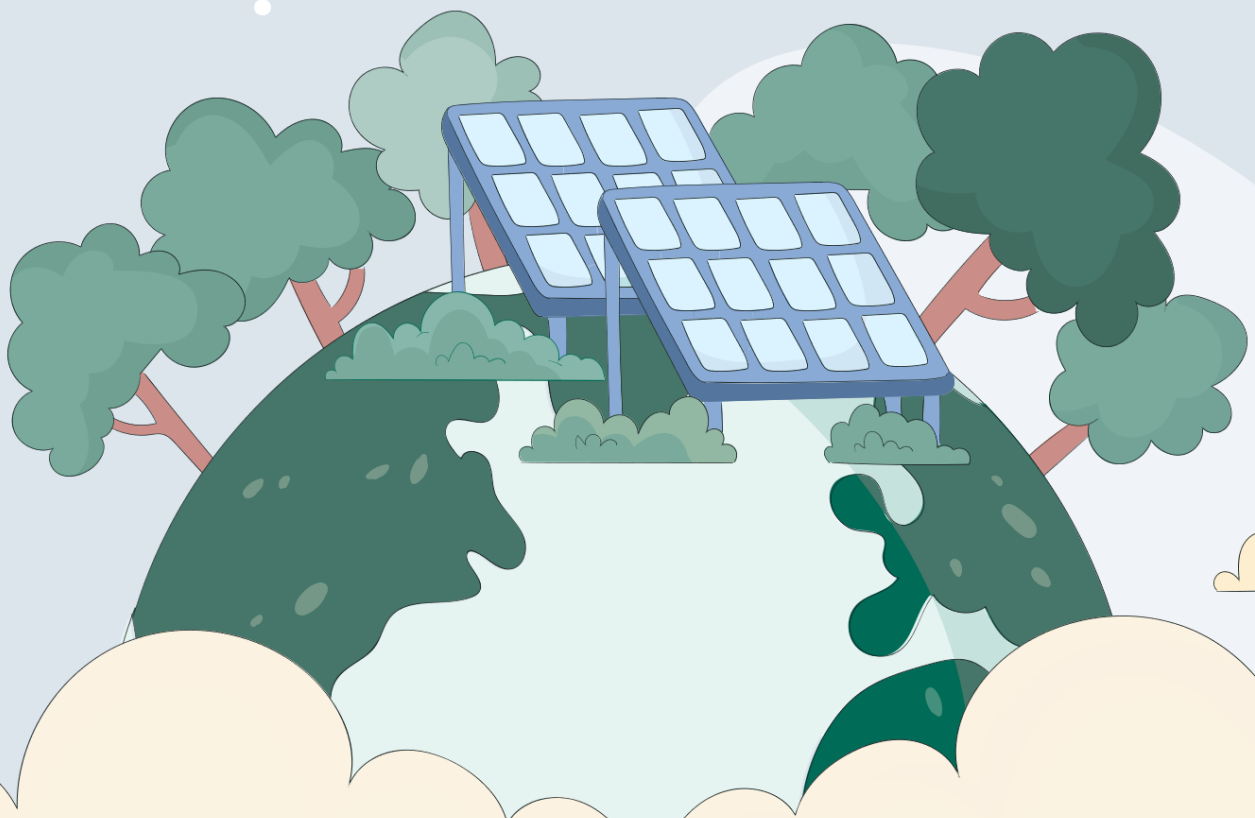




2025

Zeng Hsing

Corporate Sustainability Report



## About This Report

Zeng Hsing Industrial Co., Ltd. (hereinafter referred to as “Zeng Hsing”) is committed to its core business operations and to providing customers with high-quality products and services. The Company also aspires to continuously uphold the spirit of corporate citizenship in the future and fulfill its social responsibilities. This Sustainability Report sequentially discloses Zeng Hsing’s efforts and performance in sustainable development and corporate social responsibility across aspects including operating performance, corporate governance, CSR initiatives, sustainable services, environmental sustainability, employee care, and community engagement.

### Reporting Scope [2-2、2-3]

This report covers Zeng Hsing’s corporate social responsibility performance from January 1, 2025 to December 31, 2025. The scope of financial performance consists of the Company’s annual consolidated financial statements (including the parent company and its subsidiaries) and complies with International Financial Reporting Standards (IFRSs). Both individual and consolidated financial statements have been audited and certified by Ernst & Young.

For non-financial disclosures, the “operational control approach” is adopted as the boundary of assessment. Based on materiality and data availability principles, environmental data (such as energy consumption, water resources, waste, etc.), workforce statistics, and occupational health and safety management systems exclude sites over which the Company does not have operational control. Relevant exclusions and their operational impacts are noted in the respective sections. All data presented in this report are based on internationally recognized indicators, and any estimations are clearly disclosed in the relevant sections.

### Reporting Guidelines

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards, from which relevant sustainability topics, strategies, objectives, and measures are identified, analyzed, and disclosed in accordance with the guiding principles and structure. In addition, the United Nations Sustainable Development Goals (SDGs), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), and the Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies are referenced as long-term guiding frameworks for future development.

The content of this report is developed through a systematic analysis process to identify and prioritize sustainability issues of concern to stakeholders, serving as the basis for information disclosure. This report is prepared based on the GRI Standards framework and has been independently assured by TÜV, a third-party assurance provider, in accordance with the AA1000 standard. [2-5]

## Publication Schedule [2-3]

| Previous Edition | Current Edition | Next Edition        |
|------------------|-----------------|---------------------|
| July 2025        | July 2026       | Scheduled July 2027 |

This is the twelfth Sustainability Report published by Zeng Hsing. The Company will continue to publish its Sustainability Report annually and make it publicly available on the official Zeng Hsing website.

## Restatement of Information [2-4]

Any restatements of information in this report are detailed in the notes of the respective sections.

## Contact Information [2-3]

If you have any questions or suggestions regarding this report, please feel free to contact us using the information below:

Contact Person: Claire Chung, Assistant Manager (ESG Office, ESGO)

Phone: +886-4-2278-5177 (Ext. 589)

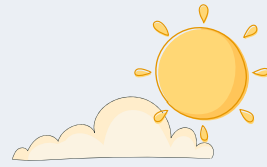
Address: No. 78, Yongcheng Road, Taiping District, Taichung City 41165, Taiwan

Email: [csr@zenghsing.com.tw](mailto:csr@zenghsing.com.tw)

Website: [www.zenghsing.com.tw](http://www.zenghsing.com.tw)



# A Message From the Chairman & CEO



【2-22 · 2-23】 Looking back on 2025, the global political and economic landscape, along with the challenges of climate change, emerged one after another. These developments not only tested corporate resilience but also prompted us to rethink the positioning of the sewing machine industry within the wave of sustainability. As a member of the industry, we recognize that transformation is no longer an option but an inevitable path for survival.

From the substantive implementation of the Carbon Border Adjustment Mechanism (CBAM) to increasing pressure for green transformation across supply chains, the sewing machine industry is facing unprecedented technological change. Alongside the advancement of AI technologies, traditional mechanical manufacturing is rapidly shifting toward "smart automation" and "energy efficiency." Customers' expectations for environmentally friendly products and designs are also rising. In response to these trends, we have actively invested in the development of green products and factory energy-saving initiatives, helping customers significantly reduce their environmental impact while maintaining productivity.



## Net-Zero Strategy: China Plant Achieves ISO 14064 Verification, Advancing Toward 2050 Carbon Neutrality Commitment

In terms of environmental stewardship, we have established clear targets and continue to progress steadily toward them. In 2025, our China plant successfully obtained ISO 14064 greenhouse gas inventory verification. We understand that carbon reduction must be addressed from both source and system perspectives; therefore, we have fully integrated "green design principles," embedding sustainability into the early stages of product development.

At the same time, we have strengthened our environmental management system (EMS) and energy management system to precisely optimize manufacturing energy efficiency. In energy transition efforts, we are actively expanding our renewable energy portfolio. We have begun planning solar panel installations at our Vietnam plant and are also promoting a self-generation and self-consumption solar power project at our Taiwan facilities, significantly increasing the proportion of renewable energy usage.

Through cross-regional inventory integration and tangible carbon reduction actions, we are steadily advancing toward our 2050 carbon neutrality goal with firm commitment and execution capability.



## Social Empowerment: Recognized as a Distinguished Volunteer Service Team in Taichung City, Pursuing National-Level Honor

In the field of social contribution, we firmly believe that corporations should grow in harmony with local communities. In 2025, we deepened our collaboration with the Social Affairs Bureau of Taichung City Government, actively participating in the "Volunteer Together" initiative and organizing a "One-Day Volunteer Experience" program, inviting the public into our company to experience the empowering value of sewing technology.

Thanks to the enthusiastic participation of our Zeng Hsing volunteer team, we are honored to have received the “2025 Taichung City Outstanding Volunteer Service Team” award. This honor not only acknowledges our past efforts but also motivates us to continue moving forward. In 2026, we aim to further pursue the “National Outstanding Volunteer Team” award, hoping to expand this spirit of care and professionalism nationwide and strengthen the connection between people and society.



## New Governance Era: Strengthening Sustainable Governance Resilience through Decision-Making Upgrade

To respond to the above challenges and ensure that our sustainability strategy is effectively implemented from the top down, we officially established the “Sustainable Development Committee” (hereinafter referred to as the ESG Committee) at the Board level

in 2025. This marks ESG as no longer a supplementary operational function but as a core strategic directive of the Company.

Through direct oversight and resource support from the Board of Directors, we have established a more transparent and robust governance structure, ensuring that sustainability goals are closely aligned with long-term business growth of the Group.

Looking ahead, Zeng Hsing will continue to leverage its sustainability strengths under the leadership of the ESG Committee. We are not only a manufacturer of sewing machines but also a trusted partner in the global green supply chain. Through solid achievements in group-wide carbon inventory verification and renewable energy deployment, we are committed to creating long-term value for all stakeholders.

We sincerely thank all employees, shareholders, and partners for their steadfast support, allowing us to jointly weave a better and more sustainable future on the path toward excellence.



*Leo Liu*  
CEO

*Charles Lin*  
Chairman



## Commitment To and Achievements in Sustainable Development

|                                                                                                                                                                                                                                                                                                                                                                          | 2026 Action Plan                                                                                                                                                                                                                                                                                                                                                                                          | 2025 Action Plan                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2025 Results                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Promote Circular Economy, Continue Energy Saving and Carbon Reduction, and foster a Sustainable Environment.</p>    | <p>Strictly control each unit's greenhouse gas emission intensity, water and electricity consumption, and waste reduction. At the same time, drive material reduction and eco-design from the R&amp;D side. In addition, conduct a carbon footprint inventory for embroidery machines and further develop a comprehensive carbon footprint database for the Group's sewing machine product portfolio.</p> | <p>Continue promoting energy conservation and carbon reduction by implementing policies on greenhouse gas emissions, water usage, and waste reduction. Introduce eco-design principles to reduce product energy consumption and improve recyclability, with the goal of developing more environmentally friendly and low-carbon products. In addition, conduct external verification of the carbon inventory for electromechanical operations in ZH China.</p> | <ul style="list-style-type: none"> <li>Completed 9 green design projects.</li> <li>Group carbon reduction performance (Category 1 &amp; 2): -44% compared to the baseline year.</li> <li>Environmental activity: Mountain cleanup; promotion of the circular economy, including upcycling used clothing, cardboard recycling and reuse, refurbishment of welfare sewing machines for reuse, donation of uniforms, donation of second-hand equipment, and participation in refurbished computer recycling programs.</li> </ul> |
| <p>Care for Employee Well-being, Ensure Workplace Safety and Health, and Maintain Growth Momentum.</p>              | <p>Fully implement human rights and occupational health and safety training, ensuring high participation rates and satisfaction. Promote the Employee Assistance Program (EAP) and various welfare initiatives to comprehensively support employees' physical and mental well-being.</p>                                                                                                                  | <p>Build a pregnancy-friendly workplace environment, promote the Employee Assistance Program (EAP), strengthen factory safety protection measures, and provide maternity leave benefits exceeding legal requirements, human rights training programs, and diverse learning channels, thereby comprehensively enhancing employee well-being and working conditions.</p>                                                                                         | <ul style="list-style-type: none"> <li>Group average training hours: 17 hours per person.</li> <li>Training satisfaction score: 4.7.</li> <li>Group human rights training: 2.61 hours per person.</li> <li>Employee satisfaction at Taiwan HQ: 4.34.</li> </ul>                                                                                                                                                                                                                                                               |
| <p>Implement Corporate Governance, Enhance Information Disclosure, and Ensure Sustainable Operations.</p>                                                                                                                                                                             | <p>Actively advance improvements in corporate governance evaluations and sustainability information assurance, with strict adherence to "zero non-compliance" with regulations. Continuously strengthen anti-corruption systems and cybersecurity drills to ensure stable and resilient operations.</p>                                                                                                   | <p>Continuously strengthen the culture of integrity management through system reinforcement and regular compliance audits. Enhance risk management capabilities via risk simulations and regulatory training. At the same time, participate in international ESG ratings and incorporate sustainability performance into the performance evaluation system to fully embed sustainable operations.</p>                                                          | <ul style="list-style-type: none"> <li>Completed 6 corporate governance optimization projects.</li> <li>336 employees completed integrity management training.</li> <li>All new suppliers have signed integrity commitment declarations.</li> <li>Anti-corruption awareness training conducted for 264 suppliers.</li> <li>Taiwan HQ accumulated 96 hours of regulatory compliance training.</li> </ul>                                                                                                                       |

|                                                                                                                                                                                                                                                                                                                                                       | 2026 Action Plan                                                                                                                                                                                                                                                                                                     | 2025 Action Plan                                                                                                                                                                                                                                                                                                                                                                      | 2025 Results                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Maintain Superior Quality, Provide Reliable Products, and Enhance Customer Satisfaction.</p>                                                                                                                                                                      | <p>Strengthen the company' s green brand image as a responsible and sustainable manufacturer, while strictly controlling incoming material quality and product safety design. Handle customer complaints promptly and track satisfaction to deliver reliable and high-quality product experiences.</p>               | <p>Actively collaborate with customers to promote corporate social responsibility initiatives, strengthening the company' s ESG image and external evaluations. Improve the timeliness of complaint handling and regularly track customer satisfaction feedback.</p>                                                                                                                  | <ul style="list-style-type: none"> <li>● Zeng Hsing' s CSR achievements communicated to customers via posters to strengthen brand image and demonstrate the value of a responsible and sustainable manufacturer.</li> <li>● Taiwan HQ, ZH Vietnam, and ZH China conducted restricted substances management awareness programs to continuously improve supply chain environmental compliance.</li> </ul>                                                                                    |
| <p>Strengthen Supply Chain, Maintain Partnerships, and Create Mutual Prosperity</p>                                                                                                                                                                                  | <p>Through on-site visits and ESG forums, assist suppliers in building sustainability awareness and improving management systems. Require the signing of integrity commitment letters to strengthen compliance and reduce supply chain risks.</p>                                                                    | <p>Promote ESG-related actions among suppliers by organizing supplier conferences to communicate ESG principles, hosting ESG-themed workshops, and conducting on-site CSR audits, thereby strengthening supply chain partners' understanding and implementation of sustainability issues.</p>                                                                                         | <ul style="list-style-type: none"> <li>● Conducted on-site audits of 23 suppliers, all of whom met CSR evaluation standards, ensuring the effective implementation of sustainability management.</li> <li>● A total of 104 suppliers participated in the Supplier Exchange Conference, strengthening partnerships and shared sustainability commitments.</li> <li>● All suppliers of Taiwan HQ have signed Human Rights and Environmental Sustainability Commitment Agreements.</li> </ul> |
| <p>Promote sewing culture, contributing to society, and give back to the communities.</p>    | <p>Promote sewing culture and deepen engagement with local communities. Launch the "Shared Goodness, Stitching Love Across Miles" initiative, aiming to collect and produce 1,000 reusable cloth sanitary pads to support women in Africa, delivering international humanitarian care and sustainability impact.</p> | <p>Continuously promote a corporate volunteer culture and expand diverse collaboration models. In cooperation with the Mustard Seed Mission, the Company provides sewing training programs and cultivates local seed instructors to help disadvantaged groups acquire practical skills. At the same time, regular charitable donations are made to actively give back to society.</p> | <ul style="list-style-type: none"> <li>● Completed donations of 106 machines and NT\$910,000 in cash.</li> <li>● Organized 26 community service activities and 2 volunteer training sessions, totaling 1,845 hours of volunteer training and service.</li> <li>● Taiwan HQ received the Taichung Outstanding Volunteer Team award.</li> </ul>                                                                                                                                              |

## Performance On Material Topic Indicators

|               | Material Topic                                              | Indicators                                                                                                                                      | Region                 | 2024 Performance                                                                                                                                     | 2025 Performance                                                                                                                                      | Management Approach<br>Relevant Chapter                 |
|---------------|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Economic      | Economic Performance <sup>5</sup>                           | Revenue                                                                                                                                         | Group                  | NT \$ 8.3 billion                                                                                                                                    | NT \$ 8.1 billion                                                                                                                                     | 1.3 Operating and Financial Information                 |
| Environmental | Energy emissions <sup>1</sup> and                           | Total greenhouse gas emissions (tonsCO <sub>2</sub> e) – Category 1 & 2                                                                         | Group                  | 15,000                                                                                                                                               | 15,000                                                                                                                                                | 7. Eco-Sustainability                                   |
|               | Green design <sup>3</sup>                                   | Energy and resource reduction green design projects ;<br><br>Carbon reduction achieved through refurbishment and resale of second-hand machines | Group<br><br>Taiwan HQ | 7 projects (parts standardization, eco-friendly packaging materials, and product performance enhancement)<br><br>-23 tonsCO <sub>2</sub> e reduction | 9 projects (parts standardization, eco-friendly packaging materials, and product performance enhancement)<br><br>-209 tonsCO <sub>2</sub> e reduction | 7.3 Reduction in Energy Demand of Products and Services |
| Social Impact | Training and Education <sup>4</sup>                         | Group average training hours (per person)                                                                                                       | Group                  | 19                                                                                                                                                   | 17                                                                                                                                                    | 5.3 Employee Training and Development                   |
|               | Occupational Safety and Health <sup>6</sup>                 | Recordable Occupational Injury Rate                                                                                                             | Group                  | 0.17                                                                                                                                                 | 0.15                                                                                                                                                  | 5.4 Safety Culture and Responsibility                   |
|               | Customer Health and Safety <sup>7</sup>                     | Number of grievance cases                                                                                                                       | Group                  | No related complaints were received.                                                                                                                 | No related complaints were received.                                                                                                                  | 4 Sustainable Products and Services                     |
|               | Labor-management / employer-employee relations <sup>2</sup> | Number of grievance cases / Maternity leave return-to-work rate & retention rate (Not applicable to other sites)                                | Group<br>Taiwan HQ     | 0 Cases<br>100%; 50%                                                                                                                                 | 0 Cases<br>100%; 50%                                                                                                                                  | 5.2 Employee Benefits and Rights                        |

Note: In 2025, Shinco was incorporated into ZH Vietnam. Total GHG emissions include all subsidiaries consolidated in the financial statements (excluding Turvo International Co., Ltd ).



# Content

|                                                           |   |
|-----------------------------------------------------------|---|
| About This Report                                         | 1 |
| A Message From the Chairman &CEO                          | 3 |
| Commitment To and Achievements in Sustainable Development | 5 |
| Performance On Material Topic Indicators                  | 7 |
| 2025 Sustainability Highlight                             | 9 |

## 1 Organization Profile

|     |                                     |    |
|-----|-------------------------------------|----|
| 1.1 | About Zeng Hsing                    | 10 |
| 1.2 | Operating Information               | 14 |
| 1.3 | Operating and Financial Information | 19 |
| 1.4 | Memberships of Associations         | 20 |

## 2 Stakeholder Communication

|     |                                                          |    |
|-----|----------------------------------------------------------|----|
| 2.1 | Engagement with Stakeholders                             | 21 |
| 2.2 | Stakeholder Identification and Material Topic Assessment | 24 |

## 3 Corporate Governance

|     |                                                          |    |
|-----|----------------------------------------------------------|----|
| 3.1 | Corporate Governance                                     | 27 |
| 3.2 | Sustainability Governance Structure and Responsibilities | 29 |
| 3.3 | Implementing Ethical Business Practices                  | 31 |
| 3.4 | Risk Management                                          | 34 |
| 3.5 | Regulatory Compliance                                    | 43 |

## 4 Sustainable Products and Services

|     |                                  |    |
|-----|----------------------------------|----|
| 4.1 | Company Certifications           | 46 |
| 4.2 | Marketing of Product and Service | 47 |
| 4.3 | Customer Satisfaction            | 49 |
| 4.4 | Supply Chain Management          | 52 |

## 5 Happy Workplace

|     |                                          |    |
|-----|------------------------------------------|----|
| 5.1 | Employee Profile in 2025                 | 57 |
| 5.2 | Employee Benefits and Rights             | 62 |
| 5.3 | Employee Training and Development        | 71 |
| 5.4 | Safety Culture and Responsibility        | 77 |
| 5.5 | Employee Health Management and Promotion | 81 |

## 6 Social Engagement

|     |                           |     |
|-----|---------------------------|-----|
| 6.1 | Social Welfare            | 84  |
| 6.2 | Zeng Hsing Volunteer Team | 88  |
| 6.3 | ESG Promotion             | 102 |

## 7 Eco-Sustainability

|     |                                                            |     |
|-----|------------------------------------------------------------|-----|
| 7.1 | Energy, Resource Consumption, and Greenhouse Gas Inventory | 111 |
| 7.2 | Waste Management                                           | 116 |
| 7.3 | Reduction in Energy Demand of Products and Services        | 118 |
| 7.4 | Circular Economy                                           | 122 |
| 7.5 | Biodiversity and Nature Conservation                       | 126 |

## 8 Appendix

|     |                     |     |
|-----|---------------------|-----|
| 8.1 | GRI Standards Index | 127 |
| 8.2 | TUV Audit report    | 131 |

## 2025 Sustainability Highlight

### Environment



- **Green design** : Completed 9 green design projects
- **Energy saving and carbon reduction** : All subsidiaries conduct annual GHG inventories and internal verification in accordance with ISO 14064-1 procedures, with the Group's GHG emissions publicly disclosed. In 2025, ZH China obtained a TÜV third-party verification statement for its GHG inventory.
- **Environmental activities** : mountain clean-up activities, green logistics projects, and paperless operations, which helped save 2,776 trees. Compared with the previous year, the Group reduced total water consumption by 13%, achieved a 75% resource recycling rate, donated 316 refurbished IT devices through its refurbished computer program, reduced 11 tonsCO<sub>2</sub>e through equipment refurbishment and reuse, and donated 436 pieces of new discontinued uniforms and 1,241 pieces of second-hand equipment to charitable organizations.
- **Workplace environment Monitoring** : All subsidiaries complied with local environmental standards.

### Social

- **Employee benefits** : Taiwan HQ provided a total of NT\$100,000 in childbirth subsidies to eligible employees.
- **Social welfare** : Donated NT\$14.99 million, 1,894 sewing machines, and 59 vacuum cleaners since 2010.
- **Volunteer team** : 28 events held in 2025, totaling 1,845 volunteer/training hours.
- **Human rights Training** : 5,893 hours conducted group-wide; 2.61 hours per employee.
- **Supplier CSR onsite audit** : 23 suppliers assessed; all qualified.
- **Customer satisfaction** : Score of 8.28 /10.

### Governance

- **ESG report** : Since 2025, 12 reports have been issued and obtained 3rd party verification statement, Launch bilingual (Chinese and English) report.
- **Anti-corruption training** : In 2025, a total of 336 employees completed anti-corruption training through both online and in-person courses.
- **Regulatory Compliance** : No material violations of applicable laws and regulations occurred during the reporting period.
- **Corporate governance evaluation** : Ranked within the top 6–20% among all listed companies.
- **FTSE ESG Rating** : 2.9 – Good Practice.
- **Sustainalytics ESG Risk** : 24.5 – Medium Risk.

# 1 Organization Profile

## 1.1 About Zeng Hsing

In 1968, the Company was founded in Taichung County under the name “Shin Shing Industrial Co., Ltd.”, primarily engaged in machining and processing activities, which later became the predecessor of Zeng Hsing Industrial Co., Ltd. Since 1980, the Company has entered a technical collaboration with Japan-based Riccar Co., Ltd, initiating the production of high-end aluminum alloy sewing machines and transitioning from OEM to ODM business models. With over 58 years of establishment, the Company has consistently achieved annual sales exceeding one million units and has maintained this production level steadily. Meanwhile, the Company continues to innovate across its product portfolio to ensure customer satisfaction and sustain its market position.

The Zeng Hsing headquarters is located in Taichung City, Taiwan (hereinafter referred to as the “Taiwan HQ”). Taiwan HQ includes departments such as Strategic Development, Sales & Marketing, HR, R&D, Engineering, Quality Assurance, Finance, and Riccar. The primary manufacturing base is in Ho Chi Minh City, Vietnam, operated by Zeng Hsing Industrial Co., Ltd Vietnam. (hereinafter referred to as “ZH Vietnam”). ZH Vietnam consists of two factory sites operating under an integrated one-stop production model, covering aluminum die casting, CNC machining, grinding, plastic injection molding, printing, assembly, and packaging. ZH Vietnam accounts for approximately 91% of the Group’s total production capacity and serves as the Group’s largest manufacturing base.

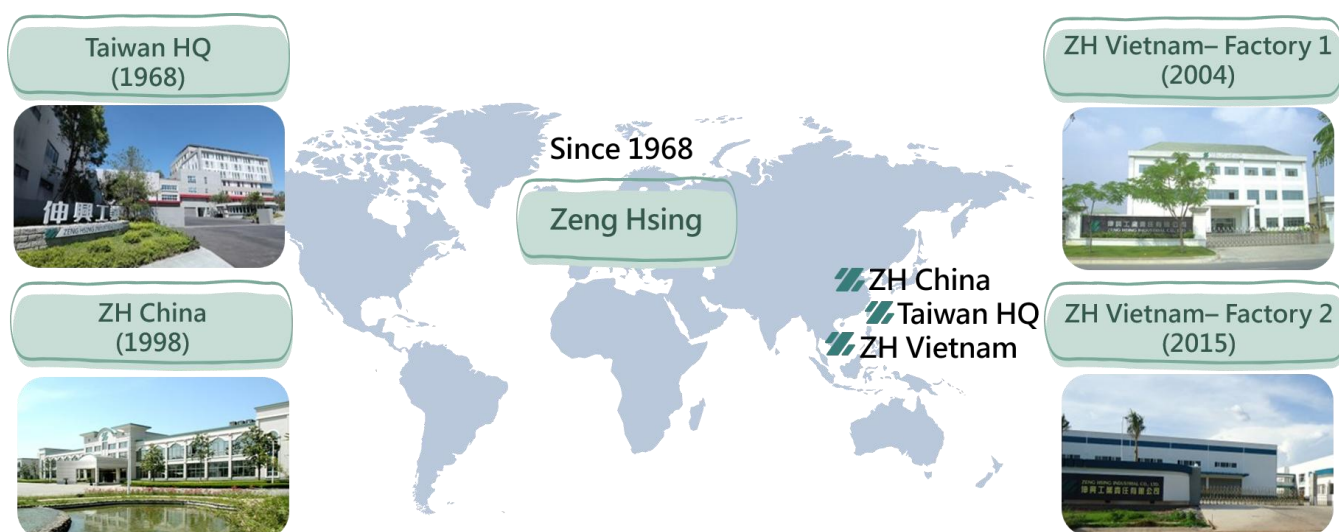
The Group’s second-largest manufacturing base is Zhangjiagang Zeng Hsing Machinery & Electronics Co., Ltd. in China. (hereinafter referred to as “ZH China”), accounting for approximately 9% of total sewing machine production capacity. In addition to its household sewing machine business, the Group also operates an aluminum die-casting division, which provides OEM services for die-cast components. In 2025, Zeng Hsing operates Shinco Technologies Co., Ltd. (hereinafter referred to as “Shinco”) was integrated into ZH Vietnam. In addition to sewing machine-related die-cast parts, it also manufactures automotive and motorcycle components and holds the IATF 16949:2016 automotive quality managements.

Beyond its core business, Zeng Hsing has developed a mature sewing machine manufacturing foundation and a complete supply chain system, enabling the Company to deliver cost-effective and practical products to consumers. Entering the domestic sewing machine markets in Taiwan and Vietnam represents significant opportunities for emerging business expansion and market share growth. Taiwanese consumers have high product quality expectations and a growing middle class with strong demand for fashion and functional apparel. Leveraging its precision manufacturing capabilities and design innovation, the Company aims to launch high-quality, high value-added sewing products. On the other hand, Vietnam is experiencing rapid economic growth and benefits from relatively lower labor costs, making it an important global manufacturing hub. At the same time, rising living standards are driving strong demand for apparel and home textile products. The Company continues to strengthen cooperation with local partners to leverage Vietnam’s production advantages and develop affordable yet reliable sewing products to meet local market needs.

At the Group level, Zeng Hsing will focus on strengthening core business revenue to ensure stable development of its primary operations, while actively expanding non-core revenue streams to diversify income sources. The Company also aims to secure operating profit through enhanced cost control and resource allocation efficiency, and to revitalize its distribution and trading systems to improve overall operational momentum. In terms of core business development, the Company will continue to deepen and expand cooperation with existing customers and strengthen long-term partnerships. Product differentiation strategies will be implemented to increase the proportion of mid-to-high-end models and enhance market competitiveness. Meanwhile, the Company will optimize production costs and improve manufacturing processes to increase efficiency and reduce operating expenses. Internal management systems will be further strengthened to enhance organizational effectiveness, while quality management systems will continue to be refined to reinforce brand trust through high-quality products.

The Company will also continue investing in green design and energy-saving carbon reduction initiatives, aligning with global sustainability trends. Through continuous innovation and diversified business development, Zeng Hsing aims to extend its core competitiveness and create new growth momentum. Overall, Zeng Hsing will build on a foundation of stable operations, combining strategic refinement, operational optimization, and sustainable development to continuously enhance corporate value and profitability, and move toward long-term stable growth and sustainable business operations.

## Factory Overview 【2-1】



Note: 1. Due to the administrative reorganization in July 1, 2025, the address of ZH Vietnam was changed from Binh Duong Province to Ho Chi Minh City.

The purpose of the core competency framework is to ensure that employees possess the skills and capabilities required to support the Company's organizational development and long-term success. These competencies are considered critical success factors for the sustainable growth of the Company. All employees of the Zeng Hsing Group are expected to demonstrate and uphold four core competencies: Integrity and Pragmatism, Innovation and Continuous Improvement, Customer Orientation, and Teamwork.

To embed these values throughout the organization and ensure consistent implementation, the Company introduces its core competency framework during new employee orientation and training programs. In addition, all employees are evaluated annually on these core competencies as part of the performance appraisal process. Through this mechanism, the Company seeks to cultivate a shared culture and common values among employees, enabling them to work together toward a successful and sustainable future.

### Integrity

We uphold practical behavior and conduct ourselves with sincerity, honoring our commitments. We communicate honestly based on facts—without concealment, withholding of information, opportunism, or using company resources for personal gain. In our work, we act without self-interest, take responsibility for our mistakes, and are committed to correcting them promptly.

### Innovation

We embrace new ideas and are open to trying new approaches, without limiting ourselves. We are willing to learn from others and apply past knowledge and experience to develop innovative solutions. We continuously seek ways to improve and enhance work efficiency. With a mindset of diverse thinking, we are courageous in proposing new ideas and methods.

## CORE COMPETENCIES

### Customer Orientation

We are able to think from the perspective of both internal and external customers and strive for win-win solutions. We maintain a professional and proactive attitude, always willing to offer assistance. When problems arise, we take the initiative to communicate and resolve issues with customers to earn their trust and satisfaction. We value customer satisfaction and are committed to maintaining strong, collaborative relationships with both internal and external partners.

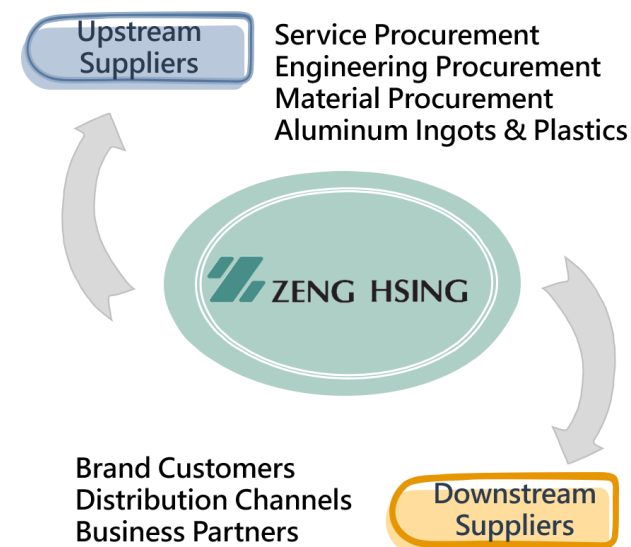
### Teamwork

We enjoy working with others to achieve shared goals. Throughout the execution of tasks, we actively encourage team members' participation and demonstrate a strong spirit of collaboration. Within the team, we support one another, prioritize team interests over personal gains, and willingly share resources and experiences to enhance communication and maximize overall effectiveness. We strive to build a positive team atmosphere, strong morale, and cooperative relationships.

## Basic Information 【2-1・2-6】

| Topic                                                         | Details                                                                 |
|---------------------------------------------------------------|-------------------------------------------------------------------------|
| Company Name                                                  | Zeng Hsing Industrial Co., Ltd.                                         |
| Stock Symbol                                                  | 1558                                                                    |
| Industry Category                                             | Manufacture of Machinery                                                |
| Head Office                                                   | No.78, Yongcheng Rd., Taiping Dist., Taichung City 411, Taiwan (R.O.C.) |
| Chairman                                                      | Charles Lin                                                             |
| CEO                                                           | Leo Liu                                                                 |
| Main Business                                                 | Household sewing machines and commercial vacuum cleaners                |
| Listed Date                                                   | 2014/12/23                                                              |
| Paid-up Capital                                               | NTD 665,356,310                                                         |
| Employees (ZH Group)                                          | 2,260 (as of 2025/12/31)                                                |
| Operating Revenue                                             | NTD 8,103,980,000                                                       |
| Notes : Employees include ZH Taiwan, ZH Vietnam and ZH China. |                                                                         |

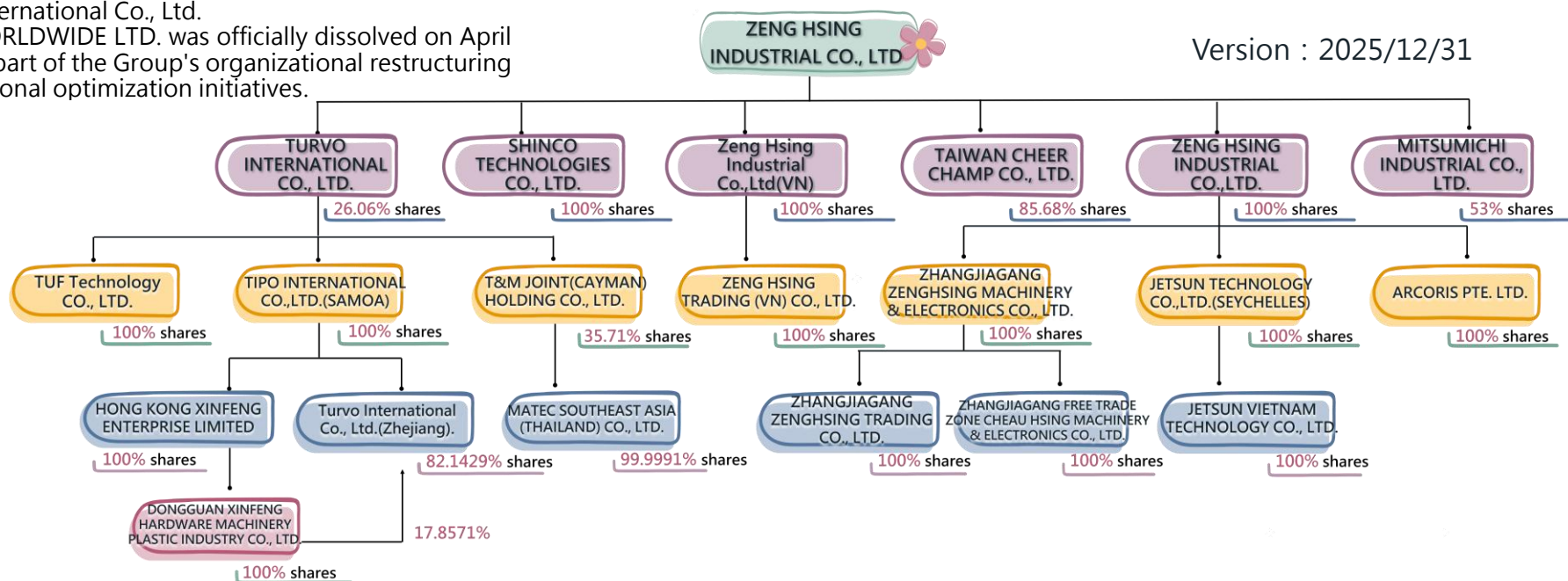
## Value Chain



## Group Subsidiaries 【2-1】

### 2025 Organizational Changes

- As of 2025, the Company held a 26.06% ownership interest in Turvo International Co., Ltd.
- ZORCA WORLDWIDE LTD. was officially dissolved on April 6, 2025, as part of the Group's organizational restructuring and operational optimization initiatives.



## 1.2 Operating Information [2-6]

Zeng Hsing as Taiwan's first listed household sewing machine manufacturer, has established a global leading position through its vertically integrated "one-stop production" model. The Company not only offers a comprehensive product portfolio, but also actively integrates Wi-Fi transmission, dedicated mobile applications, and cloud-based editing functions, seamlessly combining traditional sewing technology with modern innovation. At the same time, Zeng Hsing places "green design" at the core of its product development philosophy. By managing sustainability from the source, the Company continuously reduces resource and energy consumption during both design and manufacturing processes, thereby supporting carbon reduction targets and fulfilling its commitment to green manufacturing.

The following section introduces Zeng Hsing's sewing machine and vacuum cleaner product lines.

### Mechanical



Traditional mechanical sewing machines use a cam mechanism to drive different stitching patterns (#1). However, the number of available stitch patterns is limited, making them basic entry-level models. Currently, Zeng Hsing's mechanical sewing machines can be broadly classified into two types based on the orientation of the bobbin case: vertical oscillating hook (#2) and horizontal full rotary hook (#3). The vertical oscillating hook is a traditional design, typically composed of metal components. It generates relatively higher noise levels and involves a more complex installation process for users; however, its advantage lies in its lower cost. The horizontal full rotary hook is a more modern design enabled by technological advancement. It offers lower noise levels and simpler operation procedures, although its cost is slightly higher than that of the vertical oscillating hook. Although mechanical sewing machines offer limited stitch patterns and relatively simple functions, they are known for their durability and long service life.



## Computerized

Microcomputer technology and stepper motors are adopted to replace the traditional cam mechanism for generating stitch patterns. Through a main control board and LCD display, various functions can be managed, providing users with a wider range of stitching patterns and functional applications. Users can precisely adjust stitch length, sewing speed, and stitch patterns, making these machines suitable for advanced users who seek high precision and complex design capabilities.



## Embroidery

This is a high-end model featuring a wide variety of stitch patterns, embroidery functions, and a rich library of built-in designs, capable of meeting users' diverse creative needs. Users can also design their own patterns through embroidery editing software or mobile applications, enabling the creation of unique and personalized embroidery works. Designs can be transferred to the machine via Wi-Fi, cloud connectivity, or USB, allowing users to fully enjoy the experience of personalized creation and digital embroidery.



## Overlock

Compared with sewing machines, overlock machines (sergers) have a higher learning curve. The main difference is that a sewing machine typically requires only one thread, whereas an overlock machine requires threading of 3 to 5 threads, often using tweezers to complete the process. An overlock machine can simultaneously trim fabric edges and finish seams. By interlocking multiple threads, it securely wraps the fabric edge, preventing fraying or unraveling. It is an essential tool in garment construction and tailoring processes.



In addition to continuously strengthening its core sewing machine business, Zeng Hsing is also actively engaged in the design and manufacturing of vacuum cleaners and related components. The Company's vacuum cleaner product line primarily consists of commercial-grade models, including upright and backpack vacuum cleaners. These products are designed for use in hotels, retail stores, offices, and other environments requiring large-area cleaning. The key design focus is durability, long operating life, and high cleaning efficiency. The products are equipped with HEPA high-efficiency filters capable of capturing 0.3-micron particles with up to 99.97% filtration efficiency. This helps effectively remove airborne particulates, dust, bacteria, and odors, improving overall air quality.

## Commercial upright

Commercial upright vacuum cleaners are a best-selling product in the North American market. They use a motor/belt-driven system to achieve high-speed rotation for deep carpet cleaning. The base agitation system features a clutch design, allowing users to switch modes depending on different cleaning surfaces, such as hard floors or carpets. In addition, the quick-release aluminum telescopic tube design has been highly praised by customers, enabling fast attachment changes and making it easier to clean sofas, corners, and narrow gaps. The upright design also allows for convenient standalone storage without occupying significant space.



## Backpack

Backpack vacuum cleaners enable cleaning tasks without spatial limitations, allowing users to move freely and clean hard-to-reach areas. They are primarily suitable for environments such as staircases, theaters, airplanes, and trains, significantly improving cleaning convenience.

In addition, the back panel is ergonomically designed, and the shoulder straps can be adjusted according to the user's body shape. Even during prolonged use, the machine remains comfortable to carry, greatly enhancing both convenience and user comfort during cleaning operations.





## Cordless backpack

Launched in 2025, the new lightweight cordless backpack vacuum cleaner adopts a replaceable lithium-ion rechargeable battery design, offering improved environmental benefits compared to disposable battery systems. The product features a cordless design that removes restrictions caused by power cords, thereby enhancing operational mobility and cleaning efficiency. In addition, its lightweight body reduces operator burden and helps mitigate occupational injury risks associated with cable entanglement or tripping hazards. Furthermore, the product can be equipped with multiple types of cleaning attachments depending on different application needs. It is suitable for cleaning elevated or hard-to-reach areas such as ceilings, curtains, and sofa crevices, further improving cleaning convenience and operational coverage.



### 2025 List of Newly Developed Technologies and Products

| ZH model        | Category                                             | Key Features                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CH01CX          | Wi-Fi Combo<br>Computerized Embroidery               | <b>Smart Connectivity and Touch Interface Upgrade to Enhance Operational Convenience:</b><br>This model is an upgraded version based on the existing architecture, incorporating Wi-Fi connectivity to improve data transmission and system update convenience. It is also equipped with a 3.5-inch color touchscreen, providing a more intuitive user interface and optimizing the overall user experience.                                                               |
| H71KS           | Computerized<br>Horizontal Hook                      | <b>High-Speed Sewing with Multi-Pattern Functionality to Improve Operational Efficiency:</b><br>This model features high-speed sewing capability of up to 1,000 stitches per minute and includes 300 built-in stitch patterns. Functions include automatic thread cutting, memory storage, stitch reinforcement, pattern mirroring, and size adjustment. It is also equipped with dedicated presser foot accessories to enhance sewing quality and operational efficiency. |
| KB75A<br>KB75AE | Mechanical Vertical Hook<br>Electronic Vertical Hook | <b>Mechanical and Electronic Dual-Version Strategy to Strengthen Market Differentiation:</b><br>Based on market demand, both mechanical and electronic versions are developed to meet different user preferences and functional requirements. This product category is relatively rare in the market, providing a differentiated competitive advantage.                                                                                                                    |
| Q60MP.D         | Mechanical Horizontal Hook                           | <b>Dual Belt Drive and High-Power Motor Design to Enhance Heavy-Duty Sewing Capability:</b><br>This model adopts a dual belt drive system to strengthen heavy fabric sewing performance and is equipped with a DC high-power motor, improving operational stability and overall efficiency.                                                                                                                                                                                |
| MAxxF           | Mechanical Vertical Hook                             | <b>New Mechanical Control Design to Target Entry-Level Market Segment:</b><br>This model introduces a mechanical ON/OFF switch and a three-stage speed control knob on the front panel to enhance ease of use. It is primarily marketed through e-commerce platforms and home appliance retail channels and is positioned as a key entry-level product.                                                                                                                    |

|          |                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| QxxNST.D | Mechanical Horizontal Hook    | <b>High Penetration Power with Leather Application Accessories to Meet Industrial Design Demand:</b><br>Equipped with a DC high-power motor, this model delivers strong penetration force even at low speeds, making it suitable for thick fabrics and leather materials. Standard accessories include a roller presser foot, catering to users interested in industrial-style leather sewing applications and further strengthening product differentiation. |
| CJ05BX   | Combo Computerized Embroidery | <b>Film-Themed Co-Branding to Enhance Brand Recognition and Added Value:</b><br>This model introduces a co-branded edition incorporating themed elements into the boot screen, standby screen, user interface, and system visuals, enhancing product added value and brand identity.                                                                                                                                                                          |
| BJA      | Vacuum cleaner                | <b>Lightweight Upright Design Targeting North American Entry-Level Commercial Market:</b><br>This product is a lightweight bag-type upright vacuum cleaner positioned as an entry-level mainstream model for the North American commercial market, with lightweight design and ease of use as its core features.                                                                                                                                              |
| BPAE2    | Vacuum cleaner                | <b>Cordless Backpack Design with Ergonomics to Enhance Cleaning Flexibility:</b><br>This product is powered by a battery system, improving operational flexibility and eliminating cable constraints. The backpack structure is ergonomically designed and lightweight, enhancing comfort during prolonged use.                                                                                                                                               |

The product development focus for the current year has been placed on functional upgrades and market differentiation. Sewing machine products have been enhanced with Wi-Fi connectivity and touchscreen interfaces, strengthening high-speed sewing capability, diversified stitch patterns, and automation functions, while also improving heavy-fabric sewing performance and operational stability. In response to market demand, both mechanical and electronic models have been developed, and co-branded editions have been launched to enhance product added value. In the cleaning product segment, the Company focuses on lightweight and cordless designs, launching upright and backpack vacuum cleaners to enhance operational convenience and user comfort. Overall product development is centered on improving user experience and strengthening product competitiveness.

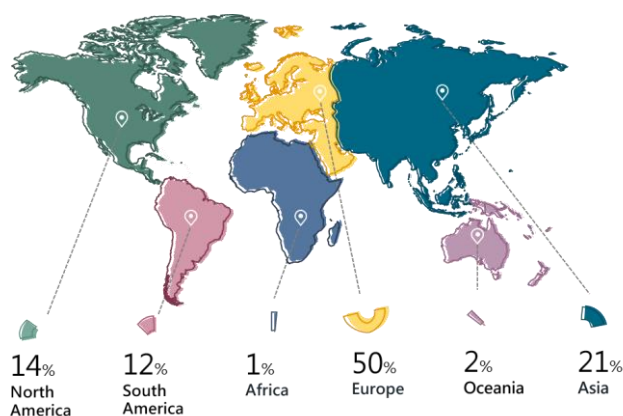
In 2025, Zeng Hsing obtained two newly granted patents after review, including a sewing machine equipped with a USB-C interface module, and a DC high-voltage motor control device and its control method. The R&D team continues to develop diverse functionalities to enhance user convenience and machine applicability and will actively pursue additional patents to strengthen product competitiveness and innovation value. As of 2025, Zeng Hsing holds a total of 33 patents.

### 2025 Granted Patents

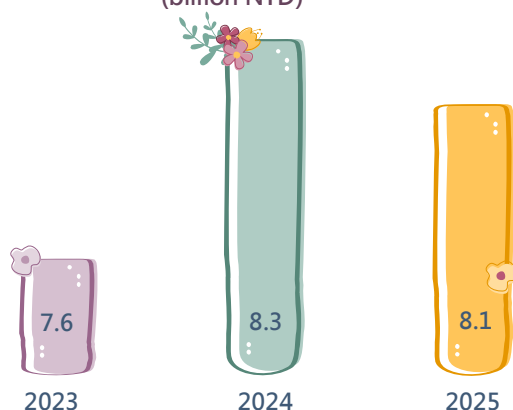
| Patent Title                                            | Jurisdiction | Patent Type   | Patent No. | Directions                                                                                                                                           |
|---------------------------------------------------------|--------------|---------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sewing Machine with TYPE-C Interface                    | French       | Utility Model | 3153353    | The integration of a USB Type-C power supply into the sewing machine enables the device to be powered directly or to support charging functionality. |
| High-Voltage DC Motor Control Device and Control Method | Vietnam      | Invention     | 47360      | It enhances high fabric penetration capability at low rotational speeds, while reducing energy consumption to achieve improved energy efficiency.    |

## 1.3 Operating and Financial Information [201-1]

As a leader in the household sewing machine industry, Zeng Hsing has been committed to technological innovation and new product development since its establishment, continuously pursuing excellence. With outstanding product quality & first-class service, Zeng Hsing has earned the trust and support of customers. Zeng Hsing's comprehensive product portfolio can meet the needs of markets and countries across the globe. To date, Zeng Hsing's customer base has expanded to more than 100 countries across six continents. Zeng Hsing continues to deepen cooperation with existing customers while actively exploring new market opportunities and developing innovative products to further expand its global business footprint. Its goal is to extend its presence to every corner of the world and maintain a leading position in all markets it serves.



### Operating Revenue (billion NTD)



\* The above figures are based on consolidated financial statements. For detailed financial information, please refer to the 2025 Annual Report of Zeng Hsing Industrial Co., Ltd.

In 2025, amid global economic uncertainty, fluctuations in end-market consumer demand, and multiple external disruptions, Zeng Hsing Group reported consolidated revenue of NTD 8.1 billion, representing a slight decrease of 2.8% compared to 2024, while overall operations continued to demonstrate resilient stability. In terms of the core sewing machine business, demand in the European and U.S. markets gradually recovered after the 2<sup>nd</sup> quarter of 2025. Major European retail channels increased inventory preparation and order pull-in ahead of the Thanksgiving and Christmas peak seasons, driving a 6.2% yoy increase in annual unit shipments of household sewing machines.

Overall, the Company has gradually emerged from the impact of earlier inventory destocking cycles. Through market expansion, product innovation, technological development, and manufacturing efficiency improvements, Zeng Hsing continues to strengthen core competitiveness. Looking ahead, Zeng Hsing will continue to respond to changing market demand, deepen its capabilities in green manufacturing and supply chain management, and enhance its resilience to external uncertainties, thereby laying a solid foundation for long-term stable growth and sustainable development of the Group.

### Operational Data Overview

| Economic value             | Item                     | 2023  | 2024  | 2025  |
|----------------------------|--------------------------|-------|-------|-------|
| Direct economic value      | Operating Revenue        | 7,558 | 8,337 | 8,104 |
|                            | Operating Costs          | 5,640 | 5,882 | 5,922 |
| Economic value distributed | Operating Expenses       | 1,399 | 1,524 | 1,452 |
|                            | Tax Expense (Income Tax) | 73    | 281   | 233   |
|                            | Dividend Distribution    | 366   | 253   | 399   |
| Economic value retained    |                          | 80    | 397   | 98    |

Note: 1. Unit : NT\$ million      2. Operating Costs & Expenses include Employee salaries and benefits (salary expenses, labor and health insurance contributions, retirement fund provisions, other employee benefits).

## Material Topic Management Approach – Economic Performance 【2-23、2-24、3-3】

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Policy</b>                | Management Guidelines for Business Operations and Strategic Objectives, Sustainability Development Policy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Goals and Commitments</b> | <p><b>Short-term: Stable Operations and Strengthening Core Business</b><br/>Strengthen core revenue, ensure operating profit, expand existing customer cooperation, revitalize distribution and trading systems, optimize production costs, and continuously improve quality standards.</p> <p><b>Mid-term: Enhancing Competitiveness and Driving Operational Upgrade</b><br/>Promote product differentiation, increase the proportion of mid-to-high-end models, strengthen internal management and process optimization, develop key talent and organizational capabilities, and expand non-core and new business revenue sources.</p> <p><b>Long-term: Diversified Development and Sustainable Growth</b><br/>Extend core competitiveness, promote diversified business development, strengthen green design and low-carbon manufacturing, and establish a foundation for sustainable operations.</p> |
| <b>Responsible Unit</b>      | Management Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Resources and Actions</b> | The Company has established the "Management Guidelines for Business Operations and Strategic Objectives", under which regular analyses of the external environment, internal conditions, and risk assessments are conducted to formulate strategic objectives and action plans in accordance with the policy framework.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Evaluation Mechanism</b>  | The Management Committee holds monthly management meetings to review production and sales performance, ensuring stable and effective business operations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Performance</b>           | Zeng Hsing Group: 2025 Operating Revenue = NTD 8.1 billion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

### 1.4 Memberships of Associations

Zeng Hsing participates in sewing industry-related associations to exchange knowledge, information, and experience, thereby gaining a deeper understanding of the industry environment and accelerating industry enhancement and development. In addition, the Company actively engages in various business associations (such as the Stone Association, Foundry Association, and Mold Association) to broaden its scope of interaction and participation. Through these platforms, Zeng Hsing exchanges insights on comprehensive economic issues across politics, industry, society, and technology, enabling the Company to stay abreast of global trends, drive innovation, and seek new opportunities for corporate transformation and growth.

#### Membership of association 【2-28】

| Groups               | NO. | Association                                       | Participation Role                                       | Participants                               |
|----------------------|-----|---------------------------------------------------|----------------------------------------------------------|--------------------------------------------|
| Sewing Industry      | 1   | Taichung Sewing Machine Association               | Consultant<br>Executive Board Members                    | ZH Chairman<br>ZH CEO                      |
|                      | 2   | Taiwan Sewing Machine Industry Association        | Consultant<br>Executive Board Members<br>Former Chairman | ZH Board Director<br>ZH CEO<br>ZH Chairman |
|                      | 3   | Taipei Sewing Machine Association                 | Member                                                   | ZH Chairman                                |
| Industry Association | 4   | The Entrepreneur Club                             | Member                                                   | ZH Chairman                                |
|                      | 5   | Binh Duong Taiwanese Business Association (BTBVN) | Member                                                   | ZH Vietnam CEO                             |
|                      | 6   | Taiwan Mold & Die Industry Association            | Member                                                   | ZH Chairman                                |
|                      | 7   | Taiwan Casting Industry Association               | Member                                                   | ZH Chairman                                |

## 2 Stakeholder Communication

Stakeholder identification and engagement form the foundation of corporate social responsibility and sustainable development. To better understand stakeholders' concerns regarding the Company's economic performance, corporate governance, human rights, labor practices, social impacts, product responsibility, and environmental issues, Zeng Hsing collects feedback through various internal and external communication channels, including shareholders' meetings, the Employee Welfare Committee, employee satisfaction surveys, and customer service email platforms. The opinions and suggestions gathered from these channels serve as important references for the Company in formulating management policies, sustainability strategies, and future action plans. Through continuous stakeholder engagement, Zeng Hsing strives to respond effectively to stakeholder expectations while creating long-term value for both the Company and society.

### 2.1 Engagement with Stakeholders

#### ✳ Stakeholder's key Concerns and Communication Channels

To achieve sustainable corporate development, Zeng Hsing engages with stakeholders through multiple communication channels to better understand their needs and expectations. Zeng Hsing employs a variety of methods to ensure effective two-way interaction with its stakeholders.

#### Within the Organization

Employee-related matters, including compensation and benefits, occupational health and safety, and company policies—are communicated openly through departmental meetings and weekly plant-wide meetings to ensure employees understand their rights and entitlements. Zeng Hsing has also established an Employee Welfare Committee and a labor union to plan and implement welfare programs, enhance job satisfaction, and strengthen team cohesion. The labor union further serves as a communication bridge between employees and management, supporting constructive labor–management relations.

To protect employees' legal rights, Taiwan HQ has implemented an **Employee Grievance Management Procedure**. Employees who experience unfair treatment or witness illegal or improper conduct that may affect individual or company interests may file a grievance in writing, by phone, or via email. The Human Resources Department appoints designated personnel to handle the case, conduct an investigation, and submit a report to the CEO for a final decision. If the grievance involves disciplinary action, a *Personnel Review Committee* will be convened to determine the appropriate measures.



## Outside the Organization

Upstream suppliers receive information on product-related laws and regulations through supplier conferences. Downstream customers can learn about the Company and its products via the customer service email system or by phone. Other external stakeholders—such as investors, banks, and government agencies—can access the latest updates about Zeng Hsing through the Company’ s official website, television interviews, magazine features, and other media channels.

In addition, Zeng Hsing has established the following dedicated hotlines and email addresses as channels for internal/External communication and information exchange:

| Communication Channels      | Contact Person                      | Hotlines         | Email                         |
|-----------------------------|-------------------------------------|------------------|-------------------------------|
| Switchboard Operator        |                                     | 04-2278-5177#9   |                               |
| Spokesperson                | Jerome Chuang<br>Associate Director | 04-2278-5177#182 | spokesman@zenghsing.com.tw    |
| Deputy Spokesperson         | Sam Chou<br>Deputy CEO              | 04-2278-5177#885 | sam_chou@zenghsing.com.tw     |
| Customer Service            | Jenny Lin<br>Department Manager     | 04-2278-5177#151 | sales@zenghsing.com.tw        |
| ESG Office                  | Claire Chung<br>Department Manager  | 04-2278-5177#589 | csr@zenghsing.com.tw          |
| Procurement                 | Willaim Chen<br>Special Assistant   | 04-2278-5177#158 | william_chen@zenghsing.com.tw |
| Integrity / Anti-Corruption | Vicki Hsieh<br>Department Manager   | 04-2278-5177#246 | report_zh@zenghsing.com.tw    |
| Employee Grievances         | Chiouru Lai<br>Section Manager      | 04-2278-5177#700 | hr@zenghsing.com.tw           |

To help customers gain a clearer understanding of Zeng Hsing’ s ESG initiatives, the Company has produced annual posters since 2020 to highlight key sustainability achievements and distribute them to overseas clients. In addition, an English version of the sustainability report is published each year to align with international standards.



## Stakeholder's key Concerns and Communication Channels【2-29】

| Stakeholder          | Communication Topics                                                                                                     | Communication Channels                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2025 Communication Performance                                                                                                                                                                                                                                                                                                                   |
|----------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customers            | Marketing and labeling, Labor practice and human rights, Green design, etc.                                              | <ol style="list-style-type: none"> <li>1. Sales visits</li> <li>2. Customer service email</li> <li>3. Customer satisfaction survey</li> <li>4. Email/phone communication</li> <li>5. Product exhibitions</li> <li>6. Customer factory visits</li> <li>7. Customer human rights audits</li> <li>8. Customer ESG requirements</li> <li>9. Communication platforms</li> </ol>                                                                                                  | <ul style="list-style-type: none"> <li>✓ Survey response rate reached 97%.</li> <li>✓ Average satisfaction score of 8.28.</li> <li>✓ 3 responses were provided regarding key customer concerns, including "Green Products" and "Human Rights and Labor Practices."</li> </ul>                                                                    |
| Shareholders / Banks | Corporate governance, Business performance, Anti-corruption, Tax policies, Regulatory compliance, etc.                   | <ol style="list-style-type: none"> <li>1. Institutional investor visits (monthly)</li> <li>2. Annual shareholder meeting (annually)</li> <li>3. Investor section on website</li> <li>4. Shareholder contact window and email</li> <li>5. Spokesperson and investor liaison</li> <li>6. Bank visits and credit reviews (irregular)</li> <li>7. Bank ESG questionnaires and assessments</li> <li>8. Publication of ESG Report (approved by the Board of Directors)</li> </ol> | <ul style="list-style-type: none"> <li>✓ Held 4 investor conferences and 1 shareholders' meeting.</li> <li>✓ Published corporate sustainability reports in both Chinese and English annually and disclosed it through the Market Observation Post System (MOPS).</li> <li>✓ Completed 3 ESG questionnaires from banking institutions.</li> </ul> |
| Employees            | Labor practice and human rights, Occupational health and safety, Training and education, Compensation and benefits, etc. | <ol style="list-style-type: none"> <li>1. Company website</li> <li>2. Employee Welfare Committee</li> <li>3. Labor union</li> <li>4. Employee grievance hotline</li> </ol>                                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>✓ Held 4 Occupational Safety and Health Committee meetings.</li> <li>✓ 6 on-site physician services,</li> <li>✓ 5 labor-management meetings.</li> <li>✓ No relevant complaints were received on the complaint hotline.</li> </ul>                                                                         |
| Government           | Labor practice and human rights, Occupational health and safety, Regulatory compliance, etc.                             | <ol style="list-style-type: none"> <li>1. Official correspondence</li> <li>2. Meeting participation</li> <li>3. Routine inspections</li> <li>4. Environmental investigations</li> </ol>                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>✓ Participated in 2 promotional events hosted by Taiwanese government agencies.</li> <li>✓ Attended 6 Government-organized occupational safety seminars and training programs.</li> <li>✓ Completed 1 labor inspection.</li> <li>✓ Completed 1 environmental expenditure survey.</li> </ul>               |
| Suppliers            | Supply chain management                                                                                                  | <ol style="list-style-type: none"> <li>1. Supplier conference</li> <li>2. Onsite audits</li> <li>3. Restricted Substances Forums</li> </ol>                                                                                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>✓ Held 3 supplier conference and ESG promotion.</li> <li>✓ 9 quality counseling/training sessions.</li> <li>✓ 23 supplier CSR on-site visits.</li> <li>✓ Held 5 discussions on restricted substances management.</li> </ul>                                                                               |

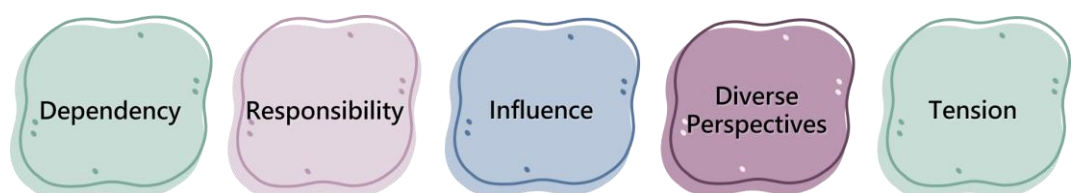
## 2.2 Stakeholder Identification and Material Topic Assessment



【3-1】 In preparing its annual Sustainability Report, Zeng Hsing incorporates a materiality analysis to systematically identify topics that may have potential or actual positive or negative impacts on the environment, society, and the economy. This approach serves as a foundation for information disclosure and supports effective communication with various stakeholders. Zeng Hsing’ s materiality analysis process is structured into five key steps:

### Step 1: Identifying Stakeholders 【2-29】

According to Zeng Hsing’ s Sustainable Development Management Guidelines, stakeholders must be re-identifying every three years, or within the same year if significant operational changes occur. The identification process is based on the five key principles of the AA1000 Stakeholder Engagement Standard: Dependency, Responsibility, Influence, Diverse Perspectives, and Tension. Each stakeholder group is assessed on a scale of 1 to 5, with 5 representing the highest relevance.



At the end of 2023, the ESG Committee invited its members to participate in the triennial stakeholder identification process. Referring to the AA1000 standards and benchmarking against peer companies, five primary stakeholder groups were identified from a list of 12 potential groups: Employees, Consumers/Customers, Suppliers/Contractors, Investors/Banks, and Government Agencies. The next re-identification process is scheduled for the end of 2026, in line with the Sustainable Development Management Guidelines.

### Step 2: Collecting Relevant Topics

The topics were sourced from the Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB) guidelines for the household appliances manufacturing industry, and requirements from the Taiwan Stock Exchange. Based on the

results of communications between Zeng Hsing's departments and stakeholders, **a total of 25 material topics were identified for 2025.**

### Step 3: Analyzing and Prioritizing Material Topics

The material topics assessment was conducted by members of the ESG Committee together with one external expert, who evaluated the Company's actual or potential positive and negative impacts on the economy, environment, and society for each topic. Each topic was scored on a scale of 1 to 3. Based on the assessment results, the ESG Committee conducted further analysis and discussion to identify the topics considered material and requiring active management. These were designated as the Company's material topics and corresponding management approaches were established for each topic.

According to the 2025 materiality assessment, topics with a total score of above 3 were identified as material, resulting in the selection of seven material topics. Compared with the previous reporting year, the number of material topics decreased by four. The topics removed from the materiality list were 『Waste』, 『Water Resources』, 『Procurement Practices』, and 『Indirect Economic Impacts』.

### Step 4: Defining Topic Boundaries

Based on the nature of the Company's sewing machine assembly and manufacturing business, no water-intensive production processes are involved. Most waste generated consists of recyclable packaging materials and production scrap. In addition, the Company's supply chain remains stable, and its operations do not involve significant investments in local infrastructure.

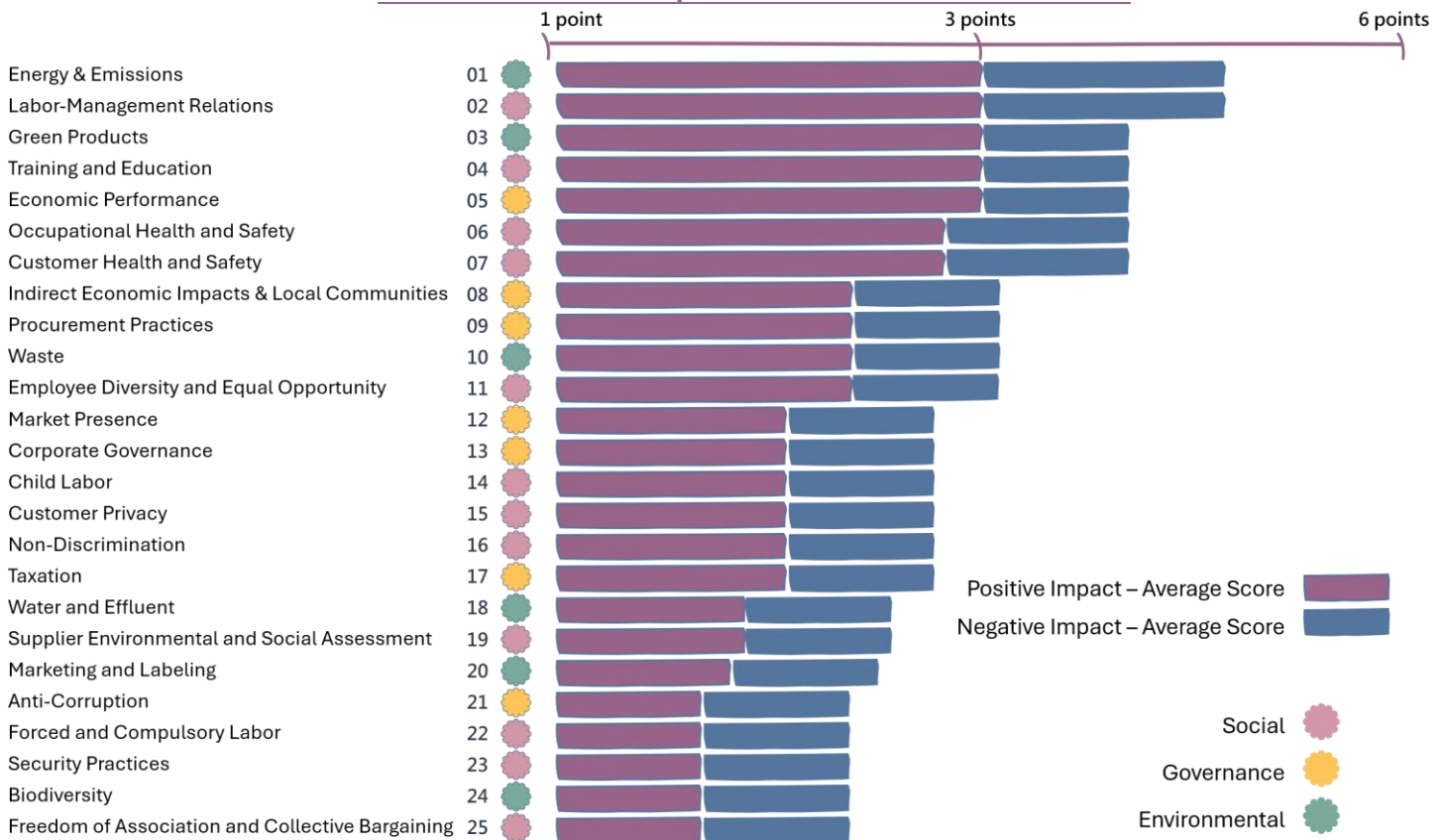
After a comprehensive assessment, the Company concluded that the above four topics have relatively low environmental and financial impacts on its overall operations. Accordingly, 『Waste』, 『Water Resources』, 『Procurement Practices』, and 『Indirect Economic Impacts』 were not identified as material topics for the current reporting year.

Following the prioritization of the material topics, internal discussions were conducted to determine the organizational boundaries and relevant internal and external stakeholders associated with each topic. The results serve as the foundation for sustainability information disclosure in future Sustainability Reports issued by Zeng Hsing.

### Step 5: Establishing and Implementing Response Mechanisms

The identified material topics have been integrated into the Company's daily operations and annual business plans, serving as one of the key foundations for stakeholder engagement and the formulation of Zeng Hsing's sustainability development strategy.

## 2025 Material Topic Identification Results



### \* Material Topics and Impact Boundaries

★Causes ▲Directly Related ●Enables ■Governance ■Environmental ■Social

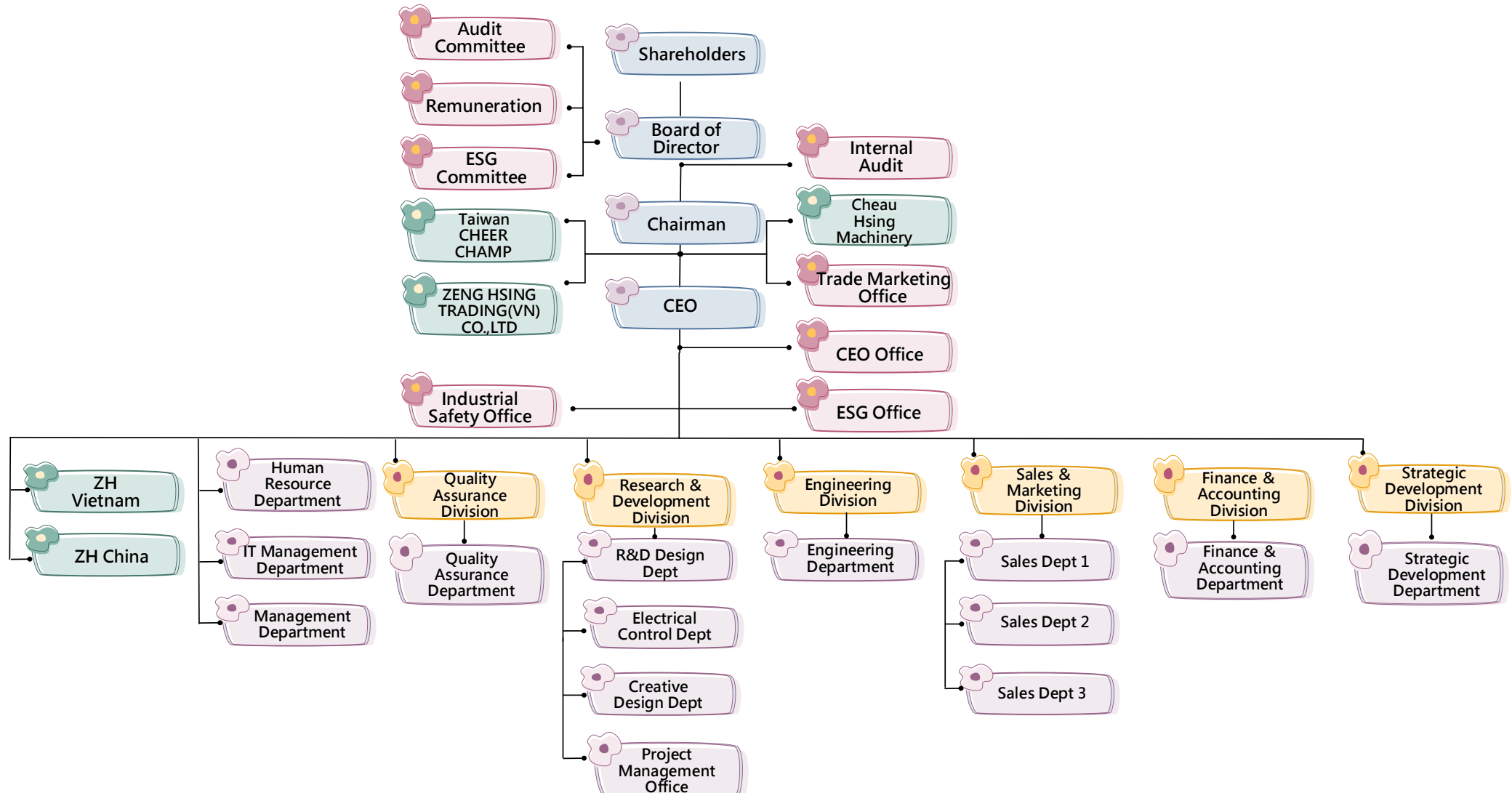
| Category      | Priority Ranking | Material Topic                 | Zeng Hsing | Supplier | Customer | Corresponding Management Chapter                        |
|---------------|------------------|--------------------------------|------------|----------|----------|---------------------------------------------------------|
| Governance    | 5                | Economic Performance           | ★          |          |          | 1.3 Operating and Financial Information                 |
| Environmental | 1                | Energy and Emissions           | ★          | ▲        |          | 7 Eco-Sustainability                                    |
|               | 1                | Green Products                 | ★          |          | ●        | 7.3 Reduction in Energy Demand of Products and Services |
| Social        | 1                | Labor/Management Relations     | ★          |          |          | 5.2 Employee benefits and rights                        |
|               | 4                | Training and Education         | ★          |          |          | 5.3 Employee Training and Development                   |
|               | 5                | Occupational Health and Safety | ★          | ▲        |          | 5.4 Safety Culture and Responsibility                   |
|               | 5                | Customer Health and Safety     | ★          | ▲        | ●        | 4 Sustainable Products and Services                     |

# Corporate Governance

## 3.1 Corporate Governance 【2-9】

### Zeng Hsing' s Organizational Structure

Version : 2025/10/01



## \*The 12th Round (2025) Corporate Governance Evaluation Ranking 6%~20%

Zeng Hsing participated in the 12th Corporate Governance Evaluation for listed and OTC companies, jointly conducted by the Taiwan Stock Exchange (TWSE) and the Taipei Exchange (TPEX), and commissioned to the Securities and Futures Institute (SFI). A total of 1,810 companies were evaluated in this assessment, including 1,009 listed and 801 OTC companies. The evaluation results demonstrated that Zeng Hsing ranked within the top 6%–20% among all TWSE-listed companies. Furthermore, within the market capitalization category of NT\$5 billion to NT\$10 billion, Zeng Hsing achieved an outstanding ranking within the top 6%–10%. This performance represents a significant improvement compared to the previous year. Going forward, Zeng Hsing will continue to strengthen its corporate governance and sustainability practices to meet stakeholder expectations and strive for even better results in the years ahead.

To continuously enhance governance performance, Zeng Hsing incorporates improvement initiatives identified through the evaluation into the annual objectives of its ESG Committee. In 2025, the Company implemented several governance enhancement measures, including Board approval of the Sustainability Report, establishment of a greenhouse gas reduction management policy, and individual remuneration disclosure for the CEO and Vice Presidents. These efforts contributed to an improvement in the Company's overall evaluation ranking and further strengthened stakeholder confidence in its governance practices.

In 2026, the Corporate Governance Evaluation framework was transformed into an ESG Evaluation system, expanding its scope to include Environmental (E), Social (S), and Governance (G) dimensions. This shift raises expectations for companies' sustainability management capabilities. For Zeng Hsing, the transition requires stronger expertise and integrated management across environmental, social, and governance topics. The increasing emphasis on data transparency and verifiability also adds complexity to the collection and management of ESG-related information, including carbon emissions, energy use, human resources, and supply chain performance. In addition, effective cross-functional collaboration and clear accountability are critical to successfully advancing the Company's sustainability initiatives.

Looking ahead to 2026, Zeng Hsing will continue to strengthen its sustainability governance framework, enhance overall sustainability management effectiveness, proactively respond to global trends and stakeholder expectations, and steadily advance toward its long-term sustainable development goals.



Notes: According to the Corporate Governance Center's operational manual, evaluated companies are categorized into two groups: "Listed Companies" and "OTC Companies." Within each group, companies are ranked based on their evaluation scores and announced in seven percentile tiers: Top 5%, 6%–20%, 21%–35%, 36%–50%, 51%–65%, 66%–80%, and 81%–100%. All results are subject to review and approval by the Corporate Governance Evaluation Committee and the Advisory Committee of the Corporate Governance Center. Finalized rankings are then published on the official Corporate Governance website to ensure transparency and accessibility for investors.

## 3.2 Sustainability Governance Structure and Responsibilities [2-12~14]

In April 2018, Zeng Hsing established the Corporate Social Responsibility Office (CSRO) and the Corporate Social Responsibility Committee to promote and strengthen its CSR initiatives. In response to evolving sustainability trends and regulatory requirements, the CSRO was renamed the ESG Office (ESGO) and the Committee was renamed the Sustainability Development Committee (ESG Committee) in 2023. To further strengthen sustainability governance, Zeng Hsing elevated the ESG Committee to the Board level in 2025 and incorporated sustainability oversight into the Board's governance framework. The ESG Committee regularly reports to the Board on material topics, sustainability strategies, targets, performance, stakeholder engagement outcomes, and sustainability-related risks and opportunities, enabling the Board to effectively oversee the Company's sustainability performance. Detailed information on the composition and operation of the Sustainability Development Committee is available on page 50 of 2025 Annual Report.

### Members of the ESG Committee

| Item                                | Convener                               | Member                                       |                                        |
|-------------------------------------|----------------------------------------|----------------------------------------------|----------------------------------------|
|                                     | CHIH CHENG LIN,<br>Chairman            | TUNG-LIANG LIU,<br>CEO                       | CHUNG-TING TSAI,<br>Director           |
| Sustainability Expertise            | Energy Management and Carbon Reduction | Human Rights and Employee Welfare Protection | Energy Management and Carbon Reduction |
| Attendance (in person)              | 2                                      | 2                                            | 2                                      |
| Proxy Attendance / Leave of Absence | 0                                      | 0                                            | 0                                      |
| Attendance Rate                     | 100%                                   | 100%                                         | 100%                                   |

The ESG Committee is chaired by the Chairman and supported by an Executive Task Force composed of subsidiary CEO and heads of major functional departments. The ESGO serves as the coordinating unit, responsible for sustainability planning, target tracking, performance monitoring, and Sustainability Report preparation.

Each year, the ESGO reviews global sustainability trends and emerging risks, identifies material topics, and works with the ESG Committee to develop corresponding strategies and action plans. Sustainability targets and performance results are reviewed regularly and disclosed in the annual Sustainability Report.

At the end of each year, the ESGO convenes an annual ESG consensus meeting to review sustainability developments, discuss future priorities, and coordinate resources across departments. In the second quarter of each year, an ESG target review meeting is held to evaluate performance against established objectives and communicate results internally.

In 2025, the Group established 74 ESG targets, of which 71 were achieved, resulting in an overall achievement rate of 96%. For the three targets that were not achieved, responsible departments conducted gap analyses and developed improvement plans. Challenges included stricter international ESG rating criteria, temporary increases in waste generation resulting from the Vietnam plant integration project, and higher electricity consumption associated with operational growth. Despite these short-term challenges, the Group remains committed to continuous improvement and long-term sustainable development.

For 2026, the ESGO developed ESG objectives based on the Company's sustainability policy pillars and collaborated with the ESG Committee and Executive Task Force to determine

future priorities. A total of 57 ESG targets were established across 13 departments, with a primary focus on shareholder value creation and environmental sustainability.

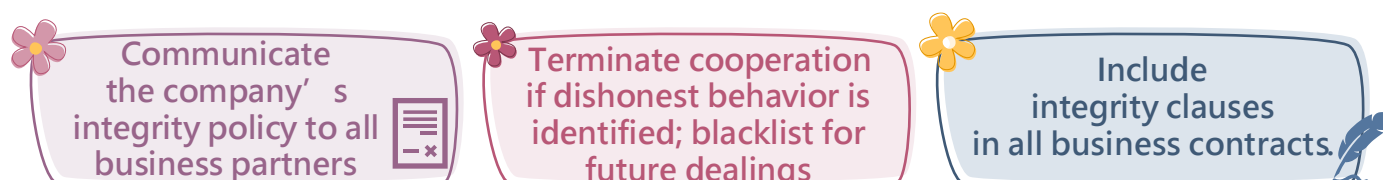
To strengthen ESG accountability, Zeng Hsing has integrated ESG performance into its management evaluation system since 2023. In 2025, ESG performance formally accounted for 5% of senior executives' performance evaluations and was directly linked to compensation. This mechanism enhances management engagement in sustainability initiatives and reinforces accountability for ESG performance. Going forward, the Company will continue to refine its ESG strategies and evaluate the potential expansion of ESG-related performance indicators to a broader employee population.



### 3.3 Implementing Ethical Business Practices [GRI 205 ∙ 2-25 ∙ 2-26]

Integrity and ethical business conduct are fundamental to sound corporate governance and sustainable development. As one of Zeng Hsing's core management philosophies, "Integrity and Pragmatism" serves as the foundation of the Company's corporate culture. Through leadership commitment and responsible management practices, Zeng Hsing promotes integrity, transparency, and accountability throughout its operations and extends these principles to suppliers, customers, and other business partners.

**Integrity Governance Framework :** The Strategic Development Department serves as the dedicated unit responsible for promoting integrity management. Its responsibilities include establishing, implementing, monitoring, and reviewing integrity policies and anti-corruption measures to ensure compliance with ethical standards and legal requirements. Progress on integrity management and anti-corruption initiatives is regularly reported to the Board of Directors. In 2025, the implementation status of integrity management was reported to the Board on December 24, enabling the Board to oversee related risks, performance, and improvement actions.



**Policies and Management Mechanisms :** To strengthen ethical business practices and anti-corruption management, Zeng Hsing has established a comprehensive framework of policies, including the Work Rules, Code of Ethical Conduct, Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct. These policies apply to directors, management, and employees and strictly prohibit corruption, bribery, extortion, fraud, conflicts of interest, and any other unethical conduct.

To strengthen integrity management, Zeng Hsing incorporates integrity commitments into the routine management processes of employees, management personnel, and suppliers. Commitment documents cover ethical business conduct, confidentiality obligations, supplier cooperation requirements, and restricted substances management, ensuring that both internal and external stakeholders comply with the Company's standards for ethical conduct and responsible business practices.

#### 2025 Integrity Commitment Signing Status

| Target Group             | Implementation Method                                 | Required Documents                                                                                                       | Signing Rate |
|--------------------------|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------|
| Management and Employees | Signed during onboarding process                      | Confidentiality Agreement / Integrity Commitment Statement                                                               | 100%         |
| Suppliers                | Signed upon supplier onboarding or contract execution | Restricted Substances Management Commitment Letter / Integrity and Confidentiality Commitment Letter/ Supplier Agreement | 100%         |

Notes :

1. Management and Employees: The integrity commitment program was implemented at the Taiwan HQ in 2020 and at ZH Vietnam and ZH China in 2023, with all existing personnel completing the signing process in the respective implementation year. Thereafter, all new hires are required to sign the relevant documents upon onboarding.
2. Suppliers: The supplier integrity commitment program has been implemented at the Taiwan HQ, ZH Vietnam, and ZH China since 2014. All existing suppliers completed the signing process during the implementation year, and all new suppliers are required to sign the relevant documents prior to commencing business cooperation.

**Risk Assessment and Internal Audit :** To effectively implement its anti-corruption policy and integrity management principles, Zeng Hsing conducts regular corruption risk assessments as part of its annual risk management process. Potential risks are identified, evaluated, and documented in risk assessment and treatment records, which serve as the basis for subsequent monitoring and improvement actions. In 2025, the Risk Management Team reviewed risk items across all departments. Supporting documents and audit working papers were prepared by each department and subject to preliminary review. Control measures and implementation effectiveness were then evaluated according to risk levels to reduce the likelihood of corruption, unethical conduct, and violations of business ethics. In addition, the Internal Audit Office incorporated integrity-related controls into its annual audit plan, which was approved by the Board of Directors and executed accordingly to strengthen the effectiveness of internal controls and ethical management systems.

**Whistleblowing Mechanism and Protection :** To establish a transparent reporting mechanism, Zeng Hsing has implemented a Whistleblower Management Procedure and provides both internal and external reporting channels. In 2023, the Company established a dedicated whistleblowing mailbox (report\_zh@zenghsing.com.tw), enabling employees and external stakeholders to report suspected cases involving unfair business practices, bribery, improper benefits, fraud, coercion, or other violations of ethical conduct standards. Reports are received by the CEO and the Head of Internal Audit. Upon receipt of a report, the unit responsible will notify the whistleblower within three days regarding case acceptance and establish an investigation team within seven days when necessary. In principle, investigations and related actions are completed within 30 days. Investigation team members are required to sign confidentiality agreements to ensure the protection of reporting information, investigation details, and whistleblower identities. The Company strictly prohibits retaliation or adverse treatment against whistleblowers and maintains appropriate safeguards throughout the reporting and investigation process.

**Training and Awareness Programs :** Zeng Hsing promotes integrity management and anti-corruption awareness through new employee orientation, annual online training, management briefings, and Board-level communications, strengthening understanding of business integrity, professional ethics, legal compliance, and anti-corruption policies. In 2025, **248 employees** at Taiwan HQ and **13 Taiwanese expatriates** completed the online integrity training. In addition, **75 Taiwanese expatriates and managers** at the Vietnam operations completed anti-corruption training delivered in Vietnamese. Overall, **336 employees** completed anti-corruption training in 2025, achieving a **100% completion rate**. Integrity awareness materials were also displayed across all operating sites to reinforce ethical conduct among frontline employees. Integrity management and anti-corruption policies were also included in the **May 2025 Board meeting agenda**, with **100% of Board members** completing the awareness session.

**Supplier Integrity Promotion :** Zeng Hsing values integrity and transparency throughout its supply chain and is committed to extending its integrity management principles to its business partners. In 2025, the Company promoted integrity and anti-corruption awareness to **264 suppliers**, encouraging them to adopt consistent standards of ethical business conduct.

The communication covered anti-corruption, ethical business practices, intellectual property protection, confidentiality obligations, and the avoidance of improper benefits. Through these efforts, Zeng Hsing works with suppliers to build an ethical, transparent, fair,

and sustainable supply chain.

In 2025, Zeng Hsing continued to strengthen its integrity management framework through policy implementation, risk assessments, internal audits, training, and stakeholder engagement. **No confirmed incidents of corruption, fraud, unethical conduct, or violations of business ethics were identified during the year.** In addition, no reports were received through either internal or external whistleblowing channels, demonstrating the continued effectiveness of the Company's integrity management and internal control systems.

Looking ahead, Zeng Hsing will continue to strengthen its integrity management framework, anti-corruption training, whistleblower protection, and supplier engagement. Through Board oversight, internal audits, and risk management, the Company will further foster a culture of integrity and responsible business conduct, supporting its long-term sustainable development.

Reported to the Board of Directors on  
December 24, 2025

## INTEGRITY MANAGEMENT IMPLEMENTATION STATUS

To enable the Board of Directors to oversee the Company's integrity management performance, risk management status, and related improvement measures, thereby strengthening the Board's oversight of ethical business conduct and responsible business practices.



### 2025 ANTI-CORRUPTION TRAINING PERFORMANCE



Taiwan Headquarters:  
eHRD Online  
Training Program  
Headquarters Employees 248  
Expatriate Employees  
of Subsidiaries 13  
Total **261** training completions



Vietnam Operations:  
Vietnamese-Language  
Awareness Program  
Taiwanese Expatriates  
and Management Personnel  
**75**  
participants  
completed the training

Employees Receiving  
Anti-Corruption Training in 2025

Total Participants  
**336** people  
Completion Rate **100%**



#### TARGET ACHIEVED!

All designated employees  
successfully completed  
anti-corruption training.

### INTEGRITY MANAGEMENT AWARENESS ACROSS OPERATIONS

In addition to management personnel, integrity management posters and awareness materials were displayed throughout operational sites to help employees understand the importance of integrity and ethical conduct.



### BOARD-LEVEL INTEGRITY MANAGEMENT AWARENESS PROGRAM

Integrity management awareness was included in the Board meeting agenda in May 2025. The Company continuously communicated its anti-corruption policies and integrity management mechanisms to Board members to strengthen the highest governance body's commitment to ethical business conduct.



#### Key Topics

- ✓ Anti-Corruption Policy
- ✓ Whistleblowing and Reporting Mechanism
- ✓ Integrity Management
- ✓ Anti-Bribery Measures
- ✓ Related Training Programs



### BOARD MEMBER TRAINING COMPLETION RATE

**100%**

Completion Rate 100%

Board members completed the integrity management awareness program at a 100% completion rate, demonstrating the Board's commitment to ethical business conduct and responsible governance.



INTEGRITY MANAGEMENT  
A CORE VALUE OF ZENG HSING



IMPLEMENT INTEGRITY GOVERNANCE  
STRENGTHEN RISK MANAGEMENT



ENHANCE EMPLOYEE AWARENESS  
PROMOTE RESPONSIBLE BEHAVIOR



CREATE SUSTAINABLE VALUE  
MOVE TOWARD A SUSTAINABLE FUTURE

## 3.4 Risk Management

### ✳ Management Committee

In September 2025, Zeng Hsing held a TMT (Top Management Team) workshop, followed by its annual Business Strategy Conference in October. During these meetings, management reviewed the Group's operating environment, industry trends, and internal and external risks, and identified key risk issues and corresponding response strategies for the year. The Strategic Development Department subsequently monitors the implementation progress of business objectives and risk management initiatives on a regular basis. Through variance analysis, exception reviews, and corrective action tracking, risk mitigation measures are continuously adjusted based on actual operating conditions to reduce potential business risks.

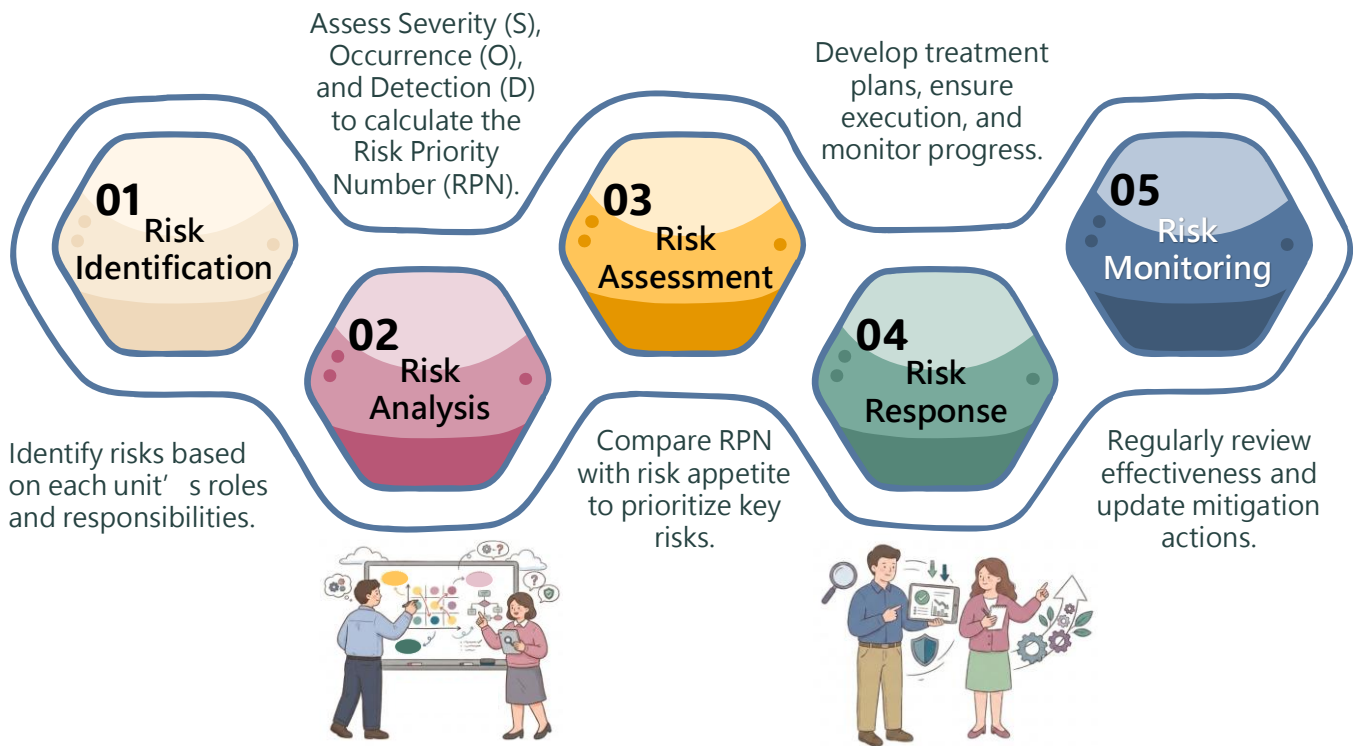
Based on risk identification results, the Strategic Development Department periodically provides information on exchange rate fluctuations, raw material price trends, market supply and demand conditions, and industry developments to support management decision-making. To mitigate operational risks, Zeng Hsing continues to strengthen customer relationship management, enhance supply chain resilience, and improve resource integration and cross-functional collaboration. In addition, the Company reinforces information security controls, internal audits, and business continuity management practices to improve organizational resilience and preparedness for future challenges.

### ✳ Group Audit Plan

The Internal Audit Office, reporting directly to the Board of Directors, develops an annual audit plan in accordance with regulatory requirements. Audit priorities are determined based on risk assessments and previous audit findings. The scope of audits covers the eight major internal control cycles, information security management, and regulatory compliance. Audit results are documented in audit reports, and follow-up reviews are conducted to verify the implementation of corrective actions and the effectiveness of improvement measures, thereby strengthening internal controls and reducing operational risks across the Group.

### ✳ Risk Management Committee

Zeng Hsing has established a Risk Management Committee, supported by a dedicated Risk Management Team led by the CEO. Each operational department is responsible for identifying, analyzing, assessing, and responding to risks within its area of responsibility, ensuring the effective implementation of risk management processes and controls.



To strengthen risk preparedness and response capabilities, the Group conducted a total of 13 risk management drills in 2025, including 3 Cyber Crisis Simulation, 1 restricted substances compliance drill, 1 customs inspection response exercise, and 8 occupational safety and fire emergency drills across operating sites. These exercises enhanced the Group's ability to identify potential risks, respond effectively to incidents, and maintain operational continuity.



## Climate Change Governance and Management

【GRI 201-2】

To effectively manage climate-related risks and opportunities, Zeng Hsing has incorporated climate change issues into the scope of its risk management and monitoring framework. The ESG Committee continuously reviews climate-related risks and opportunities that may affect the Company's operations, including developments in international climate regulations, carbon management requirements, and extreme weather events.

Since 2020, Zeng Hsing has conducted climate-related risk and opportunity assessments with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Company also closely monitors the development of the IFRS Sustainability Disclosure Standards and continues to strengthen its climate-related risk and opportunity management mechanisms. To enhance employee awareness and professional capabilities, external experts are invited to provide training on global risk trends, climate change developments, climate scenario analysis, and the identification of climate-related risks and opportunities. Climate-related management activities are overseen by the ESG Committee and its Executive Team. Their primary responsibilities include identifying and assessing climate-related risks and opportunities, implementing carbon reduction initiatives, promoting energy management programs, and supporting the Company's low-carbon transition. The ESG Committee regularly reviews greenhouse gas emissions, energy performance, carbon reduction targets, and implementation progress, and reports significant climate-related issues and performance to the Board of Directors on a quarterly basis.



## ✳ Climate Scenario Analysis

Zeng Hsing conducts climate scenario analysis with reference to the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the IPCC Sixth Assessment Report (AR6) to assess potential physical and transition risks arising from climate change.

To evaluate potential impacts under different climate pathways, the Company applies the SSP5-8.5 high-emissions scenario to physical risks and the SSP1-2.6 low-emissions scenario to transition risks and opportunities. The analysis assesses the potential impacts of policy, market, and technological changes associated with the global transition to net zero.

Climate-Related Risks and Opportunities :

**Physical risks** : A total of 7 physical risks (acute and chronic) were identified and analyzed under the SSP5-8.5 scenario. This scenario assumes continued global dependence on fossil fuels and insufficient control of greenhouse gas emissions, resulting in significant increases in global temperatures and the frequency of extreme weather events.

**Transition Risks** : A total of 14 transition risks (policy and legal, technology, market, and reputation) were identified and assessed under the SSP1-2.6 scenario. This scenario assumes accelerated global decarbonization and the transition to net zero, with increasingly stringent carbon pricing, carbon border adjustment measures, and GHG regulations, as well as growing market expectations for low-carbon products and green supply chains.

**Transition Opportunities** : A total of 17 climate-related opportunities (markets, energy sources, products and services, resilience, and resource efficiency) were identified and assessed under the SSP1-2.6 scenario. Under this scenario, the global transition to net zero drives growing demand for low-carbon products, renewable energy, and sustainable supply chains, while consumer preferences increasingly shift toward environmentally friendly products.

## ✳ Summary of Climate-Related Risks and Opportunities

Following the climate-related risk and opportunity assessment, Zeng Hsing identified 7 physical risks, 14 transition risks, and 17 transition opportunities. Each item was evaluated and prioritized based on its likelihood of occurrence, potential impact, and financial implications.

The assessment results indicate that changes in average temperature, extreme temperature events, and extreme precipitation, as well as increased greenhouse gas pricing, cap-and-trade/emissions trading mechanisms, mandatory reporting requirements, and uncertainties associated with new regulations, represent the Company's most significant climate-related risks. Key climate-related opportunities include the development and expansion of low-carbon products and services in response to shifts in consumer preferences, as well as the adoption of more efficient transportation methods. Based on these findings, Zeng Hsing has developed corresponding management strategies and targets to strengthen climate resilience and support sustainable development.

| Risk ID         | Risk Category                                | Risk Factor3                                                                                                                       | Time Horizon         | Risk Level                       |
|-----------------|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------------|
| Risk 001        | Physical Risk                                | Changes in average temperature, extreme temperature events, and extreme precipitation                                              | Medium to Long Term  | High Likelihood, High Impact     |
| Risk 002        | Transition Risk – Regulatory                 | Increased GHG pricing, cap-and-trade/emissions trading, mandatory reporting, uncertainty of new regulations (taxation/carbon fees) | Short to Medium Term | Medium Likelihood, Medium Impact |
| Opportunity 001 | Transition Opportunity – Products & Services | Development of low-carbon products and services to address changing consumer preferences                                           | Long Term            | Medium Likelihood, High Impact   |
| Opportunity 002 | Transition Opportunity – Resource Efficiency | Adoption of more efficient transportation methods                                                                                  | Short Term           | High Likelihood, High Impact     |

**Note:** Time horizon definitions: **Short Term** (2025–2026), **Medium Term** (2027–2030), **Long Term** (2031–2050).



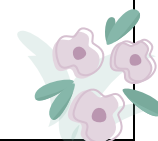
## \* Climate Change Risk and Opportunity Management Strategies

### Risk 001 – Changes in Average and Extreme Temperatures, and Extreme Precipitation

| Impact Scenario                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Impact Areas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Response Strategies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Climate change is driving a continued rise in global average temperatures, increasing the frequency and intensity of extreme weather events such as extreme heat, heavy rainfall, typhoons, and flooding.</p> <p>Across the Group’ s operating sites, these events may cause damage to facilities and infrastructure, disruptions to power and water supplies, production interruptions, logistics delays, and increased risks to employee health and occupational safety, potentially affecting production efficiency and operational stability.</p>  | <p>Based on TCCIP climate projections, extreme heat and heavy rainfall events are expected to increase in the future. The Group’ s production sites may face:</p> <ul style="list-style-type: none"><li>● Increased risk of damage to plants, facilities, and equipment.</li><li>● Production disruptions and delivery delays.</li><li>● Increased electricity demand for air-conditioning and cooling systems.</li><li>● Increased heat-related hazards and occupational safety risks for employees.</li><li>● Disruptions to raw material supplies and logistics due to extreme weather events.</li></ul> <p>These impacts may <b>increase operating costs and adversely affect profitability.</b></p> | <ul style="list-style-type: none"><li>● Strengthen disaster prevention and emergency response mechanisms across all operating sites</li><li>● Regularly assess the risk of extreme weather at production sites.</li><li>● Strengthen preventive maintenance and backup systems for critical equipment.</li><li>● Establish and continuously improve energy management systems to enhance energy efficiency</li><li>● Assess the feasibility of solar power, on-site power generation, and backup power systems.</li><li>● Strengthen supply chain and logistics resilience.</li></ul> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Financial Impacts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Response Costs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p><b>Increased Costs</b></p> <ul style="list-style-type: none"><li>● Increased expenditures on flood prevention, disaster preparedness, and equipment maintenance.</li><li>● Higher energy costs.</li><li>● Increased insurance premiums.</li><li>● Additional emergency response and recovery costs.</li></ul> <p><b>Reduced Revenue</b></p> <ul style="list-style-type: none"><li>● Production interruptions resulting in output losses.</li><li>● Delivery delays affecting customer satisfaction.</li><li>● Order delays or losses due to extreme weather events.</li></ul>                                                                                                                         | <ul style="list-style-type: none"><li>● Investments in flood prevention and disaster mitigation measures.</li><li>● Equipment renewal and maintenance costs.</li><li>● Backup power system installation costs.</li><li>● Energy management and energy efficiency improvement costs.</li><li>● Insurance costs.</li><li>● Emergency response and training costs.</li></ul>                                                                                                                                                                                                             |

## Risk 002 – Transition Risk – Increased GHG Emission Pricing, Cap-and-Trade/Emissions Trading, Mandatory Reporting and Regulatory Uncertainty

| Impact Scenario                                                                                                                                                                                                                                                                                                                                                                                                                           | Impact Areas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Response Strategies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>As countries advance the global transition to net zero, regulatory requirements such as carbon fees, carbon taxes, emissions trading systems (ETS), product carbon footprint disclosures, and climate-related disclosures are being progressively introduced.</p> <p>These requirements may become increasingly stringent, raising operating costs and compliance pressures while affecting product competitiveness in the market.</p> | <p>As domestic and international climate regulations continue to evolve, the Group may face:</p> <ul style="list-style-type: none"> <li>● Increased operating costs due to carbon fees, carbon taxes, or emissions trading systems (ETS)</li> <li>● Increased requirements for GHG inventories, verification, and disclosure</li> <li>● Customer requests for product carbon footprint or carbon reduction data</li> <li>● Additional management and compliance costs arising from regulatory changes</li> <li>● Potential exposure to the Carbon Border Adjustment Mechanism (CBAM) or other carbon-related requirements in export markets</li> </ul> <p>In addition, as international brand customers strengthen supply chain decarbonization requirements, the Group may be required to:</p> <ul style="list-style-type: none"> <li>● Provide GHG emissions data</li> <li>● Provide product carbon footprint information</li> <li>● Disclose carbon reduction targets and implementation progress</li> <li>● Increase the share of renewable energy use</li> </ul> <p>Failure to proactively address regulatory and customer requirements may <b>increase operating costs, weaken market competitiveness, and reduce opportunities for customer collaboration and new orders.</b></p> | <ul style="list-style-type: none"> <li>● Establish a climate regulatory tracking and assessment mechanism.</li> <li>● Continuously conduct GHG inventories and carbon reduction management.</li> <li>● Set carbon reduction targets and regularly monitor progress.</li> <li>● Improve energy efficiency and increase the share of renewable energy.</li> <li>● Assess product carbon footprints and develop low-carbon products.</li> <li>● Strengthen climate-related disclosures and internal management capabilities.</li> </ul> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p><b>Financial Impacts</b></p> <p><b>Increased Costs</b></p> <ul style="list-style-type: none"> <li>● Carbon fees, carbon taxes, or carbon credit purchasing costs.</li> <li>● GHG inventory and third-party verification costs.</li> <li>● Product carbon footprint assessment and verification costs.</li> <li>● Climate-related disclosure and management costs.</li> <li>● Investments in energy efficiency and carbon reduction initiatives.</li> </ul> <p><b>Reduced Revenue</b></p> <ul style="list-style-type: none"> <li>● Loss of orders due to failure to meet customer decarbonization requirements</li> <li>● Reduced market competitiveness due to higher product costs</li> <li>● Regulatory restrictions limiting market expansion opportunities</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p><b>Response Costs</b></p> <ul style="list-style-type: none"> <li>● GHG inventory and verification costs.</li> <li>● Product carbon footprint assessment and verification costs.</li> <li>● Investments in energy-efficient equipment.</li> <li>● Renewable energy implementation costs.</li> <li>● Regulatory compliance and training costs.</li> <li>● Climate-related disclosure and system implementation costs.</li> </ul>                                                                                                    |



## Opportunity 001– Development and Expansion of Low-Carbon Products and Services / Shifting in Consumer Preferences

| Impact Scenario                                                                                                                                                                                                                                                                                                        | Impact Areas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Response Strategies                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| As global decarbonization efforts accelerate and awareness of sustainable consumption grows, customers and brand owners are placing greater emphasis on product carbon footprints, energy efficiency, and environmentally friendly features. Market demand for low-carbon products and green design continues to grow. | The Group can enhance <b>product differentiation</b> by developing low-carbon products, adopting green design, and using environmentally friendly packaging to meet customer sustainability needs. In addition, obtaining <b>energy efficiency, environmental label, or product carbon footprint certifications</b> may strengthen market competitiveness and create opportunities to expand into new customers and markets.                                                                                            | <ul style="list-style-type: none"> <li>● Develop low-carbon products and green designs.</li> <li>● Assess product carbon footprints and develop carbon reduction measures.</li> <li>● Obtain energy efficiency, environmental label, or carbon footprint certifications where applicable.</li> <li>● Strengthen sustainable product marketing and customer communication.</li> <li>● Monitor sustainable product trends and customer demand</li> </ul> |
|                                                                                                                                                                                                                                                                                                                        | Financial Impacts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Response Costs                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                                                                                                                                                                                                                                                                        | <b>Increase Revenue</b> <ul style="list-style-type: none"> <li>● Increased customer purchase intention and loyalty.</li> <li>● Increased market opportunities and orders for sustainable products.</li> <li>● Enhanced brand value and market competitiveness.</li> </ul> <b>Increase Cost</b> <ul style="list-style-type: none"> <li>● Investments in low-carbon product R&amp;D.</li> <li>● Product certification and verification costs.</li> <li>● Costs of adopting environmentally friendly materials.</li> </ul> | <ul style="list-style-type: none"> <li>● Product R&amp;D costs.</li> <li>● Product carbon footprint assessment and verification costs.</li> <li>● Environmental label and product certification costs.</li> <li>● Costs of adopting environmentally friendly materials.</li> <li>● Sustainable product promotion and marketing costs.</li> </ul>                                                                                                       |

## Opportunity 002 – Adoption of More Efficient Transportation Methods

| Impact Scenario                                                                                                                                     | Impact Areas                                                                                                                                                                                                                                                                                                                                                                                                                           | Response Strategies                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reducing product and packaging weight and optimizing logistics can lower energy use and carbon emissions while improving transportation efficiency. | The Group promotes lightweight products and green packaging to reduce life cycle carbon emissions and enhance market competitiveness                                                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>● Continue developing lightweight products and green packaging.</li> <li>● Promote packaging reduction and the use of recyclable materials.</li> <li>● Integrate carbon reduction principles into product design.</li> <li>● Monitor product weight, shipment vol., and transportation emissions.</li> </ul> |
|                                                                                                                                                     | Financial Impacts                                                                                                                                                                                                                                                                                                                                                                                                                      | Response Costs                                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                                                     | <b>Reduced Cost</b> <ul style="list-style-type: none"> <li>● Reduced transportation and packaging costs</li> <li>● Lower transportation-related carbon emissions and future carbon cost risks</li> </ul> <b>Increased Revenue</b> <ul style="list-style-type: none"> <li>● Increased customer purchase intention and enhanced brand value.</li> <li>● Increased market opportunities and revenue from sustainable products.</li> </ul> | <ul style="list-style-type: none"> <li>● Product R&amp;D costs</li> <li>● Packaging design and verification costs</li> <li>● Mold modification costs</li> <li>● Sustainable product promotion and marketing costs</li> </ul>                                                                                                                        |

## ✿ Reduction Targets, Strategies, and Action Plans

To advance climate change management and support its net-zero transition, Zeng Hsing continuously monitors GHG emissions, energy efficiency, and renewable energy use. The Company has established carbon reduction targets for 2030 and 2050 as key climate management indicators. Progress toward these targets is regularly reviewed by the ESG Committee and reported to the Board of Directors.

For details on climate-related metrics, the 2030 and 2050 carbon reduction targets, and annual performance, please refer to Chapter 7, “Environmental Sustainability,” of this Sustainability Report.

## ✿ Internal Carbon Pricing

Zeng Hsing continues to monitor global climate policies, carbon market developments, and the potential impacts of carbon pricing mechanisms on its operations. At present, the Group has not adopted an internal carbon pricing mechanism, primarily because GHG emissions at all operating sites remain below the applicable thresholds for carbon fees or carbon taxes in their respective jurisdictions, and no material carbon-related costs have been incurred.

Nevertheless, Zeng Hsing continues to conduct GHG inventories and implement emission reduction measures while monitoring developments in carbon fees, carbon taxes, emissions trading systems (ETS), and renewable electricity markets in Taiwan and overseas. Going forward, Zeng Hsing will evaluate the feasibility of introducing an internal carbon pricing mechanism based on regulatory requirements, industry developments, market mechanisms, and operational needs. Such a mechanism may serve as a reference for investment decisions, energy management, and carbon reduction strategies, thereby enhancing the Company’s ability to respond to climate-related risks.



## Information Security Management

In response to regulatory requirements and in accordance with the “**Information Security Management Guidelines for TWSE/TPEX Listed Companies**,” Zeng Hsing has established a comprehensive information security governance framework. Pursuant to the **Information Security Committee Charter**, the Company established a cross-functional **Information Security Committee**.

The Committee consists of three dedicated working groups : the Information Security Promotion Team, Information Security Technology Team, and Incident Reporting and Response Team. Led by senior management, the Committee is responsible for implementing the information security management system and related practices. Zeng Hsing has also established the **Information Security Management Regulations** to continuously strengthen information security governance and risk management across the Group. With the goal of aligning with **ISO 27001 Information Security Management System (ISMS)** requirements, Zeng Hsing continues to enhance its information security management practices.

The Information Security Committee is responsible for the following key initiatives :

- Establishing and maintaining information security policies, management systems, and related procedures.
- Regularly review the effectiveness and implementation of the information security management system.
- Promote information security risk management and ensure effective implementation of security measures.
- Establish timely reporting, response, and handling mechanisms for information security incidents.
- Continuously provide information security training and implement improvement measures.
- Report information security management progress and performance to the Board of Directors annually.



## Information Security Policy

- ✓ Regulatory compliance and information security management planning.
- ✓ Promotion of cybersecurity awareness and security culture.
- ✓ Monitoring compliance with information security policies and procedures.
- ✓ Integration of information security controls into business processes.
- ✓ Continuous enhancement toward ISO 27001 requirements.

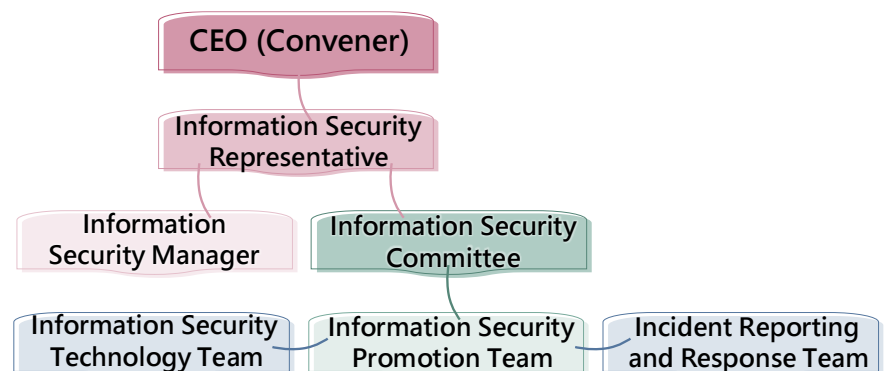


## Information Security Committee

To address the growing cybersecurity risks, Zeng Hsing continues to strengthen its information security management framework and promote cybersecurity governance across the Group. Since 2023, Taiwan HQ has implemented a cybersecurity self-assessment program based

on internal management procedures and operational risk considerations. Annual audit plans cover key areas including account and access management, device security, data backup, antivirus protection, and vulnerability management. Standardized audit criteria, corrective action tracking mechanisms, and clearly defined responsibilities have been established to enhance cybersecurity governance and continuously improve security controls. Following the maturation of the self-assessment framework, the program was gradually expanded to subsidiaries. ZH China adopted the mechanism in 2024, conducting self-assessments and corrective actions based on established audit requirements. In 2025, Taiwan HQ further performed cross-site audits to verify implementation effectiveness through on-site inspections, issue tracking, and corrective action reviews, strengthening overall cybersecurity management consistency across the Group. °

Beyond regulatory compliance, Zeng Hsing proactively identifies cybersecurity vulnerabilities and implements multiple layers of defense. Annual cybersecurity action plans



are established to strengthen protection of critical systems and information assets. Regular reviews of user access privileges are conducted in accordance with the principle of least privilege to minimize internal security risks and ensure that only authorized personnel can access sensitive information. To enhance incident response capabilities, the Company conducted a total of three cybersecurity risk simulation exercises during 2025. Scenarios included unexpected network disruptions and data center failures affecting critical systems. Through backup and disaster recovery procedures, the Company verified its ability to restore operations within predetermined timeframes. These exercises also validated the effectiveness of backup facilities, data recovery mechanisms, and cross-functional emergency response coordination, helping minimize potential operational impacts from cybersecurity incidents.

Recognizing that human behavior remains one of the most significant cybersecurity risks, Zeng Hsing regularly conducts cybersecurity awareness campaigns. In 2025, a total of eight cybersecurity awareness communications were distributed across the Group, covering topics such as cyber fraud, phishing attacks, and risks associated with AI-generated content. The IT Management Department also conducted Group-wide social engineering simulations to strengthen employees' cybersecurity awareness. Based on assessment results, targeted classroom training was provided to higher-risk employee groups. Through case studies and practical guidance, employees enhanced their ability to identify emerging cyber threats and malicious software. A total of 255 employees participated in cybersecurity training in 2025, accumulating 61.2 training hours. To further strengthen professional cybersecurity capabilities, the Company continues to support cybersecurity personnel in attending external professional seminars and training programs, ensuring that the management team remains informed of emerging threats and evolving defense technologies while transitioning from reactive protection to proactive cybersecurity management.

To safeguard personal data and privacy, Zeng Hsing has established both the 《Information Security Management Regulations》and《Personal Data Protection Management Regulations》. These policies define personal data protection requirements throughout the collection, processing, use, storage, and disposal lifecycle. Sensitive documents containing personal information are classified and managed accordingly, while regular disposal procedures are implemented to prevent unauthorized disclosure. The Company also conducts periodic reviews of personal data protection effectiveness, promotes employee awareness training, and maintains incident reporting and response mechanisms to ensure timely handling of privacy-related events.

Looking ahead to 2026, Zeng Hsing will continue enhancing its cybersecurity defenses with a focus on physical security and remote access management. Access controls for confidential areas will be strengthened, including stricter management of external visitors and contractors. For remote connections, the Company will expand monitoring and audit capabilities for privileged accounts in addition to existing multi-factor authentication measures, enabling enhanced detection of abnormal activities and supporting digital forensic investigations when necessary. **No major cybersecurity incidents occurred within the Zeng Hsing in 2025.**

## 3.5 Regulatory Compliance [2-27]

### ✳ Compliance with Certified Management Systems

Zeng Hsing has obtained certifications including ISO 9001, ISO 14001, and ISO 45001 to ensure compliance with applicable regulations and customer requirements. Management system teams at **Taiwan HQ, ZH China, and ZH Vietnam establish annual audit plans and conduct regular audits of operational processes to verify compliance with management system requirements.** Internal and external audits covering environmental protection, occupational health and safety, and regulatory compliance are carried out periodically to ensure all operations comply with applicable legal and regulatory requirements

### ✳ Regulatory Compliance Audits

Zeng Hsing complies with applicable laws and regulations in the regions where it operates, including corporate governance, securities, accounting, anti-corruption, government procurement, conflict-of-interest, and other business-related regulations. Compliance with laws and regulations serves as the foundation of the Company's commitment to ethical business conduct.



-  Shareholder-related governance, China investment
-  Fair dealing with customers/competitors, procurement, sales and import and export trade
-  Business accounting, tax management and intellectual property protection
-  Labor laws, safety and health related to employees
-  Socially related environmental protection, political donations

To ensure that all business units maintain appropriate processes for regulatory identification, evaluation, communication, and implementation, the Internal Audit Office conducts annual compliance audits at Taiwan HQ and subsidiaries in China and Vietnam in accordance with the annual audit plan. In 2025, regulatory compliance audits identified three non-conformities and four recommendations for improvement. No major irregularities were identified at ZH China. For findings identified at Taiwan HQ and ZH Vietnam, corrective actions were proposed and implemented by the responsible departments. The Company will continue strengthening regulatory compliance awareness and management practices. In addition, the ESG Committee reviews the achievement of the Company's zero-violation objective on an annual basis. **In 2025, Zeng Hsing incurred no material fines or sanctions for violations of health and safety laws, voluntary standards, or regulations related to its products and services. The Group also recorded no material violations or penalties related to human rights, environmental protection, or labor practices across any operating sites.**

#### Material Regulatory Fines or Penalties

|      | Number of Cases | Amount Paid (NTD) |
|------|-----------------|-------------------|
| 2025 | 0               | 0                 |
| 2024 | 0               | 0                 |

Notes :

1. The scope covers Taiwan HQ, ZH Vietnam, and ZH China.
2. Material events are defined in accordance with Article 4, Paragraph 26 of the Taiwan Stock Exchange Procedures for Verification and Disclosure of Material Information of Listed Companies.

## ✳ Prevention of Child Labor and Forced Labor [408-1 、409-1]

Zeng Hsing strictly prohibits the employment of child and young workers across all operating sites. In 2025, no cases of child or young labor were identified within the Group or among the 23 suppliers reviewed (see table below).

The Group respects employees' freedom of employment and prohibits all forms of forced, bonded, or involuntary labor. Zeng Hsing promotes reasonable working hours, prevents excessive overtime, and encourages employees to maintain a healthy work-life balance through adequate rest and leave. Guided by the principles of job security, workplace well-being, and occupational safety, the Group is committed to providing a safe, healthy, and supportive working environment that promotes employees' well-being and quality of life.

|            | Young Labor Protection Policy                                                                                                                                                                                                                                                 | Supplier Assessment on Child and Young Labor                                                                                                                                                                                                                                                       |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Taiwan HQ  | In accordance with Taiwan labor regulations, <b>employers are prohibited from employing children under the age of 15</b> . Individuals aged 15 but under 16 may only perform work permitted by law. Employees under the age of 18 may not perform hazardous or harmful work.  | Supplier assessments at Taiwan HQ include environmental and human rights criteria to ensure suppliers fulfill their corporate social responsibilities. In 2025, on-site assessments were conducted for <b>3 existing suppliers</b> , and <b>no cases of child or young labor were identified</b> . |
| ZH Vietnam | In accordance with Vietnamese labor regulations, employees aged 15–18 are classified as young workers. ZH Vietnam has established a <b>Young Worker Management Procedure</b> , which stipulates that Child and young workers are prohibited from performing hazardous work.   | In 2025, <b>10 suppliers</b> were assessed under the SA8000 Supplier Social Responsibility Program, and <b>no cases of child or young labor were identified</b> .                                                                                                                                  |
| ZH China   | Under Chinese labor laws, young workers are defined as employees aged 16 to under 18. To ensure that no child labor is employed, ZH China has stipulated in its Employee Management Regulations that individuals <b>under the age of 16 are not eligible for employment</b> . | Supplier assessments include environmental and human rights criteria to ensure suppliers fulfill their corporate social responsibilities. In 2025, <b>10 suppliers</b> were assessed, and <b>no cases of child or young labor were identified</b> .                                                |

## 4 Sustainable Products and Services

In alignment with the principles of the ISO Quality Management System, Zeng Hsing has established a Quality Management Manual that all employees are required to follow. This ensures that the Company's quality management practices comply with both customer requirements and applicable regulations. Relevant procedures and standards are formulated, implemented, maintained, and continuously improved to enhance organizational efficiency and achieve the Company's business goals, quality policies, and quality objectives. Adopting a process-oriented management approach, Zeng Hsing ensures that every stage—from product planning, quotation and order processing, design and development, procurement, production, and service operations to the control of monitoring and measuring instruments—is effectively managed to guarantee total product quality and meet customer expectations.



### Quality Policy



### Material Topic Management Policy – Customer Health and Safety 【2-23、2-24、3-3、GRI 416】

|                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Policy                | <ol style="list-style-type: none"> <li>Complies with international regulations and requirements, including <b>RoHS</b>, <b>PPWR</b>, <b>REACH</b>, <b>POPs</b>, and the <b>French Mineral Oil Regulation</b>.</li> <li>Environmental Policy, Restricted Substances Management policy, Supplier Restricted Substances Audit Specifications.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Goals and Commitments | <p><b>Short-term:</b></p> <ul style="list-style-type: none"> <li>Conduct on-site supplier audits to enhance suppliers' self-management capabilities for restricted substances.</li> <li>Perform regular testing of supplier components to reduce the risk of regulatory non-compliance.</li> <li>Continuously strengthen knowledge and expertise related to restricted substances and enhance Green Product (GP) management capabilities.</li> </ul> <p><b>Mid-to-long-term:</b><br/>To address the growing demand for comprehensive restricted substances management and increasingly stringent environmental regulations, the Company will utilize the <b>Green Product Management (GPM) system</b> to promptly notify relevant material suppliers whenever regulatory requirements are updated, enabling them to respond proactively. In conjunction with the <b>Product Lifecycle Management (PLM)</b> and <b>Enterprise Resource Planning (ERP)</b> procurement systems, the Company implements source-level management to ensure regulatory compliance throughout the supply chain.</p> |
| Responsible Unit      | Quality Assurance Department                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Resources and Actions | Since the promotion of green procurement control operations in 2004, XRF (Energy Dispersive X-ray Fluorescence Spectrometer) equipment has been installed at each factory as incoming material inspection devices. Starting from 2014, the GPM Green Product Management Platform has been gradually implemented across all factory sites.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Management and Evaluation Mechanisms | <ul style="list-style-type: none"> <li>Randomly selected components were submitted to accredited third-party laboratories for chemical testing to verify compliance with applicable European Union regulations.</li> <li>The Group's XRF and GC-MS testing equipment was used to implement monthly component testing plans, ensuring effective control of restricted substances throughout the supply chain.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Performance                          | <b>Taiwan HQ:</b> <ul style="list-style-type: none"> <li>New Employees: All new employees (1 employee) successfully completed the online Restricted Substances Management training course and assessment through the Company's e-learning platform, acquiring fundamental knowledge of Green Product (GP) compliance.</li> <li>Experienced Employees: The GP coordinator participated in external training programs on GP testing instrument operation and analysis. Key operational knowledge was subsequently converted into internal training materials and delivered to three employees, strengthening the Company's in-house testing capabilities and data interpretation expertise.</li> <li>To ensure supplier-delivered components comply with the RoHS Directive, Incoming Quality Control (IQC) performed restricted substances inspections, achieving a 99.5% inspection pass rate.</li> <li>To ensure suppliers comply with international regulations and satisfy customers' specific requirements for restricted substances, the Company conducted three Restricted Substances Management training and awareness sessions.</li> </ul> |
| Corrective Actions                   | In the event of any non-conformities, the Company follows the Group's established management procedures, including the Product Restricted Substances Management Procedures, Customer Feedback Management Procedures, and Customer Satisfaction Management Procedures, to implement appropriate corrective and preventive actions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

## 4.1 Company Certifications

To reduce the likelihood of risks and minimize potential impacts, Zeng Hsing actively promotes the implementation of various international system certifications. The company has successfully obtained certifications for ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), and ISO 45001 (Occupational Health and Safety Management System), thereby establishing a comprehensive management system encompassing quality, environmental, and occupational health and safety aspects. The certifications acquired by each manufacturing site are summarized in the table below:

| Subsidiary | ISO System                  | Validity Date |
|------------|-----------------------------|---------------|
| Taiwan HQ  | ISO 9001 : 2015             | 2028.05.19    |
|            | ISO 45001 : 2018            | 2028.06.14    |
|            | ISO 14067 : 2018 (Overlock) | 2027.02.18    |
| ZH China   | ISO 9001 : 2015             | 2027.02.10    |
|            | ISO 14001 : 2015            | 2027.03.22    |
| ZH Vietnam | ISO 9001 : 2015             | 2026.10.02    |
|            | ISO 14001 : 2015            | 2028.04.10    |
|            | ISO 45001 : 2018            | 2027.06.06    |
|            | SA 8000 : 2014              | 2027.10.11    |
|            | ISO 50001 : 2018            | 2027.06.14    |
| Shinco     | ISO 9001 : 2015             | 2027.04.29    |
|            | IATF 16949 : 2016           | 2027.04.29    |

**Note:** For details of the organizational changes, please refer to **Section 1.1**.

In addition to Zeng Hsing's quality and environmental management systems, Zeng Hsing places strong emphasis on sustainability-related environmental issues. In 2019, the ESG Office

partnered with the R&D, General Affairs, and Procurement departments to establish a Product Carbon Footprint Task Force and launch a lifecycle carbon footprint assessment project. The goal was to understand the cradle-to-grave carbon emissions of sewing machines and identify reduction opportunities beginning from the design stage. Since 2020, Zeng Hsing has progressively obtained ISO 14067 carbon footprint verification statements for its household sewing machines, including mechanical models (K Series), computerized models (H Series), and overlock machines (LB Series).

## 4.2 Marketing of Product and Service

To ensure user safety and health while reducing the potential environmental risks of its products, Zeng Hsing adheres to international regulatory standards and environmental labeling requirements. The company has established relevant policies such as the “New Product Development Management Guidelines” and the “Restricted Substances Management Guidelines” to provide a framework for its research, development, and manufacturing processes. These measures ensure that all Zeng Hsing products—from design and production to shipment comply with safety regulations across various countries, including RoHS, WEEE, and REACH directives, as well as product certifications such as CE, GS, and UL, thereby fulfilling the expectations of international customers.



RoHS is a mandatory standard established by legislation of the European Union. It stands for the "Restriction of Hazardous Substances in Electrical and Electronic Equipment" Directive. This regulation was enacted by the EU to reduce the harmful effects of certain hazardous substances on human health and the environment.



The GS Mark is a voluntary safety certification mark in Germany. GS stands for "Geprüfte Sicherheit," which translates to "Tested Safety." The mark indicates that a product has been independently tested by an authorized certification body and complies with the applicable requirements of the German Product Safety Act (ProdSG) and relevant European safety standards.



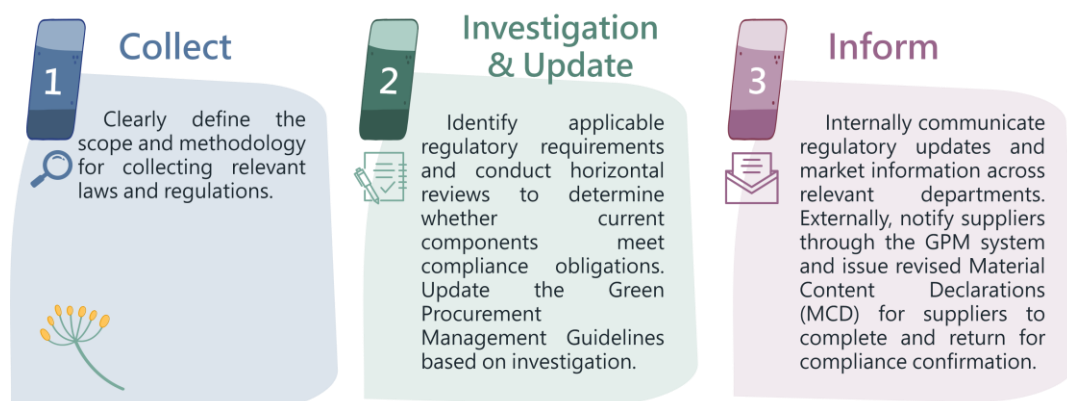
The UL (Underwriters Laboratories) mark is a well-recognized safety certification in the United States and across North America. It signifies that a product has been tested and evaluated for safety in areas such as electrical and electronic devices, mechanical equipment, lighting fixtures, building materials, fire protection systems, and chemicals.



The CE mark is a certification of product quality in Europe and functions as a mandatory requirement for products to be sold within the European Union (EU). It indicates that a product complies with relevant EU directives and regulations concerning safety, health, and environmental protection.

In addition, regulatory requirements vary across different countries and customer markets. Zeng Hsing Group remains fully committed to meeting customer requirements by providing relevant product information and mandatory labeling on products, user manuals, packaging, and other applicable materials. The Group offers a diverse portfolio of household sewing machines—including mechanical sewing machines, embroidery machines, and overlock machines—as well as commercial vacuum cleaners. These products have obtained safety certifications such as UL or TÜV, as applicable, ensuring compliance with international safety standards and enabling consumers to use Zeng Hsing products with confidence.

In 2025, Zeng Hsing Group continued to monitor the latest international regulatory requirements and customer expectations. To further strengthen its management practices, the Company completed updates to its Restricted Substances Management Procedures, which serve as the governing framework for subsequent implementation and internal control.



The Research & Development and Quality Assurance departments regularly organize in-person training sessions on product safety standards and restricted substances regulations to communicate the latest regulatory updates. In addition, the Company has established an online Restricted Substances Management course through Zeng Hsing' s eHRD learning system, which is designated as a mandatory training course for new employees in relevant departments. Training effectiveness is evaluated through course assessments, enabling employees to gain a thorough understanding of the importance of regulatory compliance and the prevention of improper use of restricted substances.

**【417-2】【417-3】 During 2025, Zeng Hsing did not receive any complaints or incur any regulatory violations related to product and service information or labeling.** However, during internal inspections and third-party laboratory sampling tests, certain newly developed components were found to contain restricted substances exceeding regulatory limits, including phthalates regulated under the EU RoHS Directive and polycyclic aromatic hydrocarbons (PAHs) regulated by the European Union.

Subsequent investigations confirmed that these non-conforming components were prototype parts used during the product development stage and had **not** been sold in the European Union market. Products sold in other markets complied with applicable local regulations. For example, products shipped to the United States were labeled with the required warnings in accordance with California Proposition 65 before shipment.

In response, Zeng Hsing immediately required the suppliers to provide compliant replacement components and further strengthened its component verification procedures, supplier management, and restricted substances control mechanisms. These actions support the Company's quality policy of "Do Not Accept Defective Products, Do Not Produce Defective Products, and Do Not Deliver Defective Products," ensuring that all products comply with applicable regulatory requirements.

Although the affected products were not marketed in the European Union, Zeng Hsing has voluntarily adopted the EU PAHs requirements as a more stringent internal management standard. By doing so, the Company continues to enhance supply chain regulatory compliance and product safety management, ensuring that products delivered to customers consistently meet applicable safety and regulatory requirements.

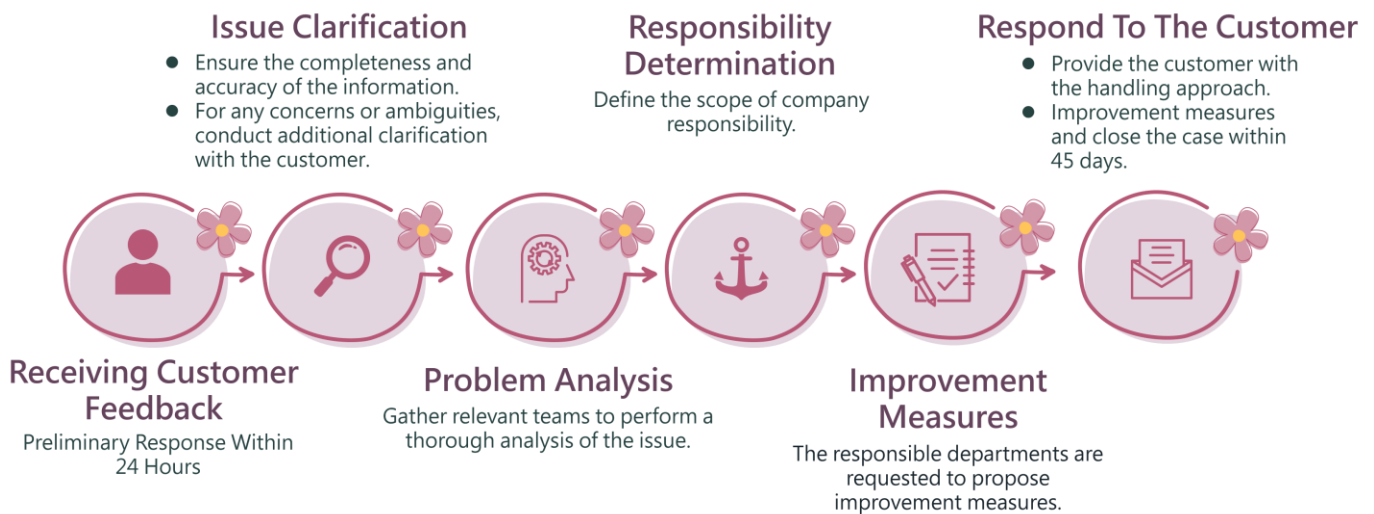
## 4.3 Customer Satisfaction

To ensure consistency in customer service practices and the implementation of customer satisfaction surveys, Zeng Hsing has established the Customer Feedback Management Guidelines and the Customer Satisfaction Management Guidelines. The former not only addresses customer complaints but also manages customer expectations regarding service improvements and after-sales support. The latter outlines the procedures for conducting customer satisfaction surveys to ensure regular assessments of customer needs and satisfaction levels. In 2025, to enhance the relevance and value of customer satisfaction surveys, Zeng Hsing redesigned the survey questions to better reflect the feedback needs of internal departments. By targeting different respondent groups with tailored questionnaires, the company also gained deeper insights into diverse customer expectations and requirements.

### \* Customer Feedback Management Guidelines

When products or services fail to meet customer expectations, they may lead to doubts or disappointment. To ensure customer satisfaction, Zeng Hsing has established the Customer Feedback Management Guidelines in accordance with the Quality Manual. These guidelines provide a structured approach for handling complaints, enabling the Company to take appropriate corrective measures, restore customer confidence, and enhance customer loyalty.

Zeng Hsing continuously improves its response efficiency to ensure timely handling of all feedback. Issues are classified by severity based on the content of the feedback, and corresponding internal reporting levels and response timeframes are managed accordingly. The feedback handling process is as follows:



In 2025, Zeng Hsing continued to implement its customer feedback management mechanism to ensure that all customer feedback was addressed promptly and appropriately. Customer cases were managed in accordance with their risk level through corresponding internal notification procedures and response time requirements, thereby enhancing overall service quality and strengthening customer trust. The customer complaint response timeliness achievement rate reached 96%.

For details of the Company's stakeholder communication channels, please refer to page 23 of this Sustainability Report. During 2025, Zeng Hsing did not receive any customer complaints related to data breaches or violations of customer privacy. 【418-1】

## ✳ Customer Satisfaction Management Policy

Zeng Hsing has established a customer satisfaction survey system to enhance corporate image, increase customer satisfaction, and support customers in expanding the market share of our products. To ensure consistent implementation, the Company has formulated the “Customer Satisfaction Management Policy,” which outline the procedures for conducting regular satisfaction surveys and assessing customer needs and expectations.

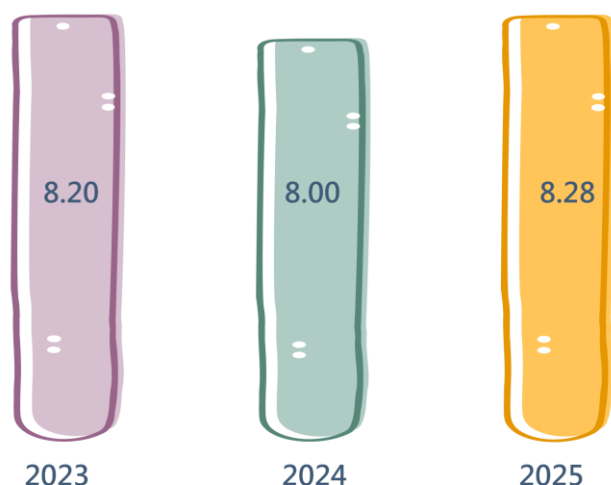
In accordance with these guidelines, the Quality Assurance and Customer Service Department distributes electronic surveys to customers who have conducted transactions during the year. Feedback from dissatisfied respondents is reviewed item by item, and improvement measures are proposed to strengthen customer loyalty and satisfaction.

Approximately 60 working hours are invested annually in conducting surveys and compiling reports. Three members of the Taiwan HQ Customer Service Department are responsible for data collection, database management, statistical analysis, and forwarding relevant feedback to internal departments for explanation and follow-up action planning.

In 2021, Zeng Hsing launched a customer service platform to better understand customer needs in real time, improve response efficiency, and create mutual value. For survey items receiving lower scores, the company issues internal Corrective and Preventive Action (CAPA) reports to track improvements. Externally, customer feedback is further verified through video or phone interviews to provide internal teams with clearer directions for enhancement. These measures reflect Zeng Hsing’ s ongoing commitment to meeting customer expectations and strengthening customer satisfaction.



### Customer Satisfaction Survey Results for the Past Three Years



The results of the customer satisfaction surveys for sewing machines and vacuum cleaners over the past three years are shown in the figure on the left. In 2025, a total of 36 questionnaires were issued and 35 were returned, resulting in a response rate of 97%, representing an increase of 15% compared to the previous year. The average customer satisfaction score was 8.28 points.

For issues raised by individual customers, the sales team provided immediate communication and response. For other matters, Zeng Hsing continues to track customer feedback to support further improvement actions and verification processes.

In addition, the Company has planned Gemba (on-site, real product, real situation) visits to customer sites this year to strengthen two-way communication mechanisms with customers. This initiative serves as an important foundation for quality improvement and enhancing overall customer satisfaction.

In 2025, the customer satisfaction questionnaire was structured into four key dimensions: **sales service, product quality, design, and after-sales service**. For items with lower scores or specific customer feedback, the Company conducted cross-functional reviews with relevant departments to enhance overall service quality.



- 1. Sales Service :** Overall performance remained stable; however, some customers expressed dissatisfaction with communication efficiency during new product development and the timeliness of supporting documentation. In response, internal reviews were conducted with relevant departments. The sales team has been instructed to closely follow up on customer requirements and to conduct regular remote meetings or on-site visits to ensure faster response and feedback handling, thereby improving customer satisfaction.
- 2. Product Quality :** Scores showed a slight improvement compared with 2024. Some customers still reported concerns regarding the durability of certain components. Zeng Hsing will continue to optimize product performance and monitor the effectiveness of component improvements. Through quality review meetings, the Company tracks abnormal returns and batch rejections and arranges on-site verification with suppliers under a Gemba (on-site inspection) approach. In addition, since certain failure cases may be related to end-user operating conditions, the customer service team continues to coordinate with sales to encourage customers to provide photos or operational data when issues occur, enabling more accurate root cause analysis and corrective actions.
- 3. Design :** Although overall scores have improved, some customers indicated that the embroidery application lacks smooth connectivity during operation, and that both product aesthetics and usability still require enhancement. In response, the development team has released application updates through customer download platforms. Regular meetings with customers are also conducted to continuously monitor usage conditions and feedback, ensuring that any remaining issues are identified and addressed for further product optimization.
- 4. After-sales Service :** Results remained consistent with 2024. The main feedback from customers relates to outdated documentation formats and instruction manuals that do not fully meet requirements in certain markets. For customized customer needs, the sales team will continue to communicate closely with customers and coordinate with relevant departments to review and implement necessary improvements.

## 4.4 Supply Chain Management 【2-6、204-1、308-1、414-1】

Suppliers are key partners in supporting Zeng Hsing's operational development and ensuring stable product quality. Upholding the principles of integrity, pragmatism, and shared sustainability, the Company is committed to establishing long-term and stable partnerships with suppliers. Issues such as quality, delivery performance, service, environmental protection, occupational health and safety, human rights protection, and business ethics are integrated into the supplier management process, with the aim of jointly building a resilient and responsible sustainable value chain.

To effectively manage procurement operations and supplier collaboration quality, each operating site of Zeng Hsing Group formulates relevant procurement and supplier management procedures in accordance with its Quality Manual, procurement systems, and local operational requirements. These procedures serve as the basis for supplier development, evaluation, performance monitoring, and continuous improvement. Through a structured management mechanism, the Company continuously ensures product quality stability, reduces operational risks, and enhances overall supply chain management efficiency and sustainability performance.

### ✳ Supplier Selection and Management Principles

When selecting suppliers, Zeng Hsing considers not only quality, delivery performance, cost, technical capability, and supply continuity, but also suppliers' commitments to environmental protection, regulatory compliance, and corporate social responsibility. Suppliers are expected to conduct their business in a manner that protects natural resources and, while meeting product quality standards and customer requirements, aligns with Zeng Hsing's Environmental Policy to minimize the environmental impacts of production processes and comply with the Company's environmental management and product regulatory requirements. Zeng Hsing also reviews suppliers' implementation of human rights practices and requires compliance with the Human Rights and Environmental Sustainability Commitment, thereby jointly safeguarding workers' rights and interests.

Before onboarding new suppliers, the procurement departments of each subsidiary conduct due diligence and supplier evaluations in accordance with the Company's management procedures. The evaluation covers manufacturing capability, quality management, factory management, delivery capability, and relevant management systems. Only suppliers that meet the evaluation criteria are approved as qualified business partners. Through this pre-qualification process, Zeng Hsing mitigates supply chain risks and ensures that suppliers possess stable delivery capabilities and effective quality management systems.

### ✳ Existing Supplier Evaluation and Sustainability Management

For existing suppliers, Zeng Hsing's operating sites conduct regular supplier evaluations and performance assessments. Evaluation criteria include product quality, delivery performance, service quality, compliance with green policies, and human rights-related practices to monitor supplier performance and identify potential risks. Suppliers whose evaluation results do not meet the required standards are requested to implement corrective actions, and follow-up reviews are conducted to verify improvements, ensuring the effectiveness of the Company's supplier management system. Suppliers receiving a **Grade C** rating that fail to demonstrate satisfactory improvement after corrective action requests may be subject to reduced procurement volumes, suspension of new product development

projects, or replacement by alternative suppliers in order to maintain supply chain quality.

ZH Vietnam also conducts regular **Supplier Corporate Social Responsibility (CSR) Evaluation** to evaluate suppliers' performance in areas such as human rights protection, employee welfare, working conditions, and management systems. These evaluations encourage suppliers to fulfill their corporate social responsibility commitments alongside Zeng Hsing and strengthen the foundation of sustainable supply chain management.

In addition, Zeng Hsing Group continues to engage suppliers through supplier conferences, forums, and awareness programs to communicate the Company's sustainability policies, business integrity principles, anti-corruption requirements, product regulatory compliance, and environmental management expectations. Through these initiatives, the Company strengthens partnerships across its supply chain and works collaboratively with suppliers to build a transparent, responsible, and resilient sustainable supply chain.

### \* Green Procurement Management

In response to environmental regulations in various countries, Zeng Hsing has established the "**Product Restricted Substances Management Procedures**" and "**Green Procurement Management Guidelines**". Through these mechanisms, the Company manages the entire supply chain—from upstream raw materials and component suppliers, midstream manufacturing processes, to downstream assembly, testing, and delivery to end customers—to restrict the use of certain hazardous substances during production.

The Company implements and audits its practices in accordance with international green environmental policies and customer requirements, with the aim of reducing environmental impact, addressing market restrictions and potential barriers to entry into the European Union market, and ensuring compliance with applicable laws and customer expectations.

**In 2025, Zeng Hsing did not receive any cases of non-compliance related to health and safety regulations for products and services.**



## Annual Key Management Guidelines for Restricted Substances

### 2023

- RoHS Annex III revised to include new exemptions 39 and 46
- REACH Annex XVII increased to 79 entries
- REACH SVHC increased to 242 substances
- France introduced new EDC (Endocrine Disrupting Chemicals) restrictions for consumer products

### 2024

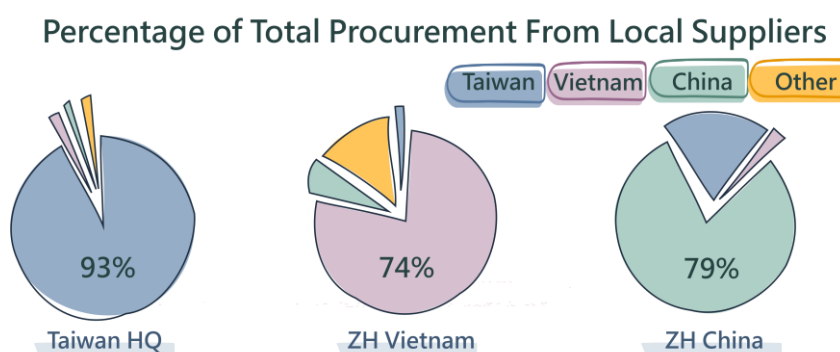
- REACH SVHC increased to 235 substances
- France introduced regulations on mineral oils in inks
- 2 new substances added to the POPs
- Regulation 2 new substances added to California Proposition 65 (CP65)
- New regulations implemented for batteries and waste batteries

### 2025

- RoHS Annex III: revision of exemptions for lead content (9 items updated)
- REACH SVHC: increased to 250 substances
- REACH Annex XVII: newly added PAHs and PFAS
- POPs: two substances revised
- California Proposition 65 (CP65): one substance added
- EU Packaging and Packaging Waste Regulation (PPWR): updated requirements.

## ✳ Supporting Local Supply Chains

Zeng Hsing places strong emphasis on local procurement and supply chain resilience. In 2025, the Company's total number of raw material suppliers across all operating sites was 336. During supplier selection, in addition to quality, delivery performance, and supply continuity, the Company also prioritizes local sourcing to reduce procurement and logistics costs, enhance supply chain stability, and lower carbon emissions generated from the transportation of raw materials and components, thereby reducing environmental impacts.



In 2025, the proportion of transactions with local suppliers across all plants of Zeng Hsing Group exceeded 60%. Specifically, 93% of suppliers for the Taiwan HQ are local Taiwanese companies, 74% of suppliers for ZH Vietnam are Vietnamese companies, and 79% of suppliers for ZH China are Chinese companies, demonstrating the Company's continued support for local supply chain development while strengthening operational resilience and supply stability through localized partnerships.

### Supplier Quantity and Characteristics

| Item                          | Raw Material Suppliers                                                   |
|-------------------------------|--------------------------------------------------------------------------|
| Number of Suppliers           | 336                                                                      |
| Potential Environmental Risks | No energy, resource and pollution management policies established        |
| Potential Labor Risks         | No working hours and occupational safety management policies established |
| Potential Human Rights Risks  | No human rights policies or grievance mechanisms established             |
| Potential Social Risks        | No community engagement and impact management policies established       |

Note: 1. "Local" refers to suppliers in the country where the operation site is located.

## ✳ Supplier site visit

Zeng Hsing's largest manufacturing base, ZH Vietnam, has adopted the SA8000 Social Accountability Standard and obtained third-party certification in response to international trends and customer requirements. The system sets relatively stringent CSR requirements for suppliers. New suppliers are required to complete a self-assessment questionnaire during the initial supplier qualification process, and the management representative develops an annual supplier on-site audit plan and conducts on-site audits accordingly.

Compared with ZH Vietnam, Taiwan HQ and ZH China have relatively smaller production scales and therefore did not previously have comprehensive supplier CSR evaluation procedures in place. Since 2014, ESGO has gradually guided both sites in establishing supplier ESG evaluation systems, with the evaluation approach progressing from basic self-assessment questionnaires to on-site visits and, where necessary, third-party on-site audits.

Taiwan HQ has conducted on-site supplier visits since 2019, targeting the top 50 suppliers by transaction value. ZH China introduced a similar on-site visit program in 2020, also focusing on its top 50 suppliers by transaction value to evaluate their ESG performance.

The evaluation covers environmental management, product responsibility, human rights, information security, and labor practices. Evaluation criteria include whether suppliers have been subject to penalties for violations of labor or human rights regulations, whether

hazardous industrial waste is properly handled by qualified waste disposal contractors, and whether information security measures are in place to mitigate cybersecurity risks.

In 2025, a total of 23 suppliers were evaluated across the three sites, all of which met Zeng Hsing' s ESG evaluation criteria. The results indicated that some suppliers need to improve workplace health and safety conditions and strengthen their grievance mechanisms. For areas identified as having potential risks, Zeng Hsing has provided guidance and implemented corrective actions according to established improvement plans.

### Supplier Evaluation Results

|                                                                 | ZH Vietnam  | Taiwan HQ   | ZH China    |
|-----------------------------------------------------------------|-------------|-------------|-------------|
| Number of Suppliers Evaluated                                   | 10          | 3           | 10          |
| Compliant Suppliers                                             | 10          | 3           | 10          |
| Non-Compliant Suppliers                                         | 0           | 0           | 0           |
| suppliers identified with actual or potential negative impacts. | 0           | 0           | 0           |
| <b>Compliance Rate</b>                                          | <b>100%</b> | <b>100%</b> | <b>100%</b> |

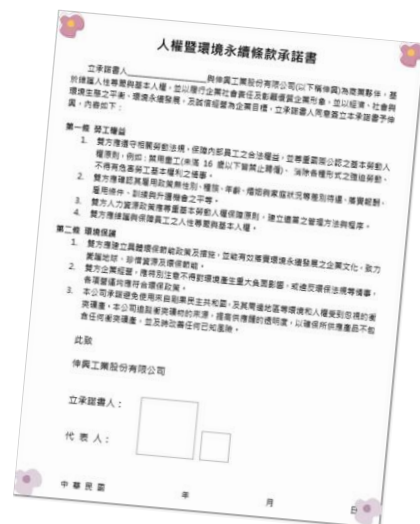
Note: All suppliers visited in 2025 met the environmental and social impact evaluation criteria, and therefore no supplier relationships were terminated.

### ✳ Promoting Supplier Sustainability Commitments

In recent years, sustainability issues have gained increasing attention. In addition to requiring suppliers to sign the "Integrity, Anti-Corruption, and Confidentiality Commitment" and the "Restricted Substances Management Guarantee" in accordance with the Supplier Management Guidelines, Zeng Hsing' s Taiwan HQ has, since 2021, actively promoted the signing of a "Human Rights and Environmental Sustainability Commitment" by its suppliers.

This commitment covers key areas such as labor rights and environmental protection, including prohibition of child labor, elimination of forced labor, compliance with environmental protection laws and regulations, avoidance of conflict mineral.

As of 2025, all active suppliers with transaction records have signed this commitment, ensuring that procurement sources are not from conflict or high-risk areas and are following customer and regulatory requirements. Moving forward, Zeng Hsing will continue to advocate for supplier CSR commitments and aims to encourage more suppliers to participate. The company is committed to building a green supply chain and working toward sustainable operations together with its suppliers.



### ✳ Supplier ESG Forum



Zeng Hsing has consistently regarded suppliers as long-term partners and encourages them to strengthen ESG management under a shared vision of mutual growth and sustainability. To enhance suppliers' awareness of sustainable development, Taiwan HQ has

implemented a four-year ESG forum roadmap, gradually guiding suppliers from foundational to advanced topics to build a comprehensive sustainability framework.

Since 2021, Zeng Hsing has continuously organized supplier ESG forums and engagement conferences to enhance suppliers' understanding of sustainable development and carbon management. In 2022, external consultants were invited to share ISO 14064-1 greenhouse gas inventory standards and requirements. In 2023, a practical carbon inventory workshop was conducted with 10 suppliers, helping them define organizational boundaries, identify emission sources, and calculate greenhouse gas emissions, as well as complete inventory worksheets. The workshop received positive feedback, with an average satisfaction score of **4.7 points**. In 2024, a supplier engagement conference was held covering the Company's future outlook, anti-corruption policies, quality assurance systems, information management strategies, and sustainability reporting practices.

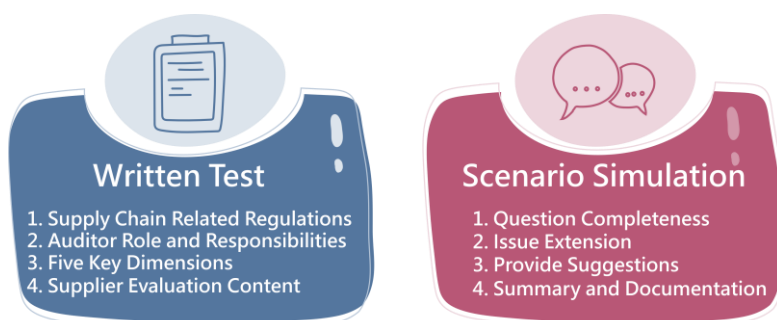
In 2025, an online supplier forum was conducted with the participation of **25 suppliers**, focusing on the latest regulations on restricted substances, ESG-related regulatory updates, and sustainability topics. The forum also shared Zeng Hsing's ESG initiatives, further strengthening communication and collaboration with suppliers and deepening supply chain relationships.

In addition to the Taiwan HQ, ZH China and ZH Vietnam also independently organized supplier conferences to share and exchange information on quality management, procurement practices, and sustainability issues. These initiatives aim to enhance suppliers' understanding of regulatory requirements and global sustainability trends while strengthening partnerships with Zeng Hsing Group.

Looking forward, Zeng Hsing will continue to hold annual supplier forums to share ESG knowledge and information, and to support suppliers in enhancing their sustainability capabilities.

### ✿ ESG Auditor Training

In 2023, Taiwan HQ initiated ESG auditor training to enable the Company to proactively assess supplier risks and guide suppliers in adopting up-to-date sustainability practices and issues, while fostering shared growth with suppliers. The training covers five major dimensions: environment, labor, human rights, society, and product responsibility. It also equips ESG auditors with preparation requirements and key audit focus areas for each stage of supplier on-site visits and enables them to appropriately share Zeng Hsing's ESG performance across various aspects.



In 2025, the Group continued to develop relevant talent. In this training cycle, **2 employees completed training and passed the assessment**, with a total of **12 training hours**. As of 2025, Taiwan HQ has **8 ESG auditors**, and ZH China has **5 ESG auditors**, totaling **13 certified ESG auditors** across the Group.

## 5 Happy Workplace

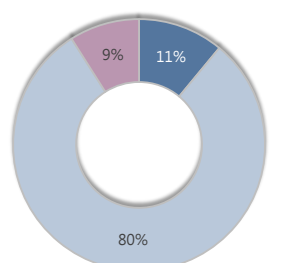
### 5.1 Employee Profile in 2025 [2-7]

| Classification |                   | Male             |            | Female           |            | Total        | Percentage  |
|----------------|-------------------|------------------|------------|------------------|------------|--------------|-------------|
|                |                   | Number of people | Proportion | Number of people | Proportion |              |             |
| Subsidiaries   | Taiwan HQ         | 119              | 48%        | 131              | 52%        | 250          | 11%         |
|                | ZH Vietnam        | 796              | 44%        | 1,021            | 56%        | 1,817        | 80%         |
|                | ZH China          | 42               | 22%        | 151              | 78%        | 193          | 9%          |
|                | <b>Total</b>      | <b>957</b>       | <b>42%</b> | <b>1,303</b>     | <b>58%</b> | <b>2,260</b> | <b>100%</b> |
| Age            | Under 30          | 379              | 42%        | 530              | 58%        | 909          | 40%         |
|                | 30~50             | 522              | 43%        | 704              | 57%        | 1,226        | 54%         |
|                | Over 50           | 56               | 45%        | 69               | 55%        | 125          | 6%          |
|                | <b>Total</b>      | <b>957</b>       | <b>42%</b> | <b>1,303</b>     | <b>58%</b> | <b>2,260</b> | <b>100%</b> |
| Education      | Below High School | 620              | 43%        | 825              | 57%        | 1,445        | 64%         |
|                | High School       | 175              | 43%        | 234              | 57%        | 409          | 18%         |
|                | Bachelor's        | 114              | 35%        | 212              | 65%        | 326          | 14%         |
|                | Master's & PH.D   | 48               | 60%        | 32               | 40%        | 80           | 4%          |
|                | <b>Total</b>      | <b>957</b>       | <b>42%</b> | <b>1,303</b>     | <b>58%</b> | <b>2,260</b> | <b>100%</b> |
| Work Type      | Direct            | 631              | 45%        | 769              | 55%        | 1,400        | 62%         |
|                | Indirect          | 275              | 36%        | 484              | 64%        | 759          | 34%         |
|                | Manager           | 51               | 50%        | 50               | 50%        | 101          | 4%          |
|                | <b>Total</b>      | <b>957</b>       | <b>42%</b> | <b>1,303</b>     | <b>58%</b> | <b>2,260</b> | <b>100%</b> |
| Contract Type  | Fixed-term        | 592              | 44%        | 746              | 56%        | 1,338        | 59%         |
|                | Indefinite-term   | 365              | 40%        | 557              | 60%        | 922          | 41%         |
|                | <b>Total</b>      | <b>957</b>       | <b>42%</b> | <b>1,303</b>     | <b>58%</b> | <b>2,260</b> | <b>100%</b> |

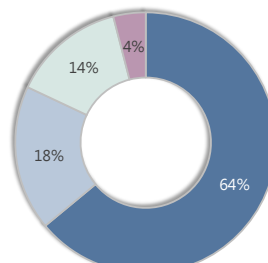
Notes :

1. All workforce data were obtained from the Company' s Human Resource Management (HRM) system and represent actual figures rather than estimates.
2. 【2-8】 Workers who are not employees include on-site contractor personnel, such as security guards, cleaning staff, catering service personnel, and certain production line support workers. A total of 56 such workers were reported, with no significant changes during the reporting period.

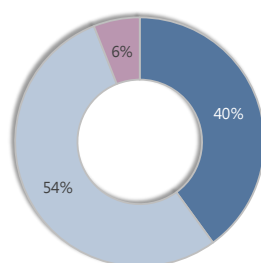
Factory Employee Ratio



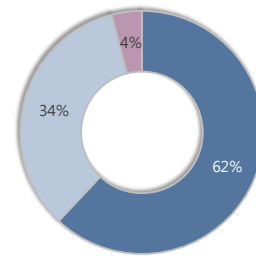
Group Education Ratio



Group Age Ratio



Direct and Indirect Ratio



■ Under 30 ■ 30-50 ■ Over 50

■ Direct ■ Indirect ■ Manager

As of December 31, 2025, Zeng Hsing Group employed 2,260 employees across Taiwan HQ, ZH Vietnam, and ZH China. All employees were full-time, with no part-time or non-guaranteed hours employees. Of the total workforce, 42% were male and 58% were female. Employees aged 30–50 accounted for 54%, followed by those under 30 at 40%, reflecting a stable workforce with strong development potential. By job category, direct employees accounted for 62%, indirect employees for 34%, and management personnel (team leaders and above) for 4%. As the Group's primary manufacturing base, ZH Vietnam accounts for approximately 80% of the total workforce, with most employees engaged in manufacturing and assembly, resulting in a relatively high proportion of direct employees.

In 2025, the Group's workforce ranged from **2,206 to 2,649 employees**. The fluctuation was primarily due to the integration of Shinco into ZH Vietnam's management scope, which resulted in adjustments to the reporting scope and workforce allocation.

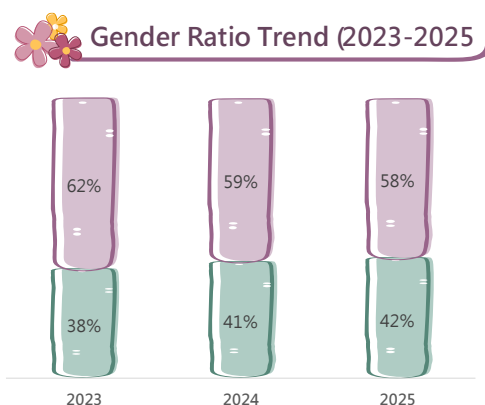
Regarding employment contract types, **59% of employees were on fixed-term contracts and 41% on indefinite-term contracts**, in accordance with local labor laws and industry practices. Fixed-term employees were primarily concentrated at the Vietnam production sites, mainly consisting of short-term contract workers and apprentices hired in accordance with local regulations. Regardless of contract type, the Company provides legally required compensation, insurance, and benefits to safeguard employees' rights and foster a safe and equitable workplace with career development opportunities.

In addition, Taiwan HQ prioritizes the recruitment of **local talent from its operating area and surrounding communities**. In 2025, 84% of Taiwan HQ employees resided in Taichung City, demonstrating the Company's commitment to supporting local employment and promoting shared prosperity within the community.

## ✳ Employee Recruitment

Zeng Hsing Group has established workforce planning and recruitment procedures across its subsidiaries to ensure a consistent hiring process. At the end of each year, departments develop workforce and staffing plans based on operational needs as the basis for the following year's recruitment budget. Once approved, the Human Resources Department initiates recruitment activities. **All recruitment and selection processes comply with local laws and follow the principles of fairness, impartiality, openness, and equal opportunity. Employment decisions are made without discrimination based on race, gender, culture, religion, age, beliefs, political affiliation, disability, or other protected characteristics. No discrimination-related complaints were reported in 2025.**

New employees receive orientation and pre-employment training provided by the Human Resources Department and hiring department, covering company introduction, policies and regulations, employee benefits, occupational health and safety, job responsibilities, and human rights. Each new employee is also paired with an experienced mentor who provides workplace and daily-life guidance to help them adapt to the new environment, develop professional skills, and explore career development opportunities. New full-



time employees are evaluated by their supervisors before completing the three-month probation period to confirm job suitability.

【405-1、405-2】Zeng Hsing promotes talent localization by prioritizing the development and employment of local talent at each operating site, contributing to local economic and social development. The Group is also committed to fostering an inclusive and supportive workplace. In 2025, foreign employees accounted for 1.37% of the Group's workforce.

In accordance with Article 38 of Taiwan's People with Disabilities Rights Protection Act, employers are required to employ persons with disabilities at no less than 1% of their total workforce. In 2025, Taiwan HQ made the required contributions to the local employment fund for persons with disabilities for any shortfall in the statutory employment quota. Zeng Hsing continues to recruit persons with disabilities, protect their employment rights, and promote workplace inclusion.

Women represented the majority of employees across the Group's operating sites in 2025, and Taiwan HQ promoted three female employees to managerial positions. To promote gender equality, diversity, and inclusion, ZH Vietnam celebrates International Women's Day on March 8 each year by presenting employees with gifts and flowers, fostering a gender-friendly workplace culture.

Zeng Hsing is committed to gender pay equality and upholds the principle of equal pay for equal work. Basic salary is determined based on job grade and does not differ by gender. In 2025, the male-to-female compensation ratio at Taiwan HQ was 1:0.84 for non-management employees and 1:0.83 for management employees. The differences were primarily attributable to variations in seniority and work experience rather than gender.



#### Average Annual Remuneration Ratio by Gender at Taiwan HQ

| Category                                        | Average Annual Remuneration Ratio<br>(Male: Female) |
|-------------------------------------------------|-----------------------------------------------------|
| Non-management Employees                        | 1 : 0.84                                            |
| Management Employees<br>(Team Leader and Above) | 1 : 0.83                                            |

#### Notes :

1. Foreign employees refer to non-local nationals at each operating site, such as Taiwanese expatriates working at ZH Vietnam.
2. Foreign employee ratio = Total number of foreign employees ÷ Total number of Group employees.

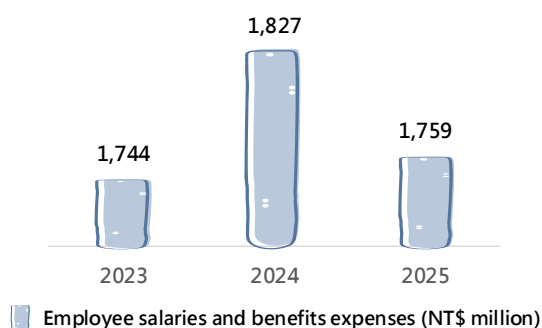
## \* Talent Retention

In addition to attracting talent, Zeng Hsing places strong emphasis on employee retention. The Company strives to create a supportive workplace that promotes work-life balance and provides employees with training and career development opportunities. Based on business performance, bonuses are awarded to share the Company's achievements and recognize employee contributions.

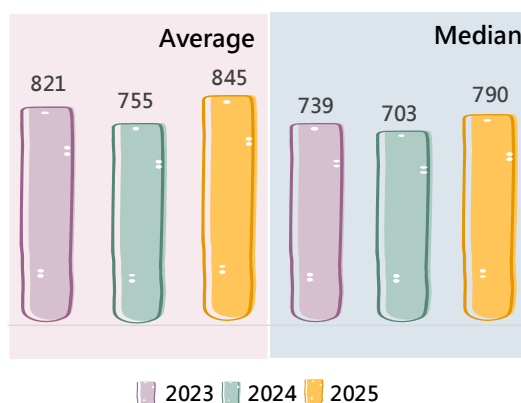
The Group provides compensation and benefits that meet local legal requirements at each operating site. Competitive remuneration is determined based on job responsibilities, education, qualifications, and professional experience. In 2025, total employee compensation and benefit expenses amounted to NT\$1,759 million.

In accordance with Taiwan Stock Exchange requirements, Taiwan HQ discloses salary information for full-time non-managerial employees. Based on calculations reviewed by independent accountants, the average annual salary of full-time non-managerial employees in 2025 was NT\$845 thousand, up NT\$90 thousand from 2024, while the median annual salary was NT\$790 thousand, up NT\$87 thousand. The increase was mainly attributable to the higher number of new hires in 2024, whose annual salaries did not reflect a full year of employment, resulting in a lower comparison base. Zeng Hsing will continue to provide competitive compensation and comprehensive benefits to create shared value for both the Company and its employees. 【2-21】

Employee Salaries and Benefits Expenses (2023-2025)



Annual Salaries of Full-Time Non-Managerial Employees (2023-2025, NT\$ thousand/person)



## \* Employee Separation Management

To ensure a consistent and compliant employee separation process, all subsidiaries of Zeng Hsing Group have established separation management procedures in accordance with local labor regulations and internal control requirements. These procedures cover resignation, unpaid leave, termination, retirement, notice periods, handover arrangements, administrative processes, and analysis of separation reasons.

When employees submit resignation requests, both the department supervisor and the Human Resources Department conduct exit interviews to understand the reasons for departure and to minimize potential disputes during the separation process. Insights gained from these interviews are also used to support continuous improvement in employee engagement and retention initiatives.

In 2025, the inclusion of Shinco’ s die-casting operations within ZH Vietnam’ s reporting scope resulted in workforce adjustments and higher numbers of new hires and employee departures compared with the previous year. The Group’ s overseas subsidiaries primarily employ frontline production workers, with relatively higher turnover due to manufacturing operations, production scheduling needs, and local labor market mobility. To enhance workforce stability, the Human Resources Department continues to analyze reasons for employee departures and improve employee care, compensation and benefits, and talent retention practices, thereby strengthening organizational resilience.

### Distribution of New Hire and Turnover Rates by Gender and Age in 2024

|        |          | Taiwan HQ           |               |                               |                        | ZH Vietnam          |               |                               |                        | ZH China            |               |                               |                        | Total               |               |                               |                        |
|--------|----------|---------------------|---------------|-------------------------------|------------------------|---------------------|---------------|-------------------------------|------------------------|---------------------|---------------|-------------------------------|------------------------|---------------------|---------------|-------------------------------|------------------------|
| Gender | Age      | Number of New Hires | New Hire Rate | Number of Employee Departures | Employee Turnover Rate | Number of New Hires | New Hire Rate | Number of Employee Departures | Employee Turnover Rate | Number of New Hires | New Hire Rate | Number of Employee Departures | Employee Turnover Rate | Number of New Hires | New Hire Rate | Number of Employee Departures | Employee Turnover Rate |
| Female | Over 50  | 0                   | 0%            | 0                             | 0%                     | 7                   | 0%            | 15                            | 1%                     | 0                   | 0%            | 6                             | 3%                     | 7                   | 0%            | 21                            | 1%                     |
|        | 30-50    | 17                  | 6%            | 17                            | 6%                     | 870                 | 50%           | 955                           | 55%                    | 10                  | 5%            | 12                            | 6%                     | 897                 | 37%           | 984                           | 40%                    |
|        | Under 30 | 9                   | 3%            | 4                             | 1%                     | 1,547               | 89%           | 1,449                         | 83%                    | 0                   | 0%            | 0                             | 0%                     | 1,556               | 64%           | 1,453                         | 60%                    |
| Male   | Over 50  | 0                   | 0%            | 0                             | 0%                     | 1                   | 0%            | 3                             | 0%                     | 0                   | 0%            | 1                             | 1%                     | 1                   | 0%            | 4                             | 0%                     |
|        | 30-50    | 16                  | 6%            | 15                            | 6%                     | 378                 | 22%           | 379                           | 22%                    | 0                   | 0%            | 0                             | 0%                     | 394                 | 16%           | 394                           | 16%                    |
|        | Under 30 | 8                   | 3%            | 3                             | 1%                     | 754                 | 43%           | 634                           | 36%                    | 0                   | 0%            | 0                             | 0%                     | 762                 | 31%           | 637                           | 26%                    |
| Total  |          | 50                  | 18%           | 39                            | 14%                    | 3,557               | 205%          | 3,435                         | 198%                   | 10                  | 5%            | 19                            | 10%                    | 3,617               | 148%          | 3,493                         | 143%                   |

### Distribution of New Hire and Turnover Rates by Gender and Age in 2025

|        |          | Taiwan HQ           |               |                               |                        | ZH Vietnam          |               |                               |                        | ZH China            |               |                               |                        | Total               |               |                               |                        |
|--------|----------|---------------------|---------------|-------------------------------|------------------------|---------------------|---------------|-------------------------------|------------------------|---------------------|---------------|-------------------------------|------------------------|---------------------|---------------|-------------------------------|------------------------|
| Gender | Age      | Number of New Hires | New Hire Rate | Number of Employee Departures | Employee Turnover Rate | Number of New Hires | New Hire Rate | Number of Employee Departures | Employee Turnover Rate | Number of New Hires | New Hire Rate | Number of Employee Departures | Employee Turnover Rate | Number of New Hires | New Hire Rate | Number of Employee Departures | Employee Turnover Rate |
| Female | Over 50  | 0                   | 0%            | 3                             | 1%                     | 5                   | 0%            | 5                             | 0%                     | 0                   | 0%            | 3                             | 2%                     | 5                   | 0%            | 11                            | 0%                     |
|        | 30-50    | 2                   | 1%            | 6                             | 2%                     | 740                 | 41%           | 804                           | 44%                    | 3                   | 2%            | 7                             | 4%                     | 745                 | 33%           | 817                           | 36%                    |
|        | Under 30 | 2                   | 1%            | 1                             | 0%                     | 1,395               | 77%           | 1,412                         | 78%                    | 0                   | 0%            | 0                             | 0%                     | 1,397               | 62%           | 1,413                         | 63%                    |
| Male   | Over 50  | 2                   | 1%            | 5                             | 2%                     | 5                   | 0%            | 3                             | 0%                     | 0                   | 0%            | 0                             | 0%                     | 7                   | 0%            | 8                             | 0%                     |
|        | 30-50    | 3                   | 1%            | 11                            | 4%                     | 525                 | 29%           | 515                           | 28%                    | 0                   | 0%            | 0                             | 0%                     | 528                 | 23%           | 526                           | 23%                    |
|        | Under 30 | 0                   | 0%            | 4                             | 2%                     | 1,148               | 63%           | 1,136                         | 63%                    | 0                   | 0%            | 0                             | 0%                     | 1,148               | 51%           | 1,140                         | 50%                    |
| Total  |          | 9                   | 4%            | 30                            | 12%                    | 3,818               | 210%          | 3,875                         | 213%                   | 3                   | 2%            | 10                            | 5%                     | 3,830               | 169%          | 3,915                         | 173%                   |

#### Calculation Method:

- **New Hire Rate** = Number of New Hires ÷ Total Number of Employees at Year-end
- **Employee Turnover Rate** = Number of Employee Departures ÷ Total Number of Employees at Year-end

## 5.2 Employee Benefits and Rights

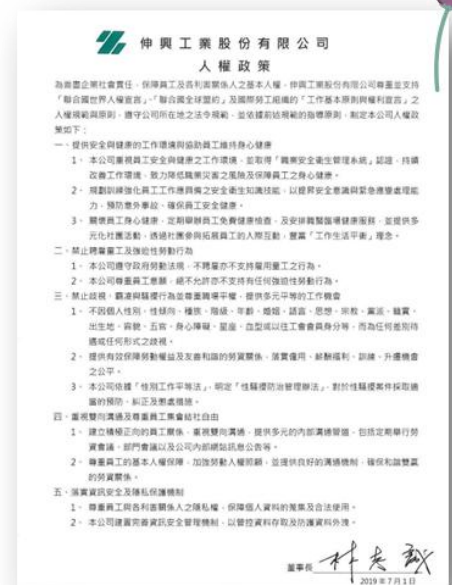
Zeng Hsing Group provides employee benefits in accordance with local labor laws and regulations. Human Resources and management units, labor unions, and employee welfare committees are responsible for planning, implementing, monitoring, and reviewing welfare programs. While benefits vary across subsidiaries, all operating sites provide statutory employment conditions and benefits, including working hours, rest and leave, retirement schemes, occupational health and safety, insurance, and employee training. In addition, each operating site offers supplementary benefits based on employee needs, such as domestic and overseas travel subsidies, Family Day activities, festival bonuses, emergency assistance, employee clubs, and subsidies for recreational and sports activities.

### Basic rights

#### ✿ Human Rights Protection

Zeng Hsing has established a Group-wide Human Rights Policy in accordance with the Universal Declaration of Human Rights, the United Nations Global Compact, the ILO Core Conventions, and applicable local laws and regulations. The Company is committed to respecting and protecting the fundamental human rights of employees, customers, suppliers, and other stakeholders. The ESG Committee serves as the highest oversight body for the Human Rights Policy and is responsible for promoting its implementation, overseeing execution, and reviewing performance, while integrating human rights principles into daily operations.

Human rights principles are incorporated into internal policies and management documents, including the New Employee Handbook, Work Rules, Sexual Harassment Prevention Management Regulations, Health Protection Management Regulations, Employee Grievance Management Regulations, and ESG Policy. These documents cover workplace equality, non-discrimination, prohibition of forced labor and child labor, working hours, occupational health and safety, communication and grievance mechanisms, and personal data protection.



The Human Rights Policy is based on five core principles:

1. Provide a safe and healthy working environment and implement an effective occupational health and safety management system.
2. Prohibit all forms of forced labor and child labor.
3. Prevent discrimination and harassment and ensure fair treatment and equal opportunities.
4. Provide diverse and accessible communication and grievance channels.
5. Respect employee privacy and protect personal data.

To strengthen employee awareness of human rights, all three operating sites have provided human rights-related training since 2025, with content tailored to local regulations, management systems, and operational needs. Under the training procedures of Taiwan HQ and ZH Vietnam, all new employees receive orientation training on their first day of employment. In 2025, all 9 new employees at Taiwan HQ completed in-person orientation training, achieving a 100% completion rate and totaling 20 training hours. The labor union also organized a labor rights seminar delivered by the Taichung General Labor Union. At ZH Vietnam, the Human Resources Department provides one-hour SA8000 training to all new employees to introduce the Company's SA8000 policy and requirements. In 2025, 100% of new employees completed human rights policy or procedure training, totaling 3,818 training hours.

In addition to new employee orientation, the Group regularly provides human rights-related training to existing employees. In 2025, the three operating sites conducted 74 training sessions, covering labor regulations, sexual harassment prevention, and occupational health and safety. Total training hours reached 5,893 hours, averaging 2.61 hours per employee, further strengthening awareness of workplace equality, labor rights, occupational safety, and regulatory compliance.

**Average Human Rights Training Hours per Employee (2023–2025)**

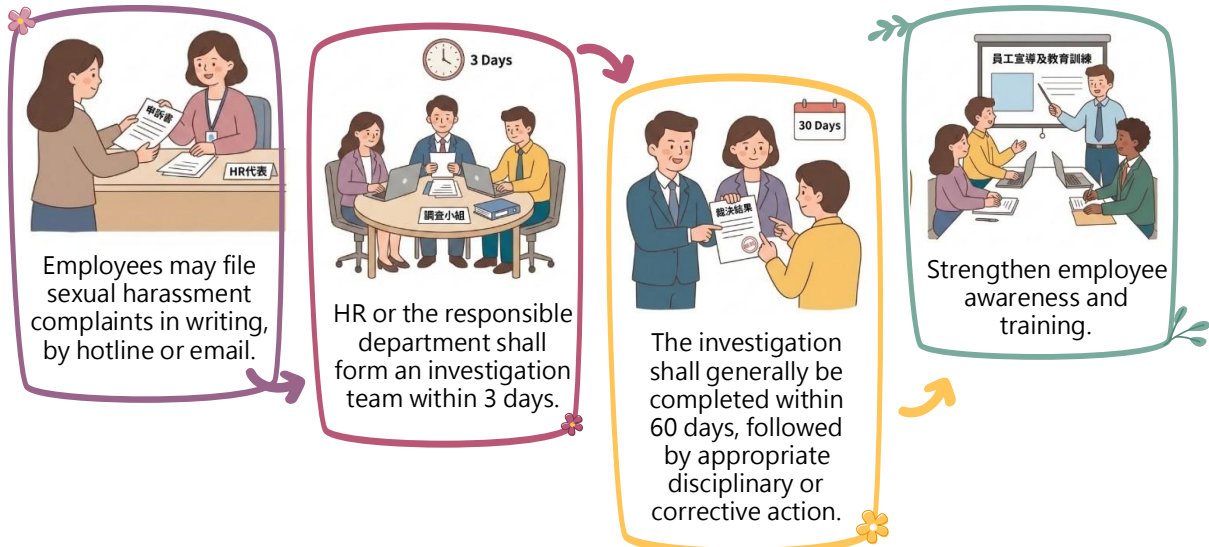
| Item                                             | 2023  | 2024  | 2025  |
|--------------------------------------------------|-------|-------|-------|
| Total Human Rights Training Hours                | 4,509 | 5,647 | 5,893 |
| Average Human Rights Training Hours per Employee | 2.00  | 2.32  | 2.61  |

The Company has established employee grievance and communication channels that enable employees to raise concerns regarding workplace rights, working conditions, management practices, or other human rights issues. Reported cases are investigated and handled by the responsible departments, with corrective actions and follow-up conducted in accordance with established procedures.

Where an investigation confirms impacts on employee rights, workplace safety, or other stakeholder interests, the Company takes appropriate remedial measures based on the nature of the case. These may include ceasing or correcting inappropriate practices, improving management measures, providing necessary assistance, and addressing affected rights in accordance with applicable laws. The effectiveness of remedial actions is subsequently monitored to minimize impacts on affected individuals.

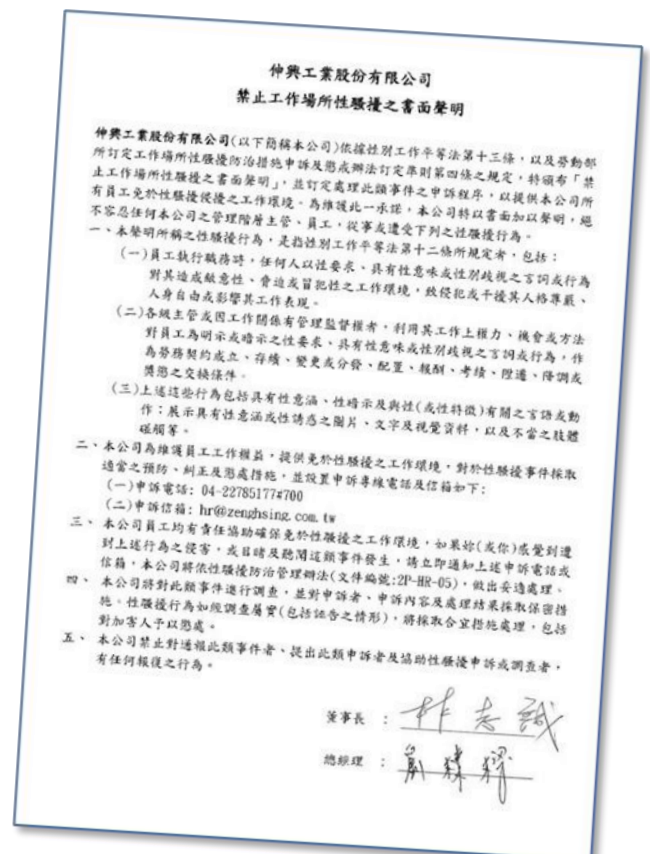
**No incidents of human rights violations, forced labor, or child labor were identified across the Group in 2025. 【2-25】**

## ✿ Prevention of Sexual Harassment



To maintain a safe and respectful workplace and prevent workplace harassment, Zeng Hsing has established the **Sexual Harassment Prevention Management Regulations**, which are implemented by the Human Resources Department. The Company provides confidential grievance channels for employees and has issued a **Written Statement Prohibiting Workplace Sexual Harassment** to protect all employees and reinforce its commitment to a harassment-free workplace. **No sexual harassment complaints were reported in 2025.**

Complaint Hotline : 04-2278-5177#700  
Complaint Email : hr@zenghsing.com.tw



## ✿ Labor-Management Relations 【2-30・407-1】

Zeng Hsing respects employees' freedom of association in accordance with local laws and regulations. Employees are free to decide whether to join a labor union, thereby safeguarding employee rights and promoting harmonious labor-management relations. Labor unions primarily address labor disputes, improve working conditions, promote occupational health and safety and employee welfare, and organize recreational activities for members. Excluding management representatives and fixed-term employees, 100% of eligible employees at each operating site are union members. The accompanying figure presents awards received by the labor union in recognition of its outstanding performance. The union will continue to listen to and represent employees' voices and advocate for their rights and interests.



At Taiwan HQ, the General Assembly of Union Members is held annually, while Board Meetings are held quarterly. In addition, labor-management meetings are held quarterly to facilitate dialogue and consultation, build consensus, and reduce labor disputes. In 2025, a total of five labor-management meetings were held, including four regular meetings and one special meeting.

ZH Vietnam and ZH China have both entered into collective bargaining agreements covering all employees. In preparation for a potential collective bargaining agreement, the labor union at Taiwan HQ adopted a delegate system in 2024 and initiated corresponding amendments to its union constitution. In 2025, the union continued discussions and gathered feedback on union operations, member rights, and labor-management consultation. In 2026, it will continue discussions with the Human Resources Department to assess the necessity and feasibility of pursuing a collective bargaining agreement, further strengthening labor-management communication and employee rights protection.

## ✿ Minimum Notice Period for Operational Changes 【402-1】

Employee engagement and workforce stability are important to sustainable business operations. To enhance employee engagement and work efficiency, Zeng Hsing plans personnel changes in advance based on organizational needs and provides employees with appropriate notice. Minimum notice periods vary according to local labor regulations, employment contract types, and years of service, ranging from 10 to 45 days. Both the Company and employees comply with these requirements, and relevant provisions are also included in the collective bargaining agreements of ZH Vietnam and ZH China. **No related labor disputes were reported in 2025.**

## Major Topic Management Approach: Employment / Labor Management Relations 【2-23、2-24、3-3、GRI 201-3、401-2、401-3、402-1】

|                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Policy                 | Comply with labor laws and provide comprehensive employee benefits. Through competitive compensation, career development, promotion systems, and employee welfare programs, Zeng Hsing develops internal talent and attracts outstanding external talent.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Targets & Commitments  | <b>Short-term:</b> Ensure compliance with labor regulations and safeguard employee rights.<br><b>Medium-term:</b> Regularly review compensation policies to attract high-quality talent.<br><b>Long-term:</b> Develop internal talent and strengthen the Company's talent pipeline.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Resources & Actions    | 1. Employee compensation and benefit expenses totaled <b>NT\$5.33 billion over the past three years</b> .<br>2. Provide human rights training to enhance employees' awareness of their rights.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Responsible Department | Human Resources                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Management Mechanism   | 1. Senior management regularly reviews workforce costs and talent development plans.<br>2. The ESG Office conducts annual reviews of targets and verifies compliance with labor-management policies and employee-related practices during sustainability reporting.<br>3. ZH Vietnam implements continuous improvement through the SA8000 PDCA management approach.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Performance            | 1. No employee grievances related to compensation or benefits and no labor disputes related to operational change notices were reported.<br>2. Group-wide human rights training totaled 5,893 hours.<br>3. <b>New Employee Survey</b> – In 2025, 13 new employees at Taiwan HQ (excluding temporary workers) completed the survey after probation, with an average satisfaction score of 4.63/5.<br>4. <b>Employee Satisfaction Survey</b> – Conducted biennially to support management improvement and workplace enhancement. In 2025, the overall satisfaction score was 4.34/5, covering collaboration, compensation, work, leadership, corporate culture, communication, development, and sustainability. Improvement actions are implemented based on survey results.<br>5. <b>Childbirth subsidy:</b> 5 employees at Taiwan HQ received childbirth subsidies in 2025.<br>6. <b>EAP</b> –Established a counseling platform and published 18 informational resources covering medical consultation, legal assistance, financial advice, and psychological counseling. |

### ✿ Retirement System 【201-3】

Each subsidiary of Zeng Hsing Group has established retirement systems in accordance with applicable local regulations to safeguard employees' retirement benefits.

At **Taiwan HQ**, retirement contributions for employees covered by the Labor Pension Act are made monthly into individual pension accounts. For employees under the previous pension scheme governed by the Labor Standards Act, retirement reserve funds are contributed in accordance with legal requirements. Following approval from the competent authority, monthly contributions to the old pension reserve were temporarily suspended in 2025. A total of five employees retired during 2025. To recognize their long-term dedication and contributions, the Company presented each retiree with a gold ring and a retirement commemorative plaque. The Group will continue enhancing its retirement system to support employees throughout their careers and retirement. Further details are available in the Company's 2025 Annual Report (Page 99).

At **ZH Vietnam**, employees are enrolled in statutory social insurance, health insurance, and unemployment insurance programs. **ZH China** provides statutory social insurance and housing provident fund contributions in accordance with local regulations.

## ✳ Parental Leave Implementation 【401-3】

In ZH China and ZH Vietnam, maternity leave is provided in accordance with local labor laws. At Taiwan HQ, three employees applied for parental leave in 2025, including two males and one female. The parental leave return-to-work statistics are shown below. Employees who did not return to work after parental leave voluntarily resigned for family caregiving reasons.

| Parental Leave Status                                                                                                    | Male | Female | Total |
|--------------------------------------------------------------------------------------------------------------------------|------|--------|-------|
| A. Number of individuals eligible to apply for parental leave                                                            | 3    | 1      | 4     |
| B. Number of employees who took parental leave                                                                           | 2    | 1      | 3     |
| C. Number of employees scheduled to return from parental leave in 2025                                                   | 0    | 2      | 2     |
| D. Number of employees who returned to work immediately after parental leave                                             | 0    | 2      | 2     |
| E. Number of employees who returned to work after unpaid leave in 2024                                                   | 0    | 2      | 2     |
| F. Number of employees who remained employed for at least one year after returning from unpaid leave (as of end of 2025) | 0    | 1      | 1     |
| Return to work Rate (D/C)                                                                                                | 0%   | 100%   | 100%  |
| Retention Rate (F/E)                                                                                                     | 0%   | 50%    | 50%   |

To foster a family-friendly workplace, Taiwan HQ continues to implement a variety of support measures that help employees balance work and family responsibilities. Employees with caregiving needs may apply for flexible remote working arrangements to enhance work flexibility. The Company also organizes Family Day events and parent-child activities to strengthen family relationships and employee engagement, while offering parenting seminars and childcare-related workshops to support employees throughout different stages of life.

To encourage childbirth, the Company provides a NT\$20,000 childbirth subsidy for each newborn. In 2025, total childbirth subsidies amounted to NT\$100,000. In addition, the Company operates an Outstanding Children Scholarship Program to recognize employees' children's academic and extracurricular achievements, extending the Company's care to employees' families.

Through these initiatives, Zeng Hsing continues to enhance employee satisfaction and retention while fostering a family-friendly workplace that supports sustainable business development.



### Employee Stock Ownership Trust (ESOT)

To help employees build long-term wealth, enhance retirement security, and strengthen organizational commitment, Zeng Hsing has implemented an Employee Stock Ownership Trust (ESOT) program since 2018. Full-time employees at Taiwan HQ who have completed six months of service are eligible to participate. **Employees make fixed monthly contributions through payroll deductions, while the Company contributes an equal matching amount to purchase Zeng Hsing shares on behalf of participating employees.** As of December 31, 2025, the participation rate among eligible employees reached 94%.

### Year-End Banquet

The 2025 Year-End Banquet adopted an "Academy" theme, creating an engaging and creative platform for employee interaction. A costume competition encouraged employees to showcase their creativity, with winners receiving cash prizes and participating in a runway show during the event. The banquet also featured professional musical performances, interactive games, and a lucky draw in which every attendee received a prize, creating a lively and enjoyable atmosphere. Approximately NT\$1.6 million in prizes and awards were distributed, demonstrating the Company's appreciation for employees' contributions throughout the year.



## 20th Anniversary Celebration and Employee Sports Day

To celebrate the 20th anniversary of its Vietnam operations, ZH Vietnam held a large-scale anniversary celebration in 2025, bringing together employees to recognize the Company's long-standing commitment to local development and employee care. The event featured traditional lion and dragon dance performances, and an employee recognition ceremony honoring outstanding employees for their contributions. It also incorporated an Employee Sports Day with a variety of team competitions to strengthen teamwork and employee engagement. Food and beverage were provided throughout the venue, while competition winners received awards and all participants enjoyed a lucky draw, creating a festive and memorable celebration.



## Festival Gifts

ZH Vietnam values local culture and employee well-being by organizing seasonal employee appreciation activities throughout the year. Gifts are presented during major occasions, including International Women's Day, International Men's Day, the Mid-Autumn Festival, and important Vietnamese national celebrations, conveying the Company's appreciation and best wishes to employees while fostering a caring and inclusive workplace.



## Employee Health Promotion

ZH Vietnam places great importance on employee health and well-being by regularly organizing workplace health promotion activities. Employees are provided with free blood pressure checks and body age assessments, enabling them to better understand their health conditions. Through these convenient health screening services, the Company encourages greater health awareness and promotes healthier lifestyles among employees.





# Employee Benefits



## Salary/Bonus

Participate in annual market salary surveys to design fair and competitive compensation packages.

- Fixed salary
- Full attendance bonus
- Year-end bonus
- Holiday bonus (Mid-Autumn Festival, Dragon Boat Festival)
- Birthday gift
- Employee bonus



## Work environment

Promote work-life balance by offering a modern, comfortable working environment and leisure spaces.

- Gym
- Health center
- Lactation room
- Employee cafeteria
- Free parking for car and motorcycle
- Electric vehicle charging pile
- Sky garden



## Employee insurance

In addition to statutory insurance, provide comprehensive insurance coverage to ensure employee health and security.

- Labor insurance/health insurance
- Group accident insurance
- labor pension
- Insurance for personnel stationed abroad
- On-Site Physician Service
- health promotion lecture
- Volunteer Insurance



## Vacation Policy

A comprehensive vacation system tailored to employee needs, enabling a balance between work and family life.

- Leave according to labor laws
- Better than statutory special leave (available immediately upon employment)
- Family care/ Paternity/ Parental/Menstrual / Voluntary / Natural disaster leave
- 12 weeks of maternity leave



## Employee benefits

Diverse welfare measures and employee stock ownership plans to enhance financial security.

- Employee Stock Ownership Trust
- Employee health examination
- Educational scholarship for employees' children
- Maternity benefit allowance
- Employee travel / Club activity / Family day / Discounts at authorized stores/Meal allowance
- Outstanding Section Chief/Employee Award
- Wedding/funeral allowances



## Welfare for overseas personnel

Encourage employees to plan future careers, provide a safe working environment and comprehensive benefits.

- Provides three meals and dormitories
- Employee recreational areas
- Airport transfers
- Home leave
- Return airfare and transportation allowance
- Foreign currency exchange services



## Training and development

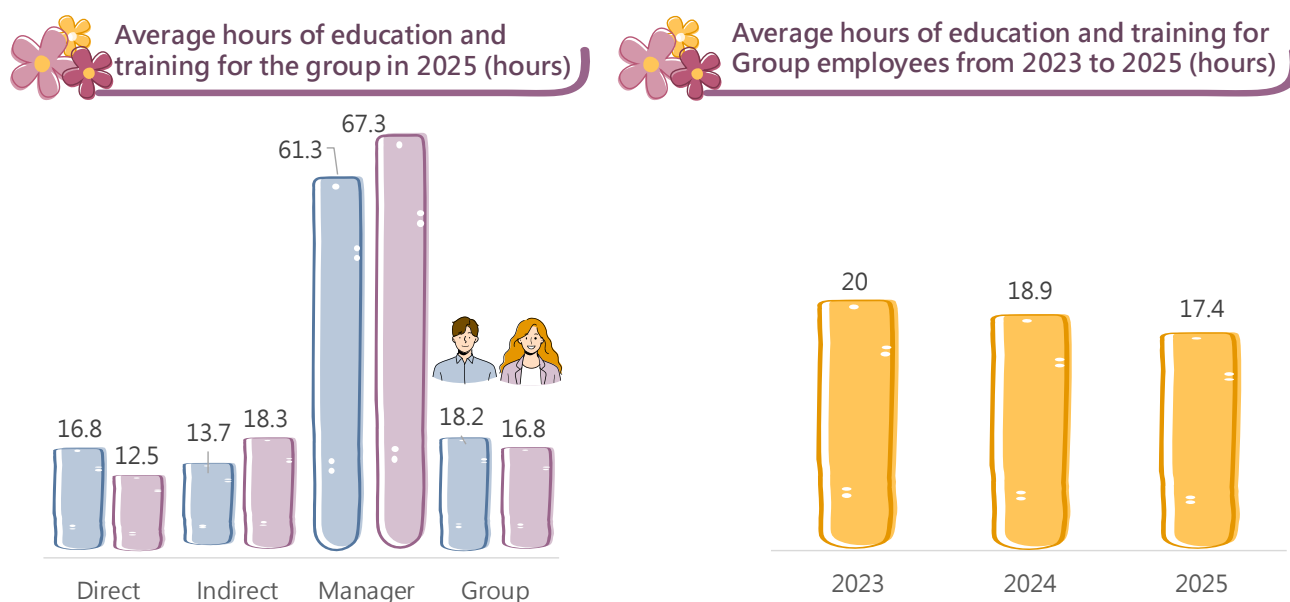
Enhance employee knowledge and diversified development opportunities

- Orientation and new hire training
- Annual training plan
- Job rotation in overseas subsidiaries
- Industry academia collaboration



## 5.3 Employee Training and Development

【404-1】 Zeng Hsing provides employees across all subsidiaries with diverse learning and development opportunities to enhance professional knowledge, strengthen competencies, and support long-term career development. All training programs are planned and delivered on an equal basis without gender discrimination. In 2025, the average training hours were 18.2 hours for male employees and 16.8 hours for female employees. In 2025, Zeng Hsing shifted its training approach to emphasize classroom-based learning, supplemented by online courses, to encourage greater employee participation and improve professional knowledge and skills. Total training hours reached 39,000 hours, with each employee receiving an average of approximately 2.2 training days during the year. Compared with 2024, total training hours decreased in 2025. The primary reason was that ZH Vietnam conducted occupational safety training for all employees in 2024 to comply with local regulatory requirements, resulting in unusually high training hours. In 2025, training requirements were revised so that only employees in designated departments were required to attend the relevant courses, leading to a reduction in overall training hours.



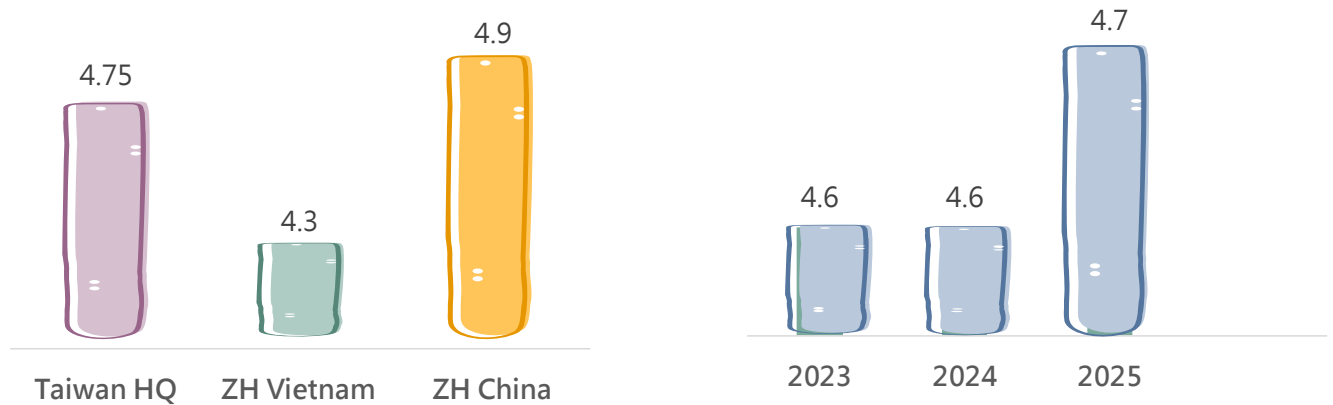
In 2025, Taiwan HQ received a government subsidy of NT\$124,000 through the 2025 Enterprise Human Resources Enhancement Program administered by the Workforce Development Agency. The subsidy helped enhance employees' professional capabilities while reducing training costs by 19%. In addition to government support, the Company continued to invest in employee development, with total training expenditures reaching NT\$645,000 in 2025. 【201-4】

To provide employees across all subsidiaries with broader learning opportunities, the ESG Committee requires each subsidiary to establish annual targets for average training hours and training satisfaction, with progress reviewed every six months. Related targets are presented in the Management Approach section.

Employee feedback is also an important indicator of training effectiveness. In 2025, the Group achieved an average training satisfaction score of 4.7 out of 5. Zeng Hsing will continue to use employee feedback to refine training programs and develop courses that better meet employees' learning needs, thereby enhancing their professional knowledge and job performance.

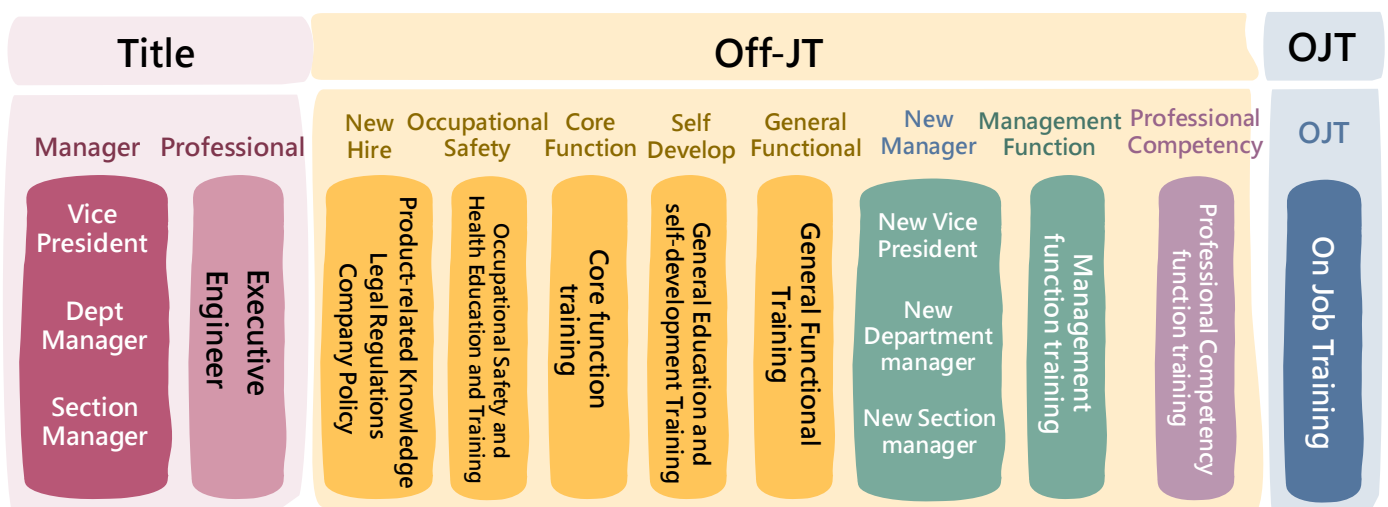
 2025 Group employee education and training satisfaction (out of 5 points)

 Average group education and training satisfaction from 2023 to 2025



## ZH Group : Training Roadmap

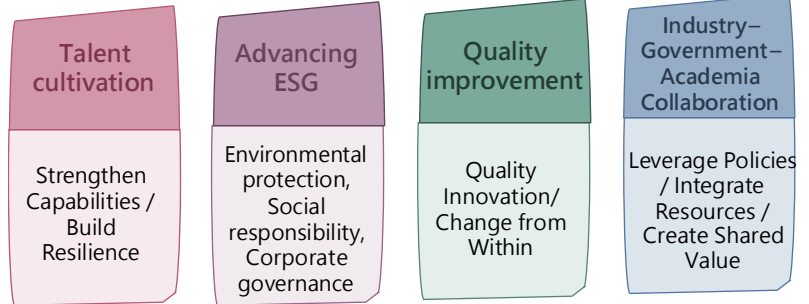
To ensure that annual training aligns seamlessly with the organization's vision and strategic direction, Zeng Hsing develops employee training programs based on a structured Human Resources Development (HRD) framework. A comprehensive training blueprint is established to enhance employee competencies through a variety of training methods, including e-learning courses on the Zeng Hsing eHRD platform, overseas internships, job rotation programs, mentorship programs for new hires, project participation, and on-the-job learning. These approaches are designed to maximize training effectiveness and talent development outcomes.





## Taiwan HQ : eHRD Learning Platform

In 2016, Taiwan HQ launched the Learning Platform (eHRD) to systematically plan training roadmaps. The platform offers blended learning course designs and integrates extensive internal and external training resources, supporting a diverse talent development ecosystem. Employees are encouraged to pursue continuous professional and cross-disciplinary learning, effectively bridge the gap between knowledge acquisition and practical application. The goal is to achieve training, certification, and job performance alignment. To enhance strategic thinking in talent selection, development, utilization, and retention, Zeng Hsing has integrated various HR development systems into the eHRD, including education and training programs, job descriptions, competency and capability assessments, and performance evaluations. This integration amplifies the effectiveness of our talent development strategy. Key focus areas in Zeng Hsing's talent development strategy include :



## Taiwan HQ : Sewing Skill Certification

To strengthen the practical application of knowledge and skills, Zeng Hsing continued to organize Sewing Skill Certification Programs in 2025. Sewing Skills Certification A has two classes, with 18 participants taking the class and a 100% pass rate; Sewing Skills Certification B has four classes, with 55 participants taking the class and a 96.4% pass rate.



## Orientation Forums for New Managers, Promoted Employees, and New Hires

To help new employees understand and embody the Group's four core management philosophies in their daily work, and to cultivate a positive corporate culture, Zeng Hsing's Taiwan HQ has held orientation forums on an irregular basis since 2022. These sessions provide an open and relaxed atmosphere to enhance communication, foster interaction between



senior leadership and new employees, and strengthen alignment with the company's vision. In 2025, one forum were held for new hires, with a total of 8 participants, and one session was held for newly appointed managers and promoted employees, with 26 participants. These initiatives reflect the company's commitment to new team members and aim to increase employee engagement and cohesion.



## Taiwan HQ : Internal Trainer Development

Zeng Hsing continues to cultivate employees as internal trainers to strengthen knowledge sharing and talent development. In 2025, one female employee was promoted to become an internal trainer. To support the development of internal trainers, the Company has established an Internal Trainer Program, which encourages employees to obtain trainer certification through a structured career progression system. Employees may advance from Assistant Trainer to Trainer, and ultimately to Senior Trainer. Employees are encouraged to fulfill certification requirements and accumulate teaching experience, develop training materials, and meet other promotion criteria to qualify for higher trainer allowances. The trainer grading system also enables employees to recognize trainers' professional qualifications while providing trainers with a clear development pathway that strengthens their instructional capabilities and supports both professional growth and increased rewards.. °



## Taiwan HQ : New Employee Internship Program

To strengthen new employees' understanding of the Company's products and manufacturing processes, ZH enhanced its onboarding roadmap and internship program in 2025. The training curriculum was expanded to include the Quality Management System (QMS), Information Security, the Integrity Management Policy, and Sewing Machine Second Language Day/Vietnamese language training. In addition, cross-functional professional training courses are arranged according to job functions, covering product design, engineering technology, quality inspection, and customer service. The training hours by function were 31.5 hours per person for R&D and technical staff, 30 hours for quality assurance personnel, 18 hours for sales staff, and 13 hours for administrative personnel. In 2025, three R&D/technical employees and three sales employees completed the program.

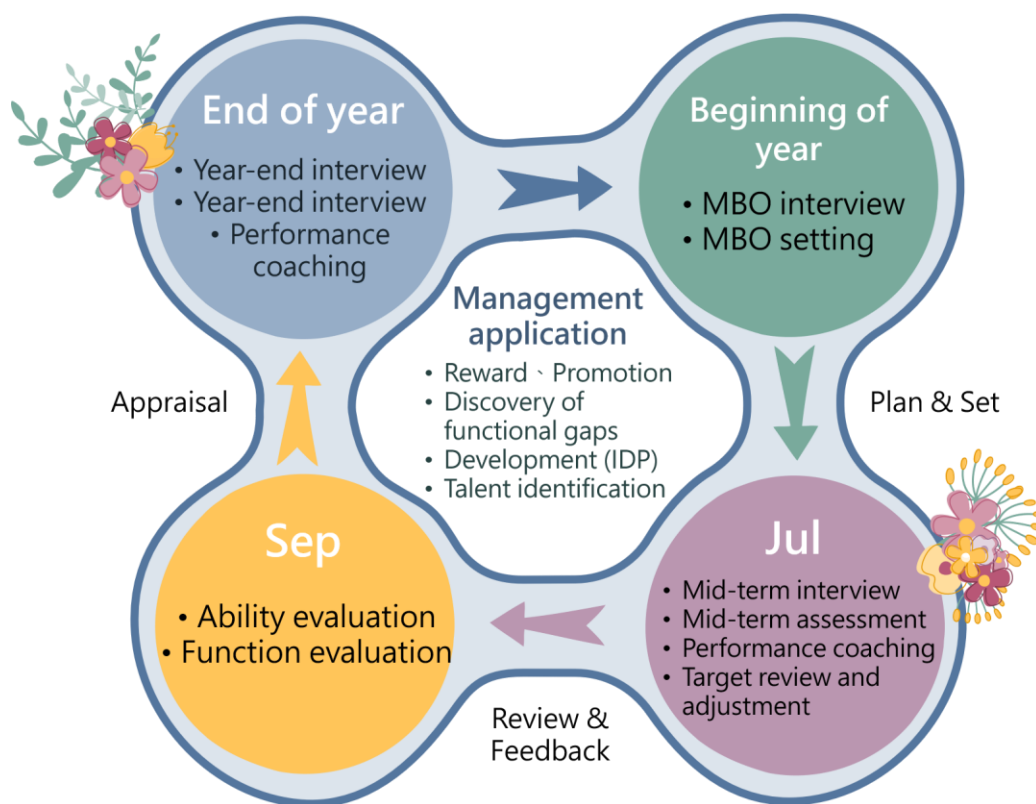




## ZH Group : Performance Management System

To ensure that employee contributions are recognized and rewarded, each subsidiary of the Zeng Hsing Group establishes a performance evaluation policy based on local requirements. Regular performance reviews are conducted not only to assess employee achievements but also to strengthen communication and support individual career development. Evaluation criteria typically include attendance, core competencies, professional skills, behavioral performance, and individual goals. Except for new employees who have not completed their probation period, all employees are required to undergo performance evaluations. Those who do not meet expectations must participate in training to close competency gaps. In 2025, 100% of eligible employees (excluding those employed for less than three months) completed performance evaluations across the Zeng Hsing Group. 【404-3】

Taiwan HQ mandates that all supervisors at or above the team leader level conduct performance review interviews prior to the official appraisal. These interviews provide a platform for open communication, allowing managers to convey expectations, offer feedback, and provide guidance for performance improvement and job alignment. To support underperforming employees and ensure they meet job expectations, Zeng Hsing implemented a Performance Improvement Program (PIP) in 2022. This system aims to help employees grow alongside the company and collaboratively achieve business objectives.



## Material Topic Management Approach –Training and Education

【2-23、2-24、3-3、404-1、404-3】

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Policy                              | Talent Development and Training Policy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Goals and Commitments               | <p><b>Short-term Goal :</b></p> <ol style="list-style-type: none"> <li>1. Based on the five major training principles derived from the organization' s annual strategic analysis — actively driving revenue growth, strengthening core technical capabilities, enhancing overall quality awareness, reducing operational risks, and developing organizational talent — as well as through job competency gap assessments, performance gap analyses, and regulatory requirements, we implement comprehensive training programs.</li> <li>2. Corporate culture development: establish diverse communication channels, enhance organizational learning, foster team cohesion, and strengthen management capabilities.</li> </ol> <p><b>Medium-term Goal :</b></p> <ol style="list-style-type: none"> <li>1. <b>Enhance Training Effectiveness:</b> In line with the principle of continuous improvement, the Company will advance training evaluation from measuring <b>learning outcomes</b> to assessing <b>behavioral application</b>, ensuring that all key talent development programs deliver tangible performance improvements.</li> <li>2. <b>Support Global Operations:</b> Continue to strengthen competency development pathways for expatriate employees and cross-border collaboration talent, equipping employees with the agility and language proficiency needed to support the Group's global operations.</li> </ol> <p><b>Long-term Goal :</b> Strive to achieve the National Talent Development Award.</p> |
| Responsible Unit                    | Human Resources Department and related units                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Resources and Actions               | <p>Over the past three years, Taiwan HQ has invested approximately NT\$1.4 million in education and training. This includes expenses for internal and external training programs, instructor fees, and the purchase of e-learning materials for the eHRD system.</p> <p>The ESG Committee requires each plant to establish annual education and training objectives, such as employee satisfaction and average training hours.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Management and Evaluation Mechanism | For Zeng Hsing Group, subsidiaries assess learning effectiveness through post-training online tests, written tests, and oral evaluations. All results are recorded in the system or documented in paper form.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Performance                         | Both the average training hours per employee and training satisfaction targets were successfully achieved across the Zeng Hsing Group.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

## 5.4 Safety Culture and Responsibility 【GRI 403】

ZH Group follows Article 12-2 of the **Occupational Safety and Health Management Regulations**, with the objectives of continuously improving occupational health and safety (OH&S) performance, ensuring regulatory compliance, and providing employees with a safe and healthy working environment. The Company has continuously maintained the **Health Start Label** under the Ministry of Health and Welfare's Healthy Workplace Certification Program (valid for three years) and will continue pursuing relevant certifications in the future. In addition, ZH has received recognition in the **Corporate Sustainability Report Occupational Health and Safety Information Disclosure Evaluation** and obtained the **Healthy Workplace Self-Assessment Certification**, demonstrating the Company's commitment to transparent OH&S disclosure, a well-established management system, and continuous improvement. ZH also complies with ISO 45001, integrating its occupational health and safety management system into business operations through a standardized framework to enhance management efficiency and further safeguard the health and safety of all employees.

### Safety and Healthy Policy

Comply with regulations,  
Fulfill social responsibilities

Focus on risk management,  
Prevent harm from happening

Committed to education training,  
Implement safety and health

Commitment to continuous improvement,  
Ensure work safety



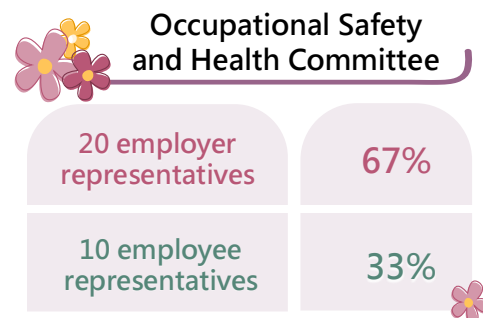
### ✿ Occupational Health and Safety Management System

In 2025, Taiwan HQ and ZH Vietnam successfully completed third-party certification to **ISO 45001:2018 Occupational Health and Safety Management System**. The management system covers all employees, self-employed workers, and other personnel working under the direction or supervision of the Company. Occupational health and safety planning, implementation, and performance monitoring are managed by the Industrial Safety Office, while the Occupational Health and Safety Committee is composed of representatives from each department. °

Although ZH China has not yet established a formal management system, it employs qualified occupational safety personnel and has implemented internal safety management procedures, including regular workplace safety inspections and environmental monitoring, such as CO<sub>2</sub> concentration and dust measurements, to ensure a safe working environment. Employees may report safety-related issues directly to the Occupational Safety Office, which also reports to Taiwan HQ for joint review and continuous improvement.

## ✿ Occupational Health and Safety Committee

In accordance with applicable regulations, Taiwan HQ has established an Occupational Health and Safety Committee with more than one-third of its members serving as employee representatives appointed by the labor union. The Committee regularly communicates and coordinates occupational health and safety matters to safeguard employee health and safety, strengthen safety awareness, and foster a strong safety culture.



In 2025, the Committee convened **four quarterly meetings** covering topics including regulatory compliance, stakeholder communication and expectations, OH&S target performance, investigation of occupational safety incidents and corrective/preventive actions, sharing of safety audit findings, workplace health promotion, and government guidance on occupational accident prevention.

## ✿ Occupational Health and Safety Risk and Opportunity Management

The Industrial Safety Office **identifies OH&S hazards, risks, and opportunities** in accordance with the Company's risk assessment procedures. A risk matrix based on the likelihood of occurrence and severity of impact is used as the evaluation tool. Comprehensive reviews are conducted annually to identify potential occupational hazards and opportunities across all operations, with the objective of eliminating or minimizing workplace risks. Improvement programs are established and tracked for risks rated Level 4 or above and opportunities scoring 60 points or above. Following risk and opportunity assessments conducted jointly by the Industrial Safety Office and relevant departments, improvement measures are implemented based on risk priority. The effectiveness of these measures is then evaluated through occupational health and safety performance indicators.

To ensure regulatory compliance, the Industrial Safety Office regularly reviews and updates applicable occupational health and safety regulations to comply with local legal requirements. Contractor management is also an important part of the Company's OH&S program. Contractors are required to comply with contractual safety requirements, complete occupational health and safety training, implement appropriate protective measures, and follow regulations related to waste management, chemical management, fire prevention, and construction safety.

To reduce risks associated with procured goods and services—including **machinery, equipment, chemicals, and engineering services**—all purchases of chemicals and major equipment must be reviewed by the Industrial Safety Office. Where necessary, pre-installation safety inspections are conducted to verify compliance with safety requirements before equipment is brought on site. **Personal protective equipment (PPE)** is also reviewed by the Industrial Safety Office to ensure that its protective performance and material quality meet safety standards. °

Taiwan HQ and ZH Vietnam develop risk-based annual **audit plans** each year. Compliance is verified through external certification bodies and regulatory authorities, while the Internal Audit Office evaluates existing and potential operational risks as part of the Company's internal control system.

In accordance with the **ISO 45001 Occupational Health and Safety Management System**, ZH establishes improvement objectives and management programs to address occupational accidents and potential risks. Key initiatives include optimizing the linkage between the office access control system and the fire protection system, improving equipment safety (such as rounding sharp edges on carts), and strengthening safety awareness and employee training. Implementation progress and effectiveness are regularly reviewed by the Occupational Health and Safety Committee. In 2025, Taiwan HQ established one OH&S improvement objective, while ZH Vietnam established 53 improvement objectives. All objectives were completed as planned to further reduce occupational risks and enhance workplace safety. °

#### ISO 45001 Improvement Objectives Achieved in 2025

| Location   | Improvement Objectives | Objectives Completed | Examples                                                                                                                                                                                 |
|------------|------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Taiwan HQ  | 1                      | 1                    | Integrated the office access control system with the fire protection system to automatically disable access controls during fire alarm activation.                                       |
| ZH Vietnam | 53                     | 53                   | Installation of safety warning signs on equipment, mandatory use of personal protective equipment, workplace environmental monitoring, and maintenance of forklifts and overhead cranes. |

#### ISO 45001 Improvement Status



#### ✿ Occupational Injury Statistics and Analