive	Total number of employees	22	1.20	47	2.58	69	3.78
	Age 30~50	17	-	47	-	-	-
	Over age 51	5	-	-	-	-	-
Direct Labor (DL)	Total number of employees	307	16.80	637	34.87	944	51.67
	Under age 29	7	-	9	-	-	-
	Age 30~50	166	-	292	-	-	-
	Over age 51	134	-	336	-	-	-
Indirect Labor (IDL)	Total number of employees	245	13.41	539	29.50	784	42.91
	Under age 29	49	-	76	-	-	-
	Age 30~50	129	-	390	-	-	-
	Over age 51	67	-	73	-	-	-
Aboriginal people		-	-	-	-	-	-
People with physical or mental disabilities		-	-	-	-	4	0.22

### (3) Vietnam Fulgent Sun

Item	Type	Male (persons)	Male (%)	Female (persons)	Female (%)	Total (persons)	Total (%)
All employees	Total number of employees	2,385	27.25	6,367	72.75	8,752	100.00
	Under age 29	1,076	12.29	1,298	14.83	-	-
	Age 30~50	1,263	14.43	4,652	53.15	-	-
	Over age 51	46	0.53	417	4.77	-	-
Senior Executive	Total number of employees	13	0.15	28	0.32	41	0.47
	Age 30~50	10	-	28	-	-	-
	Over age 51	3	-	-	-	-	-
Mid-Level Executive	Total number of employees	21	0.24	79	0.90	100	1.14
	Under age 29	2	-	1	-	-	-
	Age 30~50	18	-	78	-	-	-
	Over age 51	1	-	-	-	-	-
Direct Labor (DL)	Total number of employees	2,029	23.18	5,862	66.98	7,891	90.16
	Under age 29	981	-	1,139	-	-	-
	Age 30~50	1,020	-	4,325	-	-	-
	Over age 51	28	-	398	-	-	-
Indirect Labor (IDL)	Total number of employees	322	3.68	398	4.55	720	8.23
	Under age 29	93	-	158	-	-	-
	Age 30~50	215	-	221	-	-	-
	Over age 51	14	-	19	-	-	-
Aboriginal people		-	-	-	-	-	-
People with physical or mental disabilities		-	-	-	-	-	-

#### (4) Cambodia Sunbow

Item	Type	Male (persons)	Male (%)	Female (persons)	Female (%)	Total (persons)	Total (%)
All employees	Total number of employees	2,141	26.03	6,085	73.97	8,226	100.00
	Under age 29	1,088	13.23	2,445	29.72	-	-
	Age 30~50	1,025	12.46	3,444	41.87	-	-
	Over age 51	28	0.34	196	2.38	-	-
Senior Executive	Total number of employees	12	0.15	22	0.26	34	0.41
	Under age 29	3	-	3	-	-	-
	Age 30~50	9	-	19	-	-	-
Mid-level Executive	Total number of employees	208	2.53	360	4.38	568	6.91
	Under age 29	89	-	221	-	-	-
	Age 30~50	119	-	139	-	-	-
Direct Labor (DL)	Total number of employees	1,643	19.97	5,428	65.99	7,071	85.96
	Under age 29	852	-	2,036	-	-	-
	Age 30~50	775	-	3,205	-	-	-
	Over age 51	16	-	187	-	-	-
Indirect Labor (IDL)	Total number of employees	278	3.38	275	3.34	553	6.72
	Under age 29	144	-	185	-	-	-
	Age 30~50	122	-	81	-	-	-
	Over age 51	12	-	9	-	-	-
Aboriginal people		-	-	-	-	-	-
People with physical or mental disabilities		-	-	-	-	-	-

Note: Fulgent Sun's staff ranking shown in column (1) ~ (4):

- A. Advanced: Junior VP and up
- B. Intermediate: Manager/Assistant Manager
- C. General staff:
  - DL: Employees who are actually engaging in product production/production line.
  - IDL: Employees who are not actually engaging in production line (staff, clerks, administrators, factory managers, and employees who are not involved in the production line).

### 3. New recruits / resigned staff

#### (1) Taiwan Headquarters

Item	Type	Male (persons)	Male (%)	Female (persons)	Female (%)	Total (persons)	Total (%)
Total number of employees: 161							
New recruits	Under age 29	2	1.24	19	11.80	21	13.04
	Age 30~50	2	1.24	12	7.46	14	8.70
	Subtotal of new recruits	4	2.48	31	19.26	35	21.74
Resigned employees	Under age 29	4	2.48	27	16.77	31	19.25
	Age 30~50	1	0.62	15	9.32	16	9.94
	Subtotal of resigned employees	5	3.10	42	26.09	47	29.19

#### (2) Fujian Sunshine

Item	Type	Male (persons)	Male (%)	Female (persons)	Female (%)	Total (persons)	Total (%)
Total number of employees: 1,827							
New recruits	Under age 29	32	1.75	36	1.97	68	3.72
	Age 30~50	21	1.15	31	1.70	52	2.85
	Over age 51	10	0.55	50	2.73	60	3.28
	Subtotal of new recruits	63	3.45	117	6.40	180	9.85
Resigned employees	Under age 29	75	4.10	60	3.29	135	7.39
	Age 30~50	90	4.93	117	6.40	207	11.33
	Over age 51	54	2.96	114	6.24	168	9.20
	Subtotal of resigned employees	219	11.99	291	15.93	510	27.92

### (3) Vietnam Fulgent Sun

Item	Type	Male (persons)	Male (%)	Female (persons)	Female (%)	Total (persons)	Total (%)
Total number of employees: 8,752							
New recruits	Under age 29	823	9.40	685	7.83	1,508	17.23
	Age 30~50	494	5.65	641	7.32	1,135	12.97
	Over age 51	15	0.17	48	0.55	63	0.72
	Subtotal of new recruits	1,332	15.22	1,374	15.70	2,706	30.92
Resigned employees	Under age 29	1,038	11.86	891	10.18	1,929	22.04
	Age 30~50	603	6.89	1,013	11.58	1,616	18.47
	Over age 51	12	0.14	52	0.59	64	0.73
	Subtotal of resigned employees	1,653	18.89	1,956	22.35	3,609	41.24

### (4) Cambodia Sunbow

Item	Type	Male (persons)	Male (%)	Female (persons)	Female (%)	Total (persons)	Total (%)
Total number of employees: 8,226							
New recruits	Under age 29	494	6.00	837	10.18	1,331	16.18
	Age 30~50	280	3.41	803	9.76	1,083	13.17
	Over age 51	2	0.02	2	0.02	4	0.04
	Subtotal of new recruits	776	9.43	1,642	19.96	2,418	29.39
Resigned employees	Under age 29	360	4.38	1,142	13.88	1,502	18.26
	Age 30~50	276	3.36	1,072	13.03	1,348	16.39
	Over age 51	8	0.09	39	0.48	47	0.57
	Subtotal of resigned employees	644	7.83	2,253	27.39	2,897	35.22



#### 4. Non-employee worker

There are 27 “non-employee workers” working for Fulgent Sun (based on the number of employees at the end of the reporting period).

Item	Description
Most common types of workers	Security staff and cleaning crew
Contractual relationship with the company	Sign contracts with security companies and cleaning companies
Type of work performed	Security and cleaning

#### 5. Prohibition of child labor

Fulgent Sun is committed to creating a safe and inclusive working environment and strictly prohibits the employment of child labor in all factories worldwide. We have formulated a “Child Labor Prevention Policy” with the child labor prevention mechanism formulated to ensure that our employment practice complies with the standards of the International Labor Organization (ILO) and the requirements of local laws and regulations.

All underage workers must be interviewed in the recruitment process at Fulgent Sun; also, their legitimate ID documents must be provided and checked to confirm whether they meet the minimum age requirement of the local law. All underage workers who are employed by mistake by Fulgent Sun should be handled in accordance with the “Child Labor Remedy Procedures.” We will have the child labor information established, recorded, and retained in accordance with the “Procedures,” and provide them with necessary financial support and education to help them receive school education until they reach the statutory age, and to fulfill the social responsibilities of an enterprise.

## (2) Rewards and benefits

### 1. Employee remuneration and benefits

Fulgent Sun strives to provide employees with rewards and remunerations that comply with local labor law, including minimum wages, overtime pay, and statutory benefits. Fulgent Sun has salaries determined according to the factors of the employees' educational background, skills, seniority, and work experience. Fulgent Sun has wages paid in compliance with all applicable regulations; also, employees are paid overtime at a rate higher than standard hourly rate.

Also, Fulgent Sun adheres to the principle of gender equality to ensures that all employees enjoy equal pay for equal work, regardless of gender, race, religion, political stance, marital status, or membership of a union and social group. In addition to labor insurance, health insurance, pension, and parental leave as required by laws and regulations, Fulgent Sun also provides employees with diversified benefits, including group insurance and other measures to promote labor-management harmony, to improve the overall well-being of employees, and to demonstrate the company's commitment to human rights and employee care.

Plant	Benefits
Taiwan Headquarters	<ul style="list-style-type: none"> <li>• A reasonable salary system should be adjusted in accordance with the annual performance valuation.</li> <li>• Entitled to labor insurance and health insurance, 6% allocation of the new labor retirement system, and group insurance.</li> <li>• Arrange various educational trainings as needed.</li> <li>• Organize events occasionally to enhance friendship with colleagues.</li> <li>• Gifts for Mid-Autumn Festival, Labor Day (NT\$ 2,000 gift certificates or equivalent gifts for employees with 3 months or more seniority), year-end bonuses, subsidies for weddings and funerals, etc.</li> <li>• Provide officers with health examinations.</li> <li>• Employee-only parking lot and employee restaurant.</li> </ul>
Fujian Sunshine	<ul style="list-style-type: none"> <li>• Salary system: (See salary in the "Labor Rules")</li> <li>• Meals: Subsidies provided for the canteen; employees pay only CNY 7 for three meals per day.</li> <li>• Accommodation: Free accommodation.</li> <li>• Transportation: See the "Business Trip Expense Rules."</li> <li>• Entertainment: Staff travel allowance for CNY 150 per person; excellent staff travel; a large-scale event every year; yearend party; Women's Day, Labor Day, Mid-Autumn Festival, and Chinese New Year Holidays.</li> <li>• Insurance: Obtain insurance coverage lawfully for employees at the right age and obtain commercial insurance coverage for overaged employees.</li> <li>• Others: Physical examination before reporting to duty, physical examination for employees responsible for special job duty, female health examination, and employee birthday prize money.</li> </ul>

Plant	Benefits
Vietnam Fulgent Sun	<ul style="list-style-type: none"> <li>• Birthday gifts for Vietnamese employees.</li> <li>• Organize team building occasionally.</li> <li>• Provide room and board to overseas officers.</li> <li>• Provide overseas officers with round-trip airplane tickets.</li> </ul>
Cambodia Sunbow	<ul style="list-style-type: none"> <li>• A defined salary system (same as stated in the “Labor Rules”) with two performance evaluations every year and a smooth promotion channel arranged.</li> <li>• Monthly meal allowance for Cambodian employees.</li> <li>• Monthly transportation allowance for Cambodian employees.</li> <li>• Subsidize Cambodian employees to enjoy the national medical insurance NSSF.</li> <li>• Organize dinner parties occasionally.</li> <li>• Shuttle transportation to and from Phnom Penh downtown on holidays.</li> <li>• Provide room and board to overseas officers.</li> <li>• Provide overseas officers with round-trip airplane tickets.</li> </ul>
Group factories	<ul style="list-style-type: none"> <li>• The company trains and promotes employees in a timely manner and supports their career development and advancement.</li> <li>• Employees are entitled to annual leave each year to promote physical and mental health and work-life balance.</li> <li>• Select the employees of the year for commendation.</li> <li>• Reward the employees with outstanding achievements in production in order to inspire and encourage employees’ enthusiasm.</li> <li>• Fulgent Sun regularly pays social insurance for employees in accordance with the regulations of the countries where each subsidiary operates.</li> <li>• There are comprehensive living and entertainment facilities, such as staff dormitories, sports venues, cultural activity centers, etc., in each factory to provide employees with a comfortable and pleasant working and living environment.</li> </ul>

## Employee retirement

Each business site of Fulgent Sun has formulated and implemented an employee retirement system in accordance with local laws. Both the Taiwan headquarters and overseas business sites have retirement funds or pension insurance appropriated regularly at the statutory ratio with the corresponding costs recognized to enhance the basic protection for employees’ retirement life provided by the company.

Taiwan headquarters has established a defined pension contribution method based on the “Labor Pension Act” for the benefit of the Taiwanese employees. For employees who choose to participate in the new pension system established by the Act, Taiwan headquarters will contribute 6% of their salary monthly to their individual account at the Bureau of Labor Insurance. Pensions will be paid monthly or in a lump sum based on the accumulated balance and earnings in the individual account. The Taiwan headquarters had recognized pension costs of NT\$7.03 million under the aforementioned pension system in 2024.

Fujian Sunshin contributes pension for an amount equivalent to 16% to 18% of local employees' total salaries on a monthly basis in accordance with the pension insurance system mandated by the People's Republic of China. Pension funds are managed by the government. Fujian Sunshin had recognized pension expense for an amount of NT\$41.05 million in 2024 in accordance with the aforementioned pension system.

Vietnam Fulgent Sun contributes pension fund for an amount equivalent to a certain percentage of its employees' total wages on a monthly basis in compliance with local government regulations, which is remitted to the governing authorities. Vietnam Fulgent Sun recognized pension costs for an amount of NT\$110.07 million in accordance with the aforementioned pension system in 2024.

Cambodia Sunbow regularly contributes pension fund for an amount equivalent to a percentage of gross payroll to the National Social Security Pension Fund in accordance with local regulations, which is remitted to the governing authorities. Cambodia Sunbow recognized pension costs for an amount of NT\$17.83 million in accordance with the aforementioned pension system in 2024.

### Full-time (annual) salary of non-supervisory employees

Item	2023	2024	Compared to the previous year
Average salary of full-time employees	NT\$580,000	NT\$560,000	2023 : 2024 = 1.04 : 1
Median salary of full-time employee	NT\$480,000	NT\$510,000	2023 : 2024 = 0.94 : 1

### Ratio of basic salary and remuneration of women to men

Area	Rank	Average salary ratio – Female : Male	Average remuneration ratio – Female : Male
Taiwan Headquarters	Senior Executive	1 : 1.06	1 : 1.04
	Mid-level Executive	1 : 0.85	1 : 0.80
	Indirect Labor (IDL)	1 : 1.11	1 : 1.09
Fujian Sunshine	Senior Executive	1 : 0.87	1 : 0.87
	Mid-level Executive	1 : 0.91	1 : 0.92
	Direct Labor (DL)	1 : 0.80	1 : 0.81
	Indirect Labor (IDL)	1 : 0.95	1 : 0.95
Vietnam Fulgent Sun	Senior Executive	1 : 2.32	1 : 1.66
	Mid-level Executive	1 : 1.63	1 : 1.61
	Direct Labor (DL)	1 : 0.80	1 : 0.80
	Indirect Labor (IDL)	1 : 0.97	1 : 0.97

Area	Rank	Average salary ratio – Female : Male	Average remuneration ratio – Female : Male
Cambodia Sunbow	Senior Executive	1 : 0.77	1 : 0.74
	Mid-level Executive	1 : 1.00	1 : 0.89
	Direct Labor (DL)	1 : 0.30	1 : 0.29
	Indirect Labor (IDL)	1 : 0.55	1 : 0.54

Note: There are no direct labor (DL) in Taiwan headquarters.

## Annual total remuneration ratio

Item	Increase / Decrease ratio
Total annual remuneration of the “highest paid employees” (A)	3.84%
Annual “Median of total remuneration” of “all employees” (excluding the highest paid employee) (B)	6.79%
Annual “Total remuneration ratio” (A/B)	56.55%

## 2. Parental leave

### Taiwan headquarters

Year	Type	Male	Female	Total
2024	Number of people eligible for parental leave (A)	1 person	10 persons	11 persons
	Actual number of applicants for parental leave (B)	-	8 persons	8 persons
	Parental leave application rate (B/A)	-	80.00%	72.73%
	Number of employees who should be reinstated (C)	-	1 person	1 person
	Number of employees reinstated (D)	-	1 person	1 person
	Reinstatement rate (D/C)	-	100.00%	100.00%
2023	Total number of reinstated employees (E)	-	5 persons	5 persons
	Number of people who have completed one year of service after reinstatement in 2023 (F)	-	4 persons	4 persons
	Retention rate (F/E)	-	80.00%	80.00%

Note:

- (1) The number of employees eligible for applying for parental leave in 2024 is calculated based on the number of employees who have taken maternity leave and paternity leave within the last three years (2022-2024).
- (2) The number of persons who should be reinstated in 2024 includes those who applied in 2022 and should be reinstated in 2024, those who applied in 2023 and should be reinstated in 2024, and those who applied in 2024 and should be reinstated in 2024.
- (3) The number of persons reinstated in 2024 includes those who applied in 2022 and were reinstated in 2024, those who applied in 2023 and were reinstated in 2024, and those who applied in 2024 and were reinstated in 2024.
- (4) Reinstatement rate in 2024 = number of employees reinstated in 2024 / number of employees expected to be reinstated in 2024.
- (5) Retention rate in 2023 = number of employees who continue to work for one year after reinstatement in 2023 / total number of employees who were reinstated in 2023.
- (6) Fujian Sunshine, Vietnam Fulgent Sun, and Cambodia Sunbow do not have a parental leave system.

### 3. Remuneration and benefits

Fulgent Sun will review the remuneration of directors and senior managers in a timely manner based on their participation in the company's operations and the value of their contributions in accordance with the provisions of the company's articles of incorporation and the operations of the board of directors and the remuneration committee; also, minimize the possibility and correlation of future risks to have the company's sustainable operation and risk control balanced.

Item	Board of Directors	Senior Managers
Fixed salary and variable salary	<ol style="list-style-type: none"> <li>(1) Fulgent Sun shall appropriate no more than 3% of the earnings, if any, as directors' remuneration in accordance with the provisions of the Company Act and Article 34 of the company's Articles of Incorporation. However, an amount equivalent to the accumulated losses, if any, should be reserved to make up for it.</li> <li>(2) The actual distribution ratio and amount of directors' remuneration shall be resolved by the board of directors and reported to the shareholders' meeting. Independent directors receive fixed remuneration.</li> <li>(3) The board directors have the procedures for directors' remuneration stipulated based on the evaluation results of Fulgent Sun's "Rules for of Board of Directors." In addition to evaluating the company's overall operating performance, future industry operating risks, and development trends, it also covers the aspects of the alignment of the goals and mission of the company, awareness of the duties of a director, degree of participation in the operation of the company, internal relationship management and communication, directors' professional and continuing education, internal control, etc. that are all included in the</li> </ol>	<ol style="list-style-type: none"> <li>(1) Fulgent Sun shall appropriate 0.1%~3% of the earnings, if any, as employees' remuneration in accordance with the provisions of the Company Act and Article 34 of the company's Articles of Incorporation. However, an amount equivalent to the accumulated losses, if any, should be reserved to make up for it.</li> <li>(2) Employee remuneration shall be paid in the form of stocks or cash. The actual distribution ratio, amount, and number of shares shall be resolved by the board of directors with the consent of the majority present in the board meeting that is attended by more than two-thirds of the directors; also, it shall be reported to the shareholders' meeting.</li> <li>(3) The remuneration of the President, Vice President, and Managerial Officers is determined by the company based on the overall operating performance, referring to the relevant industry standards and the company's operating performance. The payment standards, structure, and system for the President, Vice President, and Managerial Officers will be reviewed and adjusted in a timely manner based on actual operating conditions and changes in relevant laws and regulations. It is mainly determined based on job responsibilities, personal performance achievement rate, and contribution to the company's performance, as well as the macroeconomy, business environment risks, market standards, and other factors. The remuneration for job performance is correlated to the company's operating performance.</li> </ol>

Item	Board of Directors	Senior Managers
	performance evaluation with reasonable remuneration offered. Relevant performance evaluation and remuneration rationality are all subject to the review and approval of the remuneration committee and the board of directors. The remuneration system shall be reviewed in a timely manner based on actual operating conditions and relevant laws and regulations at any time to have the company's sustainable operations and risk control balanced.	(4) The company for motivating senior managers, outstanding key professionals, and all employees to focus on long-term comprehensive performance and achieve sustainable business goals has incorporated sustainable development strategies into the incentive mechanism for general managers and senior managers, and sets "sustainable development performance" accounted for 15% in rating, covering green product innovation, sustainable responsible procurement, low-carbon manufacturing transformation, occupational safety and health, and other related sustainability issues.
Contract signing bonus or recruiting bonus	None	
Severance pays	There is a fiduciary relationship between the board members and the company without the considerations of severance pay / pension / compensation determined.	The pension for senior managers who are subject to a labor-employer relationship shall be calculated in accordance with the relevant provisions of the Labor Standards Act.
Remuneration Clawback Policy	None	
Retirement benefits	None	The pension for senior managers who are subject to a labor-employer relationship shall be calculated in accordance with the relevant provisions of the Labor Standards Act or the Retirement Plan of Fulgent Sun just like other employees of Fulgent Sun.

### (3) Comply with human rights norms

#### Human Rights Policy/Training

Fulgent Sun is committed to constructing a fair, respectful, and inclusive working environment. Our mission is to ensure that all our employees can work in a safe, healthy, and dignified environment through regular training and supervision mechanisms.

We respect and support international human rights-related norms, comply with the laws and regulations of the countries where it operates, and strives to protect the labor rights and interests of employees. Fulgent Sun is determined to ban all forced or compulsory labor in any form and do not employ any child labor. All employees of ours work voluntarily and are free to have their employment relationship with Fulgent Sun terminated by issuing a reasonable notice.

In addition, harassment and cruel treatment of any kind and form are prohibited in all factories of Fulgent Sun worldwide, including sexual harassment, abuse, slavery, physical punishment, threats, exploitation, physical or psychological pressure, or verbal abuse. We have employees employed based on the factor of their functionality. In addition, training, promotion, severance, and retirement of employees will not be handled differently or discriminately because of race, religion, color, nationality, age, and gender.

#### Fulgent Sun's Human Rights Policies and Commitments

Item	Description
The internationally recognized human rights items included in the policy commitments.	Anti-discrimination, gender equality, freedom of association, collective negotiation, forced labor, etc.
The types of stakeholders specially included in the policy commitments, including high-risk or vulnerable groups.	Employees, women, and physical and mental disabilities

Item	2024
Number of employees covered by the group agreement	17,231 persons
Total number of employees	18,966 persons
Percentage of coverage	90.85%



## (4) Staff training and development

### 1. Staff education and training

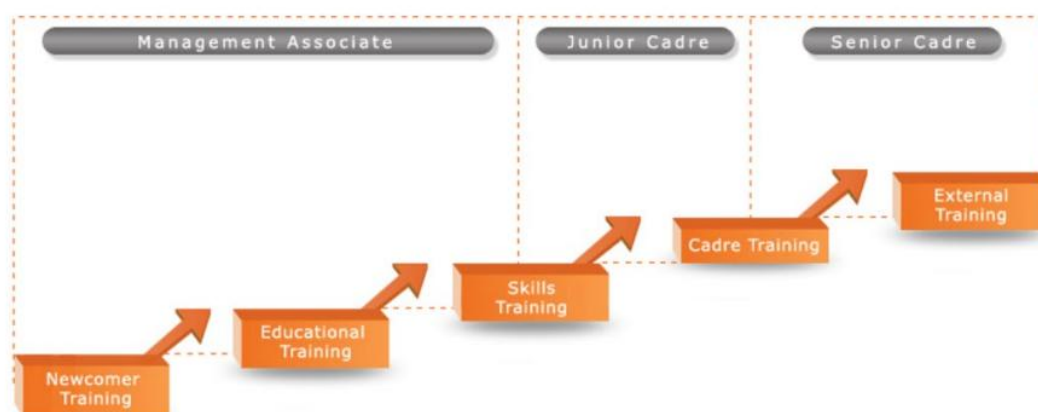
Fulgent Sun values the importance of each employee's career development. In addition to providing a quality and safe working environment, Fulgent Sun also plans a progressive and perfect training system, helps employees build up a diverse and quality learning opportunity, and enhances the competitiveness of employees and the Company.

In terms of employee training, Fulgent Sun provides job orientations to all employees, and plans different training structures according to the needs of new recruits, general employees, and technical employees. In order to expand career development opportunities, we, through continuous optimization of training plans, provide targeted training courses in accordance with the job responsibility and rank of employees.

In terms of diversity, experts, lectures of consulting companies, and professors are invited occasionally by Fulgent Sun to talk and share experience on specific subjects. External professional training opportunities are provided as needed to improve employees' personal competence and professional skills, and to enhance the overall competitiveness and general competence of all employees.

For the sake of motivating employees' work performance and promoting fair and reasonable promotions, rewards, and punishments, we have a clear performance evaluation and salary system formulated. New recruits will be evaluated for the first time after the probationary period, and the remaining personnel will undergo a regular performance evaluation at the end of each year. Fulgent Sun's employees completed 100% of the regular performance evaluation in 2024 and those participants were formal employees who had passed the probationary evaluation in 2024 and had a seniority of more than 90 days (inclusive).

#### All Directional Training System



#### Career Development Planning



**Education and training results**  
**(1) Taiwan Headquarters**  
**The Company taking as a whole**

Item	Male	Female	Total
Total training hours	102 hours	375.5 hours	477.5 hours
Total number of employees	15 persons	123 persons	138 persons
Total average training hours	6.80 hour/person	3.05 hour/person	3.46 hour/person

**All ranks**

Ranks	Item	Male	Female
Highest Governance Body	Training hours	64 hours	18 hours
	Total number of employees	5 persons	3 persons
	Average training hours	12.80 hour/person	6.00 hour/person
Senior Executive	Training hours	16 hours	39 hours
	Total number of employees	3 persons	12 persons
	Average training hours	5.33 hour/person	3.25 hour/person
Mid-Level Executive	Training hours	2 hours	87 hours
	Total number of employees	1 person	35 persons
	Average training hours	2 hour/person	2.49 hour/person
Indirect Labor (IDL)	Training hours	20.00 hours	231.50 hours
	Total number of employees	6 persons	73 persons
	Average training hours	3.33 hour/person	3.17 hour/person

Note: There are no direct labor (DL) at the Taiwan headquarters.

## (2) Fujian Sunshine

### The Company taking as a whole

Item	Male	Female	Total
Total training hours	3,432.5 hours	7,107.9 hours	10,540.4 hours
Total number of employees	335 persons	634 persons	969 persons
Total average training hours	10.25 hour/person	11.21 hour/person	10.88 hour/person

### Ranks

Ranks	Item	Male	Female
Senior Executive	Training hours	51 hours	221.5 hours
	Total number of employees	3 persons	12 persons
	Average training hours	17.00 hour/person	18.46 hour/person
Mid-Level Executive	Training hours	143 hours	708.2 hours
	Total number of employees	7 persons	36 persons
	Average training hours	20.43 hour/person	19.67 hour/person
Direct Labor (DL)	Training hours	680 hours	904 hours
	Total number of employees	170 persons	226 persons
	Average training hours	4.00 hour/person	4.00 hour/person
Indirect Labor (IDL)	Training hours	2,558.5 hours	5,274.2 hours
	Total number of employees	155 persons	360 persons
	Average training hours	16.51 hour/person	14.65 hour/person

### (3) Vietnam Fulgent Sun

#### The Company taking as a whole

Item	Male	Female	Total
Total training hours	20,739.5 hours	35,105.5 hours	55,845 hours
Total number of employees	3,096 persons	5,345 persons	8,441 persons
Total average training hours	6.70 hour/person	6.57 hour/person	6.62 hour/person

#### Ranks

Ranks	Item	Male	Female
Senior Executive	Training hours	80 hours	106 hours
	Total number of employees	22 persons	34 persons
	Average training hours	3.64 hour/person	3.12 hour/person
Mid-Level Executive	Training hours	1,461.5 hours	3,727.5 hours
	Total number of employees	218 persons	485 persons
	Average training hours	6.70 hour/person	7.69 hour/person
Direct Labor (DL)	Training hours	17,904 hours	28,974 hours
	Total number of employees	2,665 persons	4,516 persons
	Average training hours	6.72 hour/person	6.42 hour/person
Indirect Labor (IDL)	Training hours	1,294 hours	2,298 hours
	Total number of employees	191 persons	310 persons
	Average training hours	6.77 hour/person	7.41 hour/person

#### (4) Cambodia Sunbow

##### The Company taking as a whole

Item	Male	Female	Total
Total training hours	3,330 hours	8,315 hours	11,645 hours
Total number of employees	2,145 persons	6,770 persons	8,915 persons
Total average training hours	1.55 hour/person	1.23 hour/person	1.31 hour/person

##### Ranks

Ranks	Total	Male	Female
Senior Executive	Training hours	198 hours	114 hours
	Total number of employees	12 persons	10 persons
	Average training hours	16.50 hour/person	11.40 hour/person
Mid-Level Executive	Training hours	1,067 hours	1,521 hours
	Total number of employees	68 persons	80 persons
	Average training hours	15.69 hour/person	19.01 hour/person
Direct Labor (DL)	Training hours	1,687 hours	6,205 hours
	Total number of employees	1,687 persons	6,205 persons
	Average training hours	1.00 hour/person	1.00 hour/person
Indirect Labor (IDL)	Training hours	378 hours	475 hours
	Total number of employees	378 persons	475 persons
	Average training hours	1.00 hour/person	1.00 hour/person

## 2. Employee training plan/program

Fulgent Sun expects all employees to achieve growth and development in life and career. We will plan appropriate training programs according to the manpower needed at all levels that allows employees to grow and increase their self-value through learning and making contribution continuously.

### Case study

Staff education and training case	Description
Shoemaking courses	<p>The shoemaking process is complicated. In order to help the sales and purchasing departments better understand our business operations, shoemaking courses are arranged to help enhance employees' understanding of the work process and the connection to their respective operations. The senior supervisors from each factory are the designated instructors for this course. The teaching materials related to the current front- and back-end processes of the factory are prepared and provided to the colleagues of the office units and on-site units to understand the actual operation status. The company will have different production technologies and operation models made as technology advanced and customers' demands changed in response to differences in time and markets.</p> <p>Shoemaking courses help all employees understand the execution processes and efforts of each unit, as well as the difference in the front-end and back-end operations, which can also help everyone understand the shoemaking industry and increase empathy for one another and smooth communication between employees.</p>
HFIVE training	Based on the Group's core values of "Harmony & Faithfulness, Velocity, Excellence, Innovation," integrate the business topic, select outstanding employees, and carry out outdoor development training on communication, anger management, teamwork, and other tasks to stimulate employees' thinking ability.
Workplace Sharing Session	Focus on orienteering topic, such as "efficient communication," to share workplace experience with different departments.
Parent-children education sharing session	Focus on the topic of "Parents-Children Accompanying and Sharing" to invite dozens of employees who are parents to talk about this topic and to interact and share the essence of harmonious parent-child relationships. We hope for our employees to develop steadily at work while enjoying a wonderful parent-child relationship at home!
Safety education and training	<p>The company continues to implement a comprehensive and systematic safety education and training program to ensure that employees perform their duties in a safe and secure working environment. The contents of the training program cover occupational safety and health regulations, job risk identification and prevention measures, fire drills, environmental safety regulations, etc.</p> <p>The company arranges professional skills and practical operation courses for on-site work areas and special operations to ensure that relevant personnel have the necessary safety knowledge and operational capabilities. The company also regularly reviews the effectiveness of training to reduce occupational accident risks and enhance the overall workplace safety culture.</p>

### 3. Training and career development

#### Factory skills training plan and career capacity development training program

Each factory and each department independently arrange skills training based on actual needs to ensure that employees can adapt to and master the latest technologies and work processes.

The company currently helps the colleagues grow and advance continuously through diverse learning channels, including new recruit orientation, internal and external professional development training, and supervisor training; also, gradually plans a comprehensive career development direction for them. A total of 18,463 employees completed career training, totaling 78,507.9 hours, in 2024.

#### Board of Directors and Senior Manager Training

In terms of succession planning, the board of directors of Fulgent Sun has a series of comprehensive measures formulated to cultivate senior managers for their joining the board of directors and to help them get familiar with the operations of the board of directors and the business operation of each unit of the Group. It is clearly stipulated in the “Corporate Governance Best Practice Principles” and “Procedures for Election of Directors” that the composition of the board of directors should take diversity into consideration; also, it is necessary to base on the company’s operations, operating patterns, and development needs to formulate a diversification policy, covering basic conditions and values, as well as two professional aspects of professional knowledge and skills.

Fulgent Sun has gradually implemented succession planning for key management levels, including a system of deputies and a deputy development program. Each manager is with a deputy assigned. In addition, the company regularly arranges internal and external training courses to cultivate key managing personnel and their deputies. The training program, in addition to developing professional skills, is focusing on cultivating judgment, management, and problem-solving abilities; also, aims to enhance the management’s decision-making quality and equip the management with the advanced comprehensive skills needed for the company’s long-term development.

#### Supervisor training mechanism

We regularly arrange senior executive meetings to help the executives understand internal short-term, mid-term, and long-term management policies can immediately, and help improve their business management and operational management capabilities. The training program covers strategic planning, transnational operations, global marketing, innovation management and the new economy, and other important topics with an attempt to cultivate the management talents needed in the future. A total of 18,463 person/time was trained in 2024.





## (5) Health and safety

### 1. Occupational safety and health

Fulgent Sun highly values the importance of the health and safety of all employees. We systematically identify and assess potential accident and illness risks within our facilities, and proactively prevent and eliminate potential hazards by referring to the ISO 45001 Occupational Safety and Health Management System framework. We continuously invest resources to proactively identify and address health and safety issues in the workplace in order to fully safeguard the well-being and personal safety of all employees.

In addition, the company provides regular health checks for employees at each plant. Also, the company ensures the safety and health of employees with appropriate personal protective equipment provided based on the characteristics of each process through reasonable design and sound management, and combined with continuous safety training (for example, all new recruits must receive occupational safety and health training).

#### Fulgent Sun Occupational Safety and Health Management and Facilitating Measures

Plant	Description
Taiwan Headquarters	Provide mandatory health checkups, group insurance, and accident insurance (without special occupational disaster health checkups) to employees that are mostly office staff.
Fujian Sunshine	<ul style="list-style-type: none"><li>Obtain work injury insurance and commercial insurance to ensure employees who are with a work injury to receive certain protection.</li><li>Explain the preparation of the “Hazard Identification” and “Risk Evaluation” in the factory in accordance with the “List of Requirements” prepared in accordance with the Law of the People’s Republic of China.</li><li>The “Evaluation Report” of the State Administration of Work Safety is valid for 3 years and the test report is valid for 1 year that should be carried out regularly.</li><li>Arrange physical examinations for new recruits and occupational health examinations and corresponding labor protective equipment for employees responsible for special job duty.</li><li>Provide female employees with female health checkups.</li><li>There are also corresponding systems stipulated for canteen hygiene, environmental safety, electrical safety, etc.</li><li>Implement relevant measures according to the job protection requirements listed in the occupational disease hazard status assessment report.</li></ul>



Plant	Description
Regardless of factory area	<ul style="list-style-type: none"> <li>• Comply with the relevant laws and regulations on occupational safety and health of the country where the operating base is located.</li> <li>• All new recruits must receive safety and hygiene training before starting production work.</li> <li>• Operators of special mechanical equipment must receive special safety training in advance. Operators in a special work environment must wear personal protective equipment properly.</li> <li>• Operators must wear a mask in a working environment that may generate dust or organic solvent vapor. They must wear earplugs in a noisy working environment.</li> <li>• Other preventive measures include setting up speed bumps on the roads in the factory, ventilation systems, noise reduction equipment, machine safety devices, etc.</li> <li>• Organize fire drills and education regularly in the factory, and it is necessary to report to the fire department before initiating a fire drill in the factory.</li> <li>• Arrange fire drills twice a year, one in the day time and the other one in the night time, in the factory in response to the audit requirements of the brand companies.</li> </ul>

## 2. Occupational injuries and diseases

### (1) Taiwan Headquarters

#### Employees

Item	Type	Male	Female	Total
Occupational injury rate (IR)	Occupational injury rate	Commute accident		
	Total working hours (time)	224,480 hours		
	Recordable occupational injuries (cases)	-	2	2
	Recordable occupational injury rate (%)	-	8.91	8.91
Occupational disease rate (ODR)	Main types of occupational diseases	None		

#### Other workers (contractors and suppliers)

Item	Type	Male	Female	Total
Occupational injury rate (IR)	Occupational injury rate	None		
	Total working hours (time)	5,488 hours		
Occupational disease rate (ODR)	Main types of occupational diseases	None		

### (2) Fujian Sunshine

#### Employees

Item	Type	Male	Female	Total
Occupational injury rate (IR)	Occupational injury rate	Work injury		
	Total working hours (time)	4,340,952 hours		
	Recordable occupational injuries (cases)	2	3	5
	Recordable occupational injury rate (%)	0.46	0.69	1.15
Occupational disease rate (ODR)	Main types of occupational diseases	None		

### (3) Vietnam Fulgent Sun

#### Employees

Item	Type	Male	Female	Total
Occupational injury rate (IR)	Main types of occupational injuries	Commute accident / work injury		
	Total working hours (hours)	23,852,257 hours		
	Recordable occupational injuries (cases)	12	31	43
	Recordable occupational injury rate (%)	0.50	1.30	1.80
Occupational disease rate (ODR)	Main types of occupational diseases	None		

### (4) Cambodia Sunbow

#### Employees

Item	Type	Male	Female	Total
Occupational injury rate (IR)	Main types of occupational injuries	Work injury		
	Total working hours (hours)	20,221,717 hours		
	Recordable occupational injuries (cases)	2	2	4
	Recordable occupational injury rate (%)	0.10	0.10	0.20
Occupational disease rate (ODR)	Main types of occupational diseases	None		

#### Other workers (contractors and suppliers)

Item	Type	Male	Female	Total
Occupational injury rate (IR)	Main types of occupational injuries	None		
	Total working hours (hours)	105,120 hours		
Occupational disease rate (ODR)	Main types of occupational diseases	None		

Note: In Table (1) ~ (4),

- A. There are no deaths caused by occupational injuries.
- B. There are no occupational diseases occurred.
- C. There are no occupational injuries occurred to other workers (contractors and suppliers).
- D. Recordable Occupational Injury Rate = Number of recordable injuries ÷ Total hours worked × 1,000,000.



## 8. Environment sustainability



## 8. Environment sustainability

### (1) Environmental Sustainability Policy

#### Environmental Management Policy, Organization, and Mechanism

Fulgent Sun strives to realize environmental sustainability. All factories of Fulgent Sun worldwide actively promote various energy and resource management, emission reduction plans, and gradually develop renewable energy (solar photovoltaics). Improve the environment and energy management system to gradually improve energy utilization efficiency, reduce industrial carbon emissions, and make contribution towards net zero emissions.

We strictly adhere to the environmental laws and regulations of each location we operate and fully implement environmental management in accordance with the requirements of our brand clients. Fulgent Sun continuously improves resource efficiency and steadily progresses toward the goal of a sustainable environment through initiatives such as scrap recycling, the use of non-toxic and fluorine-free chemicals, water reuse, etc.



## Greenhouse gas management

Taiwan Headquarters of Fulgent Sun introduced the ISO 14064-1:2018 Greenhouse Gas Management System in 2023. Fujian Sunshine, Vietnam Fulgent Sun, and Cambodia Sunbow had it introduced in 2024. According to statistics and calculations, the total greenhouse gas emissions in 2024 were 37,883.16 t-CO<sub>2</sub>e, a decrease of 5,857.37 t-CO<sub>2</sub>e from the previous year.

According to the inventory results, Scope 1 increased by 58.45% compared to 2023, because Fujian Sunshine, Vietnam Fulgent Sun, and Cambodia Sunbow began conducting greenhouse gas inventories based on ISO 14064-1:2018 in 2024, including items previously excluded from Scope 1 (such as septic tanks). Scope 2 decreased by 19.98% compared to 2023, because the electricity production of the solar equipment of Vietnam Fulgent Sun started in 2024, reducing the use of purchased electricity; also, the greenhouse gas emission factors for purchased electricity were based on the factors announced by various governments in compliance with ISO 14064-1:2018 in 2024; therefore, the greenhouse gas emissions were reduced. Purchased electricity is the primary source of our greenhouse gas emissions. Therefore, our carbon reduction strategy is focusing on electricity management and reducing electricity consumption as a concrete greenhouse gas reduction strategy.

Item	2023	2024
Total greenhouse gas emissions (Scope 1)	3,744.63 t-CO <sub>2</sub> e	5,933.54 t-CO <sub>2</sub> e
Total greenhouse gas emissions (Scope 2)	39,929.26 t-CO <sub>2</sub> e	31,949.62 t-CO <sub>2</sub> e
Total greenhouse gas emissions (Scope 3)	66.64 t-CO <sub>2</sub> e	No statistics
Standards and Methodology	<ul style="list-style-type: none"> <li>Fujian Sunshine: IPE website carbon emissions calculation formula</li> <li>Vietnam Fulgent Sun: Total consumption*conversion coefficient by government</li> <li>Cambodia Sunbow: HIGG</li> </ul>	ISO 14064-1:2018
Emission coefficient and Global Warming Potential (GWP) Sources	IPCC 5 <sup>th</sup> Assessment Report	IPCC 6 <sup>th</sup> Assessment Report
GHG summary	Operational Control	Operational Control
Base year	2022	Note

Note: The inventory base year for Taiwan Headquarters is set in 2022 and the inventory base year for Fujian Sunshine, Vietnam Fulgent Sun, and Cambodia Sunbow is set in 2024.



## Greenhouse gas management

### (1) Taiwan Headquarters

Item	2023	2024
Total greenhouse gas emissions (Scope 1)	29.65 t-CO <sub>2</sub> e	39.47 t-CO <sub>2</sub> e
Total greenhouse gas emissions (Scope 2)	124.39 t-CO <sub>2</sub> e	123.19 t-CO <sub>2</sub> e
Total greenhouse gas emissions (Scope 3)	66.64 t-CO <sub>2</sub> e	No statistics
Total number of employees	165 persons	161 persons
Greenhouse gas emission density	1.34 t-CO <sub>2</sub> e/person	1.01 t-CO <sub>2</sub> e/person
Standards and Methodology	ISO 14064-1:2018	
Emission coefficient and Global Warming Potential (GWP) sources	IPCC AR6	
GHG summary	Operational Control	
Base year	2022	

### (2) Fujian Sunshine

Item	2023	2024
Total greenhouse gas emissions (Scope 1)	3,031.45 t-CO <sub>2</sub> e	2,932.63 t-CO <sub>2</sub> e
Total greenhouse gas emissions (Scope 2)	7,563.81 t-CO <sub>2</sub> e	7,171.56 t-CO <sub>2</sub> e
Total number of employees	1,972 persons	1,827 persons
Greenhouse gas emission density	5.37 t-CO <sub>2</sub> e/person	5.53 t-CO <sub>2</sub> e/person
Standards and Methodology	Calculated through the carbon emission calculation formula on the IPE website	ISO 14064-1:2018
Emission coefficients and global warming potential (GWP) sources	Equity ratio	IPCC AR6
GHG summary method	Equity ratio	Operational control
Base year	2021	2024

### (3) Vietnam Fulgent Sun

Item	2023	2024
Total greenhouse gas emissions (Scope 1)	304.98 t-CO <sub>2</sub> e	1,650.74 t-CO <sub>2</sub> e
Total greenhouse gas emissions (Scope 2)	20,346.22 t-CO <sub>2</sub> e	16,233.64 t-CO <sub>2</sub> e
Total number of employees	8,767 persons	8,752 persons
Greenhouse gas emission density	2.36 t-CO <sub>2</sub> e/person	2.04 t-CO <sub>2</sub> e/person
Standards and methodologies	Total consumption*conversion coefficient by government	ISO 14064-1:2018
Emission coefficients and global warming potential (GWP) sources	Government	IPCC AR6
GHG summary method	Operational control	Operational control
Base year	2021	2024

### (4) Cambodia Sunbow

Item	2023	2024
Total greenhouse gas emissions (Scope 1)	378.55 t-CO <sub>2</sub> e	1,310.70 t-CO <sub>2</sub> e
Total greenhouse gas emissions (Scope 2)	11,894.84 t-CO <sub>2</sub> e	8,421.23 t-CO <sub>2</sub> e
Total number of employees	7,853 persons	8,226 persons
Greenhouse gas emission density	1.56 t-CO <sub>2</sub> e/person	1.18 t-CO <sub>2</sub> e/person
Standards and methodologies	N/A	ISO 14064-1:2018
Emission coefficients and global warming potential (GWP) sources	N/A	IPCC AR6
GHG summary method	Operational control	Operational control
Base year	2021	2024

Note: For the statistical data in column (1) ~ (4), Taiwan Headquarters, Fujian Sunshine, Vietnam Fulgent Sun, and Cambodia Sunbow were without Scope 3 greenhouse gas emissions counted in 2024.



## (2) Energy management

### Renewable energy

Fulgent Sun strives to become an excellent low-carbon manufacturing partner of global brands by improving the energy efficiency of equipment continuously and using renewable energy in response to the trend of global climate change. The relevant actions for such mission include solar power generation, installation of ground source systems, and fully enclosed steam condensation water recycling system, LED lighting replacing traditional fluorescent lamps, and other energy-saving measures.

Fulgent Sun has gradually added solar power generation equipment within the Group. The solar power generation projects are implemented in Taiwan Headquarters, China, Cambodia, and Vietnam to reduce fuel consumption and environmental pollution caused by traditional power generation. The Group's total power generation capacity was 10,519.35MWh in 2024, reducing carbon emissions by 7,116.83 t-CO<sub>2</sub>e, which was equivalent to afforestation of 215.66 hectares.



## Energy management

### (1) Taiwan Headquarters

Type / Item	Type of Energy	2023	2024	2023	2024
		Fuel usage		Fuel consumption (GJ)	
Non-renewable fuel	Gasoline (L)	347.36	360.66	11.43	11.87
	Diesel fuel (L)	257.45	412.70	9.35	14.99
	Liquefied petroleum gas (kg)	560.00	640.00	28.28	32.32
	Total fuel consumption			49.06	59.18
Buy/produce	Electricity (kWh)	163,192	259,887	587.49	935.59
	Total fuel consumption			587.49	935.59
Total fuel consumption				636.55	994.77
Total number of employees				165 persons	161 persons
Energy density				3.86GJ/person	6.18GJ/person

Note: Taiwan Headquarters does not consume renewal fuel.

### (2) Fujian Sunshine

Type / Item	Name of Energy	2023	2024	2023	2024
		Fuel usage		Fuel consumption (GJ)	
Non-renewable fuel	Gasoline (L)	14,865.08	9,636.10	488.99	316.98
	Diesel fuel (L)	15,037.04	7,854.31	546.09	285.24
	Liquefied petroleum gas (kg)	-	725.00	-	36.61
	Natural gas (m³)	1,368,554.00	1,366,031.81	51,571.22	51,476.18
	Total fuel consumption			52,606.30	52,115.01
Renewable fuel	Solar energy (kWh)	623,698	1,178,551	2,245.31	4,242.78
	Total fuel consumption			2,245.31	4,242.78
Buy/produce	Electricity (kWh)	13,262,870	13,364,818	47,746.33	48,113.35
	Total fuel consumption			47,746.33	48,113.35
Total fuel consumption				102,597.94	104,471.14
Total number of employees				1,972 persons	1,827 persons
Energy density				52.03GJ/person	57.18GJ/person

### (3) Vietnam Fulgent Sun

Type / Item	Name of Energy	2023	2024	2023	2024
		Fuel usage		Fuel consumption (GJ)	
Non-renewable fuel	Gasoline (L)	35,852.00	69,041.00	1,179.35	2,271.10
	Diesel fuel (L)	80,090.00	106,994.00	2,908.55	3,885.59
	Liquefied petroleum gas (kg)	-	4,230.00	-	213.64
	Total fuel consumption			4,087.90	6,370.33
Renewable fuel consumption	Solar energy (kWh)	-	3,721,830	-	13,398.59
	Total fuel consumption			-	13,398.59
Buy/produce	Electricity (kWh)	25,303,098	24,626,271	91,091.15	88,654.58
	Total fuel consumption			91,091.15	88,654.58
Total fuel consumption				95,179.05	108,423.50
Total number of employees				8,767 persons	8,752 persons
Energy density				10.86GJ/person	12.39GJ/person

### (4) Cambodia Sunbow

Type / Item	Name Energy	2023	2024	2023	2024
		Fuel usage		Fuel consumption (GJ)	
Non-renewable fuel	Gasoline (L)	6,021.34	20,369.00	198.07	670.04
	Diesel fuel (L)	38,082.00	43,250.32	1,382.98	1,570.68
	Liquefied petroleum gas (kg)	6,989.00	6,476.00	352.98	327.07
	Total fuel consumption			1,934.03	2,567.79
Renewable fuel	Solar energy (kWh)	3,976,505	2,650,271	14,315.42	9,540.98
	Total fuel consumption			14,315.42	9,540.98
Buy/produce	Electricity (kWh)	18,552,507	21,935,987	66,789.03	78,969.55
	Total fuel consumption			66,789.03	78,969.55
Total fuel consumption				83,038.48	91,078.32
Total number of employees				7,853 persons	8,226 persons
Energy density				10.57GJ/person	11.07GJ/person

Note: In Table (1) ~ (4), there is no fuel sold.

## Energy saving and carbon reduction action

### Carbon Reduction Plan/Performance

Fulgent Sun has established an energy baseline and energy audit mechanism and is actively implementing energy-saving and power-saving measures in each factory. Base on the current status of equipment to promote the energy-saving projects, adjust equipment operation in accordance with the process and production capacity requirements. Also, introduce an automated management system to improve energy efficiency and effectively reduce overall energy consumption.

### Plant energy saving and carbon reduction action

#### (1) Taiwan Headquarters

Reduction plan	Description of action plans
Energy saving	Traditional fluorescent lamps had been completely replaced with more energy-saving LED lights; also, promote conservation of water and electricity.

#### (2) Fujian Sunshine

Reduction plan	Description of action plans
Energy saving action results	Formulate the energy consumption baseline for the current year in accordance with the energy consumption of the last year.
Equipment maintenance and operation	When equipment is damaged, the mechanical repair department will use some of the available waste in the factory to carry out repair work, which not only helps extend the service life of the equipment but also effectively reduces maintenance costs.
Clean by Design Program	“CBD” is an innovative global green supply chain program with a focus on improving the most energy-intensive production processes. The mission is to effectively reduce the consumption of energy, water, and chemicals through a comprehensive system, thereby improving the efficiency of industrial processes. VF’s science-based carbon target, based on 2017 Higg platform plant energy consumption data, aims to reduce greenhouse gas emissions by 30% by 2030.

### (3) Water resource management

#### Wastewater management/discharge in each plant

The water used in each factory of Fulgent Sun worldwide is general domestic water, that is, tap water. The wastewater is directly discharged into the national, municipal sewage treatment pipeline, or plant of the country where the plant operates. Fulgent Sun currently has wastewater of each production base discharged in compliance with the discharge standards prescribed by local laws and regulations.

In terms of water resource usage, we implement the main strategy of “Cherish, Save, and Recycle” to actively encourage employees to save water, and promote various water-saving measures in order to improve the water resource utilization efficiency. The goal is to reduce total water use by 3% to 5% annually.



【 Recycled water used for toilet flushing 】



【 Recycled water used for gardening 】

## Water resources

### (1) Taiwan Headquarters

Item (All regions)		2023	2024
Water intake - Third party water (ML)	Fresh water ( $\leq 1,000$ mg/L total dissolved solids)	4.85	4.48
	Total water intake	4.85	4.48
<b>Total water intake (ML)</b>	Surface water (total) + Groundwater (total) + Seawater (total) + Water output (total) + Third party water (total)	4.85	4.48
<b>Total water discharge (ML)</b>	Surface water (total) + Groundwater (total) + Seawater (total) + Third party water (total)	-	-
<b>Total water consumption (ML)</b>	Total water consumption	4.85	4.48

### (2) Fujian Sunshine

Item (All regions)		2023	2024
Water intake - Third party water (ML)	Fresh water ( $\leq 1,000$ mg/L total dissolved solids)	107.88	110.07
	Total water intake	107.88	110.07
<b>Total water intake (ML)</b>	Surface water (total) + Groundwater (total) + Seawater (total) + Water output (total) + Third party water (total)	107.88	110.07
Discharges – classified by destination (ML)	Third party water (Total)	36.39	33.70
<b>Total water discharge (ML)</b>	Surface water (total) + Groundwater (total) + Seawater (total) + Third party water (total)	36.39	33.70
<b>Total water consumption (ML)</b>	Total water consumption	71.49	76.37



### (3) Vietnam Fulgent Sun

Item (All regions)		2023	2024
Water intake - Third party water (ML)	Fresh water ( $\leq 1,000$ mg/L total dissolved solids)	112.79	137.35
	Total water intake	112.79	137.35
<b>Total water intake (ML)</b>	Surface water (total) + Groundwater (total) + Seawater (total) + Water output (total) + Third party water (total)	112.79	137.35
<b>Total water discharge (ML)</b>	Surface water (total) + Groundwater (total) + Seawater (total) + Third party water (total)	-	-
<b>Total water consumption (ML)</b>	Total water consumption	112.79	137.35

### (4) Cambodia Sunbow

Item (All regions)		2023	2024
Water intake - Third party water (ML)	Fresh water ( $\leq 1,000$ mg/L total dissolved solids)	118.88	126.66
	Total water intake	118.88	126.66
<b>Total water intake (ML)</b>	Surface water (total) + Groundwater (total) + Seawater (total) + Water output (total) + Third party water (total)	118.88	126.66
<b>Total water discharge (ML)</b>	Surface water (total) + Groundwater (total) + Seawater (total) + Third party water (total)	-	-
<b>Total water consumption (ML)</b>	Total water consumption	118.88	126.66

## (4) Waste management

Fulgent Sun forcefully implements the strategy of resource saving, reduction, and recycling. The mechanisms of waste source reduction, process waste reduction, and recycling and disposal at the end of production are adopted for the general and business wastes resulted from the production input at each factory, which helps maximize the utilization efficiency of resources and reduce the generation of waste in the factory.

Business waste is effectively managed and processed in accordance with the characteristics to improve the efficiency of resource reuse. Hazardous waste should be handled by qualified waste service providers; also, waste service providers should be managed in accordance with the contract signed. An on-site audit should be planned and implemented when necessary to ensure that waste removal and delivery meet the requirements of the country to which the factory operates.

### Waste volume

#### (1) Taiwan headquarters

Waste	2023	2024
Total waste volume	6.06 metric tons	4.01 metric tons
Volume of waste recovered/reused	1.25 metric tons	1.10 metric tons
Incineration (excluding energy recovery)	4.81 metric tons	2.91 metric tons
Waste with unknown disposal method	-	-
Data coverage: business locations	100%	100%

#### (2) Fujian Sunshine

Waste	2023	2024
Total waste volume	350.03 metric tons	306.00 metric tons
Volume of waste recovered/reused	322.99 metric tons	280.83 metric tons
Incineration (excluding energy recovery)	17.04 metric tons	15.64 metric tons
Other processing methods: Hazardous waste	10.00 metric tons	9.53 metric tons
Waste with unknown disposal method	-	-
Data coverage: business locations	100%	100%



### (3) Vietnam Fulgent Sun

Waste	2023	2024
Total waste volume	1,563.52 metric tons	1,205.72 metric tons
Volume of waste recovered/reused	101.00 metric tons	57.00 metric tons
Landfill	371.80 metric tons	277.00 metric tons
Incineration (excluding energy recovery)	1,088.70 metric tons	870.94 metric tons
Other processing methods: Hazardous waste-chemical treating	2.02 metric tons	0.78 metric tons
Waste with unknown disposal method	-	-
Data coverage: business locations	100%	100%

### (4) Cambodia Sunbow

Waste	2023	2024
Total waste volume	631.50 metric tons	568.35 metric tons
Volume of waste recovered/reused	4.80 metric tons	4.32 metric tons
Landfill	626.70 metric tons	564.03 metric tons
Waste with unknown disposal method	-	-
Data coverage: business locations	100%	100%

## Resource recycling and reuse

Fulgent Sun values the importance of sustainability and reuse of resources, and implements resource recycling and reuse in daily operations and processes. The recycling and reuse of process waste (rubber and tailings) is promoted, the use of raw material is reduced, and the efficiency of resource utilization is improved through the mechanism of reduction, recycling, and reuse, and based on the concept of circular economy.

### Volume of use of recovered/reused materials

Materials	2023	2024
RB Rubber	65,910 kgs	43,626 kgs
EVA	25,298 kgs	31,785 kgs

## (5) Chemical substance management

### Chemical substance management policies

Fulgent Sun is focusing on manufacturing footwears with the following chemicals used throughout the course of production, including: adhesives, coatings, treatment agents, catalysts, inks, paints, solid chemical raw materials, detergents, laboratory chemical reagents, etc. Fulgent Sun has implemented comprehensive and strict chemical management measures to ensure the effective management of the aforementioned chemicals, and to protect the health of plant staff and the safety of products.

The “Chemicals Management Procedures” is formulated respectively in each factory of Fulgent Sun, covering the entire process of chemicals procurement, custody, storage, identification, transportation, use, disposal, and emergency response, ensuring that all chemicals can be handled safely and processed under efficient conditions to prevent any potential risks.

In addition, we arrange regular training for relevant personnel, enhance the management measures for chemicals and hazardous chemicals continuously, enhance employees’ knowledge about safe chemicals operations, and effectively prevent and minimize the occurrence of disasters such as fires, explosions, environmental pollution, and casualties.

### Chemical substance management measures

We have substantiated the practice of chemicals supplier evaluation, management, and audit operations to ensure the integrity of the chemicals management mechanism. In addition to carefully selecting qualified chemicals suppliers, requesting the suppliers to sign the “Suppliers Comply with EU REACH Regulations” and the “Restricted Substances List of Brand Owners;” the purchasing unit will analyze the KPI data of the suppliers on a quarterly basis, and evaluate the suppliers every six months to minimize chemicals related risks.

In terms of personnel management, we strictly require the chemicals in the factory to be marked with the content and instruction for use clearly indicated. If the IMS and DS data are required to be displayed at the chemicals work station, it is necessary to clearly disclose ingredients, protection methods, and instructions for use, and the appropriate protective equipment should be provided to employees for the protection of their health and safety.



## **9. Feedback to the society**



## 9. Feedback to the society

### (1) Fulgent Sun International Charitable Public Welfare Fund

Fulgent Sun adheres to the core belief of “We take from the society, and we use on the society” to actively participates in social welfare activities, and strives to promote local harmony and enhance social well-being. We integrate the Group’s resources, expand the reach of social care, and support local education and public welfare development.

Fulgent Sun has established the “Charitable Trust Fulgent Sun Group International Charity Fund” to fulfill its corporate social responsibility by donations. The company supports schools and local organizations in need in the Yunlin area and promotes various public welfare activities. Fulgent Sun’s total social welfare investment reached NT\$10.07 million in 2024, with concrete actions implemented in the fields of education, healthcare, care for the disadvantaged, and cultural support. We will continue to give back to society through concrete actions, strive to promote social harmony and prosperity. We hope to provide support and assistance to more groups in need through our resources and efforts.

1. Donated NT\$5.95 million to renovate middle school dormitories in Yunlin to improve students’ living conditions.
2. Donated NT\$1.74 million to the Rongkang Medical Development Foundation to support the promotion and development of medical academics, teaching, and research.
3. Supported the tuition, after-school tutoring, and related activities for disadvantaged students in Yunlin, with a total of NT\$1.13 million expensed, allowing students to learn without worries and to grow up happily.
4. Subscribed to a children’s charity reading magazine for an amount of NT\$260 thousand to help primary schools and orphanages establish a reading culture.
5. Donated NT\$200 thousand to the Chifa Mazu Temple in Yunlin County to support its charity activities.
6. Fujian Sunshine in China donated NT\$576 thousand as scholarships to Yang-En University, Leeming University, and Chen Huangshin University to help improve school studying conditions and inspire teachers and students’ enthusiasm for work and study.
7. Vietnam Fulgent Sun donated NT\$209 thousand to support low-income households in Hưng Yên province and to supplement natural disaster funds.
8. Vietnam NGOC HUNG donated NT\$4 thousand to the Cẩm Giàng County Government to construct a disability medical center and give back to the community.



A “Thank You Note”  
from Shih-Liou Elementary School



Donated a mobile medical vehicle to the Public  
Health Bureau, Yunlin County for emergency  
relief in remote areas

## (2) Focus on community education

Fulgent Sun has itself committed to corporate talent development and community feedback; therefore, the contribution to education is one of the core projects of the company to fulfill its social responsibilities. The “Charitable Trust Fulgent Sun Group International Charity Fund” was established by the Taiwan Headquarters with donations made occasionally to actively assist schools and local groups in Yunlin, to promote social responsibility, and to subsidize various social activities. Our financial supports are extended to the categories of tuition and miscellaneous fee subsidies for disadvantaged children, and subscribe to the public welfare reading magazine project to help improve local educational resources.

The Taiwan headquarters held a Mid-Autumn Festival barbecue event with children from the orphanage in September 2024. They DIY hand-dyed cloth together and arranged interlude games. The children were full of energy and loved the games, which brought them special memories.



In terms of Fujian Sunshine Factory, we are committed to subsidizing the tuition of poor students and are actively establishing cooperative relationships with local colleges and universities to jointly promote the construction of the “double high-level plan” in Fujian Province, to construct an Industry-University-Institute collaboration base, to establish an industry-education integration platform, to absorb talents from universities, and to recruit talents for the enterprises. Fujian Sunshine Factory has steadily provided scholarships for an amount of CNY 50 thousand per year to Yang-En University and Leeming University continuously since the cooperation, and has sponsored campus activities and academic tournaments occasionally. We sponsored the English competition “Fulgent Sun Cup. Fujian Sunshine Cup” of Leeming University in our name in October 2024, which fully reflected the support and commitment of Fulgent Sun and Fujian Sunshine to education and community development.

A total of eight employees from the Cambodia Sunbow, along with their client, VF Corporation, participated in a tree planting event at Chambok Primary School this year. Work together with local teachers and students to plant numerous saplings for greening the school grounds and demonstrating their commitment to environmental education and sustainability through concrete action. Cambodia Sunbow plant demonstrated its care for the community and the environment, and its commitment to supporting local education through this interactive event.

### (3) Contribution of medical resources

Fulgent Sun actively fulfills its corporate responsibility and continuously invests medical resources to give back to society:

- The Taiwan Headquarters donated NT\$1.74 million to the Rongkang Medical Development Foundation to support the promotion and development of medical academics, teaching, and research.
- Vietnam NGOC HUNG Factory donated NT\$4 thousand to the Cẩm Giàng County Government to construct a disability medical center and improve the quality of local medical care.



## Appendix

## Fulgent Sun Board of Directors and Committee Member Information

- Term of office of the members of the Board of Directors and its committees: 2022/5/27-2025/5/26.

Member name	Gender	Participating committees	Other important positions held/ “quantity” and “nature” of commitments made	A member of management or not, independence	An “underrepresented” community	Enterprise impact/impact related capabilities	A representative of “stakeholders”
Wen-Chih Lin	Male	<ul style="list-style-type: none"> <li>Corporate Governance and Sustainable Development Committee</li> </ul>	<ul style="list-style-type: none"> <li>CSO, Fulgent Sun Group</li> <li>Chairman, Capital Concord Enterprises Limited</li> <li>Chairman, Fujian Sunshine Footwear Co., Ltd.</li> <li>Chairman, Sunny Footwear Co., Ltd.</li> <li>Chairman, Hubei Sunsmile Footwear Co., Ltd.</li> <li>Chairman, Fulgent Sun Footwear Co., Ltd.</li> <li>Chairman, Fujian Laya Outdoor Products Co., Ltd.</li> <li>Chairman, Lin Wen Chih Sunbow Enterprises Co., Ltd.</li> <li>Chairman, Lin Wen Chih Sunstone Enterprises Co., Ltd.</li> <li>Chairman, Lin Wen Chih Sunlit Enterprises Co., Ltd.</li> <li>Chairman, NGOC HUNG Footwear Co., Ltd.</li> <li>Chairman, Eversun Footwear Co., Ltd.</li> <li>Chairman, PT. SUN BRIGHT LESTARI</li> <li>Chairman, Laya Technology Co., Ltd.</li> <li>Chairman, Lin Wen Chih Sunzeal Enterprises Co., Ltd.</li> <li>Chairman, Sunglory Footwear Co., Ltd.</li> <li>Chairman, Wisquare Enterprise Limited</li> </ul>	A member of management, not an independent director	No	<ul style="list-style-type: none"> <li>Chairman, Fulgent Sun International (Holding) Co., Ltd.</li> <li>Chief Strategy Officer, Fulgent Sun Group</li> </ul>	Yes



Member name	Gender	Participating committees	Other important positions held/ “quantity” and “nature” of commitments made	A member of management or not, independence	An “underrepresented” community	Enterprise impact/impact related capabilities	A representative of “stakeholders”
Fang-Chu Liao	Female	<ul style="list-style-type: none"> <li>Corporate Governance and Sustainable Development Committee</li> </ul>	<ul style="list-style-type: none"> <li>President, Fulgent Sun Group</li> <li>CEO, Fulgent Sun Group</li> <li>Director, Capital Concord Enterprises Limited</li> <li>Director, Fujian Sunshine Footwear Co., Ltd.</li> <li>Director, Sunny Footwear Co., Ltd.</li> <li>Director, Hubei Sunsmile Footwear Co., Ltd.</li> <li>Director, Fulgent Sun Footwear Co., Ltd.</li> <li>Director, Fujian Laya Outdoor Products Co., Ltd.</li> <li>Director, Lin Wen Chih Sunbow Enterprises Co., Ltd.</li> <li>Director, Lin Wen Chih Sunstone Enterprises Co., Ltd.</li> <li>Director, NGOC HUNG Footwear Co., Ltd.</li> <li>Director, Eversun Footwear Co., Ltd.</li> <li>Director, PT. SUN BRIGHT LESTARI</li> <li>Supervisor, Laya Technology Co., Ltd.</li> <li>Director, Lin Wen Chih Sunzeal Enterprises Co., Ltd.</li> <li>Director, Wisesquare Enterprise Limited</li> <li>Supervisor, Medao Trading Co., Ltd.</li> </ul>	A member of management, not an independent director	No	<ul style="list-style-type: none"> <li>President, Fulgent Sun International (Holding) Co., Ltd.</li> <li>CEO, Fulgent Sun Group</li> </ul>	Yes
Chih-Cheng Liao	Male	<ul style="list-style-type: none"> <li>Corporate Governance and Sustainable Development Committee</li> </ul>	<ul style="list-style-type: none"> <li>Spokesperson, Fulgent Sun Group</li> <li>Executive Vice President, Fulgent Sun Group</li> <li>Finance Supervisor, Fulgent Sun Group</li> <li>CGO, Fulgent Sun Group</li> <li>Director, Capital Concord Enterprises Limited</li> <li>Director, Sunny Footwear Co., Ltd.</li> <li>Director, Hubei Sunsmile Footwear Co., Ltd.</li> <li>Director, Fulgent Sun Footwear Co., Ltd.</li> <li>Director, Lin Wen Chih Sunbow Enterprises Co., Ltd.</li> <li>Director, Lin Wen Chih Sunstone Enterprises Co., Ltd.</li> <li>Director, NGOC HUNG Footwear Co., Ltd.</li> <li>Director, Lin Wen Chih Sunzeal Enterprises Co., Ltd.</li> </ul>	A member of management, not an independent director	No	<ul style="list-style-type: none"> <li>Executive Vice President, Fulgent Sun International (Holding) Co., Ltd.</li> <li>Spokesperson, Financial Officer, and Corporate Governance Officer of Fulgent Sun Group</li> </ul>	Yes

Member name	Gender	Participating committees	Other important positions held/ “quantity” and “nature” of commitments made	A member of management or not, independence	An “underrepresented” community	Enterprise impact/impact related capabilities	A representative of “stakeholders”
Jin-Huang Huang	Male	<ul style="list-style-type: none"> <li>Audit Committee</li> <li>Salary and Remuneration Committee</li> <li>Corporate Governance and Sustainable Development Committee</li> </ul>	<ul style="list-style-type: none"> <li>Chair Professor, Feng Chia University</li> <li>Director, Winson Machinery Casting Co., Ltd</li> <li>Independent Director, China Fineblanking Technology Co., Ltd.</li> <li>Independent Director, Best Precision Industrial Co., Ltd.</li> <li>Independent Director, Alformer Industrial Co., Ltd.</li> </ul>	Not a member of management, an independent director	No	<ul style="list-style-type: none"> <li>Chair Professor, Feng Chia University</li> </ul>	No
Chun-An Li	Male	<ul style="list-style-type: none"> <li>Audit Committee</li> <li>Salary and Remuneration Committee</li> <li>Corporate Governance and Sustainable Development Committee</li> </ul>	<ul style="list-style-type: none"> <li>Honorary Professor of Department of Finance, National Yunlin University of Science and Technology</li> </ul>	Not a member of management, an independent director	No	<ul style="list-style-type: none"> <li>Honorary Professor of Department of Finance, National Yunlin University of Science and Technology</li> </ul>	No
Chun-Ming Wu	Male	<ul style="list-style-type: none"> <li>Audit Committee</li> <li>Salary and Remuneration Committee</li> <li>Corporate Governance and Sustainable Development Committee</li> </ul>	<ul style="list-style-type: none"> <li>President, Query Investment Co., Ltd.</li> <li>Representative Director, E-Elements Technology Co., Ltd</li> <li>Independent Director, Tecstar Technology Co., Ltd.</li> <li>Independent Director, Lian Hong Art. Co., Ltd.</li> <li>Representative Director, Lips Corporation</li> <li>Director, Advanced 2D Materials Co., Ltd.</li> <li>Representative Director, Marscat Games Co., Ltd.</li> </ul>	Not a member of management, an independent director	No	<ul style="list-style-type: none"> <li>President, Query Investment Co., Ltd.</li> </ul>	No
Shu-Ching Chou	Female	<ul style="list-style-type: none"> <li>Audit Committee</li> <li>Corporate Governance and Sustainable Development Committee</li> </ul>	<ul style="list-style-type: none"> <li>Professor, Department of Finance, National Yunlin University of Science and Technology</li> </ul>	Not a member of management, an Independent Director	Yes	<ul style="list-style-type: none"> <li>Professor, Department of Finance, National Yunlin University of Science and Technology</li> </ul>	No

Member name	Gender	Participating committees	Other important positions held/ “quantity” and “nature” of commitments made	A member of management or not, independence	An “underrepresented” community	Enterprise impact/impact related capabilities	A representative of “stakeholders”
Hui-Ying Wang	Female	<ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Corporate Governance and Sustainable Development Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Legal Representative and Director of Fuding Asset Management Co., Ltd.</li> <li>• Independent Director, Dong Fang Offshore Co., Ltd.</li> </ul>	Not a member of management, an Independent Director	Yes	None	No

## SASB Index-Apparel, Accessories, and Footwear Index

Fulgent Sun continues to enhance the disclosure quality of sustainability information. The correspondence and disclosure of the Sustainability Accounting Standards (SUSTAINABILITY ACCOUNTING STANDARDS BOARD, SASB) is an important milestone in our sustainability management. The data statistics disclosed in this index, unless otherwise stated, are as of December 31, 2024.

**Table 1. Sustainability disclosure topics and indicators**

Topic	Code	Indicator	Description
Product Chemical Substance Management	CG-AA-250a.1	Discussion of processes for maintaining compliance with restricted substance regulations	We properly conduct chemicals supplier evaluation, management, and auditing operations to ensure the integrity of the chemicals management mechanism. In addition to carefully selecting qualified chemicals suppliers, requiring suppliers to sign the “Supplier Compliance with EU REACH Regulations” and the “RSL Guarantee Letter of Brand Owner,” the purchasing unit will conduct KPI data analysis on suppliers every quarter and will evaluate suppliers every six months to minimize chemicals management risks.
	CG-AA-250a.2	Discussion of the process for assessing and managing risks or hazards associated with chemicals in products	<p>The “Procedures for Chemicals Management” is regulated in each factory of Fulgent Sun to strictly regulate chemicals procurement, custody, storage, identification, transportation, use, disposal, emergency response and other related matters. Also, enhance the management of chemicals and hazardous chemicals through the training of relevant personnel to avoid and reduce the occurrence of fires, explosions, environmental pollution, casualties, and other disasters as follows:</p> <ol style="list-style-type: none"> <li>1. Material evaluation: Check the material composition of shoe materials, evaluate possible hazardous substances, and ensure compliance with relevant regulations and standards. If a certain chemical substance is determined to be harmful, alternative materials will be used or other measures will be taken to reduce risks.</li> <li>2. Supply chain compliance: We require our supply chain partners to comply with relevant chemicals management requirements, including requiring suppliers to provide product chemicals testing reports, etc.</li> <li>3. Monitoring and testing: We regularly monitor and test the chemical substance concentration in our products to ensure that the chemical substance concentration in the product does not exceed regulatory limits in order to secure the safety of the product to consumers and the environment.</li> <li>4. Education and training: Fulgent Sun provides corresponding education and training to ensure the company’s employees understand how to identify, evaluate, and manage chemical substance and related risks, and comply with relevant regulations and policies.</li> </ol>

Topic	Code	Indicator	Description
Supply chain environmental influence	CG-AA-430a.1	(1) Tier-1 supplier sites and (2) Non-Tier-1 supplier sites Percentage of compliance with wastewater discharge permits or contractual agreements	(1) 1.86% (2) Unable to obtain information about suppliers other than Tier-1 suppliers.
	CG-AA-430a.2	(1) Tier-1 supplier sites and (2) Non-Tier-1 supplier sites Percentage of organizations that have completed the Sustainable Apparel Alliance's Higg Facility Environment Module (Higg FEM) assessment or similar environmental data assessment	(1) 5.13% (2) Unable to obtain information about suppliers other than Tier-1 suppliers.
Supply chain labor conditions	CG-AA-430b.1	(1) Tier-1 supplier sites and (2) Non-Tier-1 supplier sites The percentage of audit performed in accordance with the Labor Code of Conduct. (3) Percentage of total audits conducted by third-party auditors	(1) 44.80% (2) Unable to obtain information about suppliers other than Tier-1 suppliers. (3) 0%
	CG-AA-430b.2	(1) Priority failure rate of supplier labor code of conduct audit and (2) Related corrective action ratio	(1) 0% (2) 0%

Topic	Code	Indicator	Description
Supply chain labor conditions	CGAA-430b.3	<p>Worst case scenario in the supply chain:</p> <p>(1) Labor risks and</p> <p>(2) Description of environmental, health, and safety risks</p>	<p>(1) There may be a variety of labor risks in the supply chain of the footwear industry, including the following</p> <ul style="list-style-type: none"> <li>I. Remuneration measures: Workers in the supply chain may face unfair wage treatment, such as low wages, wage arrears, overtime work without overtime pay, etc. Also, the lack of basic benefit packages, such as medical insurance, pensions, vacations, which are also important issues to be addressed.</li> <li>II. Working hours and overtime: Workers in supply chains may be at risk of long working hours and excessive overtime that may lead to overwork, health issues, and safety risks.</li> <li>III. Safety and Health: The work environment of footwear industry may involve safety and health risks. Workers may be in contact with hazardous chemicals, sharp tools, and machinery equipment and unsafe working conditions that may lead to accidents and occupational diseases.</li> <li>IV. Child labor and forced labor: Child labor and forced labor may exist in the supply chain, which is a serious violation of labor rights and human rights.</li> </ul> <p>Fulgent Sun manages and mitigates these labor risks by taking the following measures: Establish compliance requirements with suppliers, conduct social responsibility reviews and approvals, support the organization of a union, establish transparency and communication channels, etc. to ensure fair and respectful working conditions for workers in the supply chain and to promote sustainable development and human rights protection.</p> <p>(2) Description of environmental, health and safety risks</p> <ul style="list-style-type: none"> <li>I. Environmental risks: The footwear industry may produce various environmental pollutions during the manufacturing process, including wastewater discharge, harmful gas emissions, solid waste disposal and chemical substance management, etc., which may impose a negative impact on soil, water resource, and air quality.</li> </ul>

Topic	Code	Indicator	Description
Supply chain labor conditions	CG-AA-430b.3	<p>Worst case scenario in the supply chain:</p> <p>(1) Labor risks and</p> <p>(2) Description of environmental, health, and safety risks</p>	<p>II. Workplace safety: Workers in supply chains are at the risk of being exposed to workplace hazards, including operating dangerous machinery equipment, risk of injury, fire and explosion hazards, improper stacking of substances, etc., which may lead to accidents and occupational injuries.</p> <p>III. Chemicals Management: A variety of chemicals are used by the footwear industry such as dyes, adhesives, and solvents. Improper management can lead to chemicals spills, worker exposures, and contamination, which imposes potential risks to worker health and the environment.</p> <p>IV. Health and sanitation issues: The working environment of the footwear industry may have a negative impact on workers' health, including long-hour standing up, musculoskeletal problems caused by repetitive movements, risks of occupational diseases (such as respiratory diseases and skin lesions), etc.</p> <p>V. Social impact: There may be social impacts such as poor labor conditions, low wages, and violations of labor rights in the supply chain of the shoe industry, which will have a negative impact on the quality of life and sustainable development of workers and local communities. Fulgent Sun is committed to managing and minimizing these environmental, health, and safety risks through workplace safety training, chemicals management measures, health monitoring, and providing reasonable wages and benefits in accordance with the environmental management system.</p>

Topic	Code	Indicator	Description
Raw material acquisition	CG-AA-440a.3	(1) List of priority raw materials; For each priority raw material: (2) The environmental or social factors most likely to threaten acquisition, (3) Discuss business risks or opportunities related to environmental or social factors and (4) Management strategies corresponding to business risks and opportunities	See Table 3 below for details
	CG-AA-440a.4	(1) The quantity of priority raw materials purchased, by raw material type, and (2) The quantity of each priority raw material certified by a third party for environmental or social standards, by standard	The quantity of priority raw materials that passed third-party environmental or social sustainability standards certification is unobtainable.



**Table 2. Operating activity indicators**

Indicator Code	Indicator	Description
CG-AA-000.A	(1) Number of Tier-1 suppliers (2) Number of non-Tier-1 suppliers	(1) 1,346 suppliers (2) Unable to obtain information about suppliers other than Tier-1 suppliers.

**Table 3. Priority raw material management list**

Name of priority raw material	Environmental or social factors	Discussion of business risks or opportunities	Management Strategy
Leather	Animal husbandry is one of the significant contributors to the climate crisis, including more than 50% of total nitrous oxide and methane emissions highly related to energy and water consumption of tanneries.	The shoemaking supply chain is closely related to energy, greenhouse gases, waste, and chemicals. It is necessary to grow and prosper together with suppliers in order to face up to the business risks effectively and turn them into business opportunities.	Fulgent Sun in response to the demand of brand customers and market actively cooperates with local suppliers in order to reduce transportation carbon emissions, and to build a sustainable supply chain; also, to jointly advocate sustainability-related issues with the designated suppliers.
Mesh fabric (textile)	It takes around 20,000 liters of water to irrigate cotton per kilogram, which is equivalent to a person's drinking water for 11 years. In addition, the chemicals used in the dyeing and finishing process make the textile industry the second largest source of pollution in the world only next to the oil industry. The textile industry emits 1.2 billion tons of greenhouse gases every year that is more than the emission made by the entire aviation industry and the shipping industry together.	The shoemaking supply chain is closely related to energy, greenhouse gases, waste, and chemicals. It is necessary to prosper together with suppliers in order to face up to the business risks effectively and turn them into business opportunities.	Fulgent Sun in response to the demand of brand customers and market actively cooperates with local suppliers in order to reduce transportation carbon emissions, and to build a sustainable supply chain; also, to jointly advocate sustainability-related issues with the designated suppliers.

Name of priority raw material	Environmental or social factors	Discussion of business risks or opportunities	Management Strategy
Rubber products	Petroleum refining and petrochemicals, coatings, inks, adhesives, pesticides, automobiles, packaging and printing, rubber products, synthetic leather, furniture, shoemaking, and other industries emit VOCs that accounted for more than 80% of total industrial emissions, and most of them are emitted into surrounding rivers and air by water and air, imposing a major threat to the environment and human health.	The shoemaking supply chain is closely related to energy, greenhouse gases, waste, and chemicals. It is necessary to grow and prosperous together with suppliers in order to face up to the business risks and turn them into business opportunities.	Fulgent Sun in response to the demand of brand customers and market actively cooperates with local suppliers in order to reduce transportation carbon emissions, and to build a sustainable supply chain; also, to jointly advocate sustainability-related issues with the designated suppliers.

Note: The relevant information of non-Tier-1 suppliers and matters related to labor code of conduct audits are unobtainable.

# TWSE-TPEX Listed Company Climate-related information

## 1. Implementation of climate-related information

Item	Implementation
1. Describe the board of directors and management's monitoring and governance of climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>Fulgent Sun's board of directors is the highest governance body for the formulation of climate strategies, the review and approval of action plans, and the review of climate action plan performance results. Fulgent Sun's board of directors regularly reviews the current year's climate-related action plan and results, and seeks the opinions of external experts and consultants as needed. The implementation progress of relevant action objectives will also be updated and revised annually according to the instructions of the board of directors.</li> <li>In terms of the climate-related management authorization, Fulgent Sun's board of directors has the "Corporate Governance and Sustainable Development Committee" appointed to be responsible for formulating climate-related policies, risk evaluation, and the promotion and inspection of related energy saving and carbon reduction projects.</li> <li>The "Corporate Governance and Sustainable Development Committee" sets relevant performance targets annually to ensure that the climate strategy can be incorporated into the department's annual operating activities, actively evaluates and controls possible operating risks, and regularly reports the results to the board of directors.</li> </ul>
2. Describe how the identified climate risks and opportunities affect the company's business, strategy, and finance (short-term, mid-term, and long-term).	<p>Short term:</p> <ul style="list-style-type: none"> <li>Physical risk 1: Immediateness (severity of extreme weather events such as typhoons and floods)</li> <li>Impact target 1: Service/capacity reduction or interruption</li> <li>Physical risk 2: Immediateness (earthquake)</li> <li>Impact target 2: Service/capacity reduction or interruption</li> </ul> <p>Mid-term:</p> <ul style="list-style-type: none"> <li>Physical risks: Long-term (changes in rainfall patterns and extreme changes in climate patterns)</li> <li>Impact target: Increasing operating costs</li> </ul> <p>Long-term:</p> <ul style="list-style-type: none"> <li>The development of the climate change-related policies and actions continues and the shift to low-carbon and high-efficiency innovative technologies requires taking the potential risks and operational impacts into consideration. For example, the losses caused by climate change continue to increase, the risk of climate-related litigation may increase; technological improvements and innovations will affect the competitiveness, production, and distribution costs of some organizations.</li> <li>The organization while facing long-term changes in climate patterns should develop adaptive capabilities in response to climate change in order to effectively manage climate change-related risks and seize opportunities. It is advisable to consider owning long-term fixed assets, initiate intensive production, and use low-carbon energy in order to save energy costs.</li> </ul>

Item	Implementation
3. Describe the impacts of extreme climate events and transition actions on finance.	<p>The impacts of extreme climate events and transition actions on finance are as follows:</p> <p>A. Capital expenditure: In order to achieve the requirement of each factory saving 1% of total electricity consumption, each factory must gradually have old equipment eliminated and replaced, and must implement an energy-saving management plan to improve equipment efficiency.</p> <ul style="list-style-type: none"> <li>• Various centralized production and load control plans must be implemented to improve power saving within the factory in order to comply with relevant regulations/customers' energy saving and carbon reduction requirements.</li> <li>• The aforementioned purchase/renovation of factory equipment will cause capital expenditure to go up.</li> </ul> <p>B. Earnings:</p> <ul style="list-style-type: none"> <li>• Once the “Carbon Border Adjustment Mechanism (CBAM)” is implemented by European Community in 2026, importers must purchase vouchers as payment for the carbon emissions of imported products. The price is calculated based on the average closing price of the EU's weekly carbon credit auctions, which will directly drive the carbon credit of sustainable/low-carbon products and related benefits of import and export trade.</li> <li>• The company through the efforts of the R&amp;D unit will be able to respond to the demand for sustainable/low-carbon products in the future, increase the selection of low-carbon materials, and provide customers with more choices and services.</li> <li>• We suggest more suitable low-carbon materials to our customers based on our understanding on low-carbon materials supplied by various manufacturers in order to reduce the use of unsuitable materials, reduce development costs, and increase operating income.</li> </ul> <p>C. Direct costs: International customers require the use of renewable energy accounted for a certain percentage of revenue by the year of 2025 in response to the development of net-zero emission in 2050. Therefore, we must actively search for green energy, find green power suppliers, evaluate green power prices, and purchase green power credit required by customers/relevant regulations, which will cause the direct costs to go up.</p>

Item	Implementation
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>Observe industry sustainability trends in a long run; grasp, collect, and identify market trends and customer needs through multiple channels; each department fulfills responsibility to ensure that regulatory developments, environmental protection trends, customer opinions, and competitor opinions can be concretely and quickly realized in the process of identifying, assessing, and managing climate-related risks in core operational fields such as manufacturing, industrial safety and environmental protection, and R&amp;D, and how to have it integrated with the enterprise risk management mechanism:</p> <p>A. The “Corporate Governance and Sustainability Committee” regularly tracks the risk status of climate change-related issues every year. Representatives from each group of the Sustainability Committee regularly implement TCFD projects and report the risk assessment and analysis results to the Committee, and take relevant mitigation measures appropriately by considering the possibility of occurrence and degree of impact of the climate risks.</p> <p>B. In terms of process, the “Corporate Governance and Sustainable Development Committee” has the climate risk assessment, analysis, and feedback opinions of each group integrated into the existing risk assessment and management mechanism in order to ensure that material climate-related issues are properly assessed and controlled, and then submit the assessment results to the highest representative of the “Sustainable Development Committee” for review eventually; also, report it to the board of directors occasionally to ensure that climate change-related risks are effectively integrated into Fulgent Sun’s corporate risk management process.</p>
<p>5. If scenario analysis is used to assess resilience against climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial implications involved should be detailed.</p>	<p>The company has not yet conducted climate change risk scenario analysis currently.</p>

Item	Implementation
<p>6. If there is a transformation plan in response to climate-related risk management, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.</p>	<p>A. Carbon emissions and energy management goals</p> <p>Fulgent Sun values the importance of environmental sustainability. All factories of Fulgent Sun worldwide actively promote various energy and resource management, emission reduction actions, and gradually develop renewable energy (solar photovoltaics). Improve the environment and energy management system to gradually improve energy utilization efficiency, reduce industrial carbon emissions, and make contribution towards net zero emissions.</p> <p>We comply with the environmental laws and regulations of the countries and regions where our business bases are located, and perfect our environmental management in accordance with the requirements of brand customers. Each plant promotes scrap recycling, use of non-toxic chemicals, water resource recycling, and other environmental protection and conservation projects to improve resource utilization efficiency with an aim to build up a sustainable environment.</p> <p>B. Waste Management Objectives</p> <p>Fulgent Sun forcefully implements the strategy of resource saving, reduction, and recycling. The mechanisms of waste source reduction, process waste reduction, and recycling and disposal at the end of production are adopted for the general and business wastes resulted from the production input at each factory, which helps maximize the utilization efficiency of resources and reduce the generation of waste in the factory.</p> <p>Business waste is effectively managed and processed in accordance with the characteristics to improve the efficiency of resource reuse. Hazardous waste should be handled by qualified waste service providers; also, waste service providers should be managed in accordance with the contract signed. An on-site audit should be planned and implemented when necessary to ensure that waste removal and delivery meet the requirements of the country to which the factory operates.</p> <p>C. Water resources management objectives</p> <p>The water used in each factory of Fulgent Sun worldwide is general domestic water, that is, tap water. The wastewater is directly discharged into the national/municipal sewage treatment pipeline or plant of the country where the plant operates. Fulgent Sun currently has wastewater of each production base discharged in compliance with the discharge standards prescribed by local laws and regulations.</p> <p>In terms of water resource usage, Fulgent Sun implements the main strategy of “Cherish, Save, and Recycle” to actively encourage employees to save water, and promote various water-saving measures in order to improve the water resource utilization efficiency. Also, plans to reduce total water consumption by 3% to 5% each year.</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis of pricing should be detailed.</p>	<p>The company has not yet promoted carbon pricing currently.</p>

Item	Implementation														
8. If there are climate-related goals set, the related activities, greenhouse gas emission scope, planning schedule, annual achievement progress, etc. should be detailed. If carbon offset credits or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of carbon offset credits or the quantity of renewable energy certificates (RECs) being offset should be detailed.	<table><tr><th rowspan="2">Work items</th><th>Parent company</th><th>Subsidiary</th></tr><tr><th>Estimated completion time</th><th>Estimated completion time</th></tr><tr><td>Define the establishment of full-time (part-time) units, the number of full-time (part-time) personnel, and their scope of duties</td><td>November 2025</td><td>November 2026</td></tr><tr><td>Form an inventory plan</td><td>December 2025</td><td>December 2026</td></tr><tr><td>Form a verification plan</td><td>December 2027</td><td>December 2028</td></tr></table>	Work items	Parent company	Subsidiary	Estimated completion time	Estimated completion time	Define the establishment of full-time (part-time) units, the number of full-time (part-time) personnel, and their scope of duties	November 2025	November 2026	Form an inventory plan	December 2025	December 2026	Form a verification plan	December 2027	December 2028
Work items	Parent company		Subsidiary												
	Estimated completion time	Estimated completion time													
Define the establishment of full-time (part-time) units, the number of full-time (part-time) personnel, and their scope of duties	November 2025	November 2026													
Form an inventory plan	December 2025	December 2026													
Form a verification plan	December 2027	December 2028													
9. Greenhouse gas inventory and assurance status, and reduction targets, strategies, and specific action plans	The company is a TWSE/TPEX listed company with a capital below NT\$5 billion. The company expects to initiate greenhouse gas inventory in 2025 and greenhouse gas assurance in 2027.														

## 1-1. The company's greenhouse gas inventory and assurance status in the last two years

### 1-1-1. Greenhouse gas inventory information

Item	2023(t-CO <sub>2</sub> e)	2024(t-CO <sub>2</sub> e)	Data Coverage/Remarks
Scope 1 (direct)	3,744.63	5,933.54	Taiwan, Fujian Sunshine, Vietnam Fulgent Sun, and Cambodia Sunbow
Scope 2 (energy indirect)	39,929.26	31,949.62	
Scope 3 (Other Indirect)	66.64	No statistics	
Total Emissions (Scope 1 + 2)	43,673.89	37,883.16	
Total Emissions (Scope 1+2+3)	43,740.53	37,883.16	
Revenue	12,755 million	10,983 million	
Density (Scope 1 + 2)	3.4241 t-CO <sub>2</sub> e/NT\$ million	3.4493 t-CO <sub>2</sub> e/NT\$ million	
Density (Scope 1 + 2 + 3)	3.4293 t-CO <sub>2</sub> e/NT\$ million	3.4493 t-CO <sub>2</sub> e/NT\$ million	

## 1-1-2. Greenhouse gas assurance information

No third-party inspection/assurance has been conducted yet.

## 1-2. Greenhouse gas reduction targets, strategies, and specific action plans

Base Year	Carbon emission reduction targets	Carbon emission reduction strategies	Specific action plan	Achievement
2021	The plan is designed to last for three years and aims to achieve a 3% reduction in electricity consumption per unit by 2024.	Improve equipment efficiency	Each factory must gradually replace outdated equipment and implement energy-saving management plans to improve equipment efficiency.	The total electricity consumption of the Taiwan headquarters, Fujian Sunshine, Vietnam Fulgent Sun, and Cambodia Sunbow in 2024 was 67,737,615 kWh, a decrease of 2.8% from the base year (2021: 69,723,173 kWh). Although the goal of reducing electricity consumption by 3% in 2024 was not achieved, Fulgent Sun remains committed to carbon reduction actions, and the use of renewable energy has increased from 4.9% in the base year to 8.9%.
2024	It is planned to reduce greenhouse gas emission density (Scope 1+2) by 6% by 2030.	Improving equipment efficiency and solar power generation projects	Gradually replace outdated equipment, improve equipment efficiency, and implement solar power generation projects.	The total greenhouse gas emissions (Scope 1+2) for the Taiwan headquarters, Fujian Sunshine, Vietnam Fulgent Sun, and Cambodia Sunbow in 2024 were 37,883.16 t-CO <sub>2</sub> e, with an emissions density of 3.4493 t-CO <sub>2</sub> e/NT\$ million. It serves as the comparison base period for the greenhouse gas emissions density in 2030.
2024	The greenhouse gas inventory (Scope 1 + 2) of the parent company and subsidiaries in the consolidated financial statements will be completed in 2026.	Greenhouse gas inventory	Introduce and improve greenhouse gas inventory at each plant site in an orderly manner.	We began implementing greenhouse gas audits at multiple sites (including the Taiwan headquarters) since 2024, and will expand the audit scope of the Taiwan headquarters to Scope 3 in 2025.



Base Year	Carbon emission reduction targets	Carbon emission reduction strategies	Specific action plan	Achievement
2024	All factories will complete ISO 14064-1:2018 inspection by 2027.	Greenhouse gas inventory and verification	Introduce and improve greenhouse gas inventory first, and plan a schedule for third-party verification.	We began implementing greenhouse gas audits at multiple sites, and started contacting the verification agency in 2024.

## GRI Standards Index

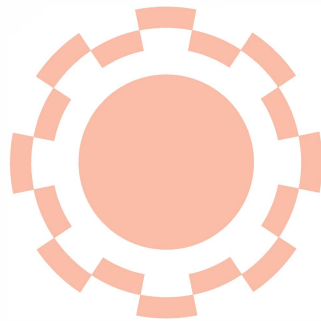
Statement of use	The reporting organization “Fulgent Sun International (Holding) Co., Ltd.” has reported the operations in the period from January 1, 2024 to December 31, 2024 in accordance with the GRI Universal Standards.
GRI 1 in use	GRI 1: Foundation 2021
Applicable GRI Industry Standards	N/A

GRI Universal Standards	Disclosure	Information location	Omission		
			Request	Reason	Explanation
GRI 2 General Disclosures 2021					
Organization and reporting practices					
2-1	Organizational details	3			
2-2	Entities included in the organization’s sustainability reporting	3			
2-3	Reporting period, frequency and contact point	3			
2-4	Restatements of information	No data restated			
2-5	External guarantee/assurance	No external guarantee			
Activities and workers					
2-6	Activities, value chain and other business relationships	6-7,11-12			
2-7	Employees	57			
2-8	Workers who are not employees	66			
Governance					
2-9	Governance structure and composition	13-15, 30,102-105			
2-10	Nomination and selection of the highest governance body	13			
2-11	Chair of the highest governance body	13-15,102			
2-12	Role of the highest governance body in overseeing the management of impacts	30			
2-13	Delegation of responsibility for managing impacts	30-32			
2-14	Role of the highest governance body in sustainability reporting	30			
2-15	Conflicts of interest	17-21			
2-16	Communication of critical concerns	30			

GRI Universal Standards	Disclosure	Information location	Omission		
			Request	Reason	Explanation
2-17	Collective knowledge of the highest governance body	30			
2-18	Evaluation of the performance of the highest governance body	30-32			
2-19	Remuneration policies	71-72			
2-20	Process to determine remuneration	71-72			
2-21	Annual total compensation ratio	69-70			
Strategy, policies and practices					
2-22	Statement on sustainable development strategy	4-5			
2-23	Policy commitments	17-18,73			
2-24	Embedding policy commitments	17,55-56			
2-25	Processes to remediate negative impacts	21			
2-26	Mechanisms for seeking advice and raising concerns	47			
2-27	Compliance with laws and regulations	No related affairs			
2-28	Membership associations	47			
Stakeholder engagement					
2-29	Approach to stakeholder engagement	44-47			
2-30	Collective bargaining agreements	73			
GRI 3: Material Topics 2021					
3-1	Process to determine material topics	33			
3-2	List of material topics	34-36			
3-3	Management of material topics	39-43			
GRI 201: Economic performance 2016					
201-1	Direct economic value generated and distributed	22			
201-2	Financial implications and other risks and opportunities due to climate change	23-28			
201-3	Defined benefit obligations and other retirement plans	68-69			
201-4	Financial assistance from the government	22			
GRI 305: Emissions 2016					
305-1	Direct (Scope 1) GHG emissions	86-88			

GRI Universal Standards	Disclosure	Information location	Omission		
			Request	Reason	Explanation
305-2	Energy indirect (Scope 2) GHG emissions	86-88			
305-3	Other indirect (Scope 3) GHG emissions	86			
305-4	GHG emissions intensity	87-88			
305-5	Reduction of greenhouse gas emissions	86,89			
GRI 401: Employment 2016					
401-1	New employee hires and employee turnover	64-65			
401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	67-69			
401-3	Parental leave	70			
GRI 402: Labor/management relations 2016					
402-1	Minimum notice periods regarding operational changes	57			
GRI 403: Occupational Health and Safety 2018					
403-1	Occupational health and safety management system	81-82			
403-2	Hazard identification, risk assessment, and incident investigation	81-82			
403-3	Occupational health services	81-82			
403-4	Worker participation, consultation, and communication on occupational health and safety	81-82			
403-5	Worker training on occupational health and safety	81-82			
403-6	Promotion of worker health	81-82			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	81-82			
403-8	Workers covered by an occupational health and safety management system	81-82			
403-9	Work-related injuries	83-84			
403-10	Work-related ill health	83-84			
GRI 404: Training and Education 2016					
404-1	Average hours of training per year per employee	75-78			
404-2	Programs for upgrading employee skills and transition assistance programs	79-80			

GRI Universal Standards	Disclosure	Information location	Omission		
			Request	Reason	Explanation
404-3	Percentage of employees receiving regular performance and career development reviews	74			
GRI 405: Diversity and equal opportunity 2016					
405-1	Diversity of governance bodies and employees	13,60-63			
405-2	Ratio of basic salary and remuneration of women to men	69-70			
GRI 418: Customer privacy 2016					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No related affairs			



**Fulgent Sun**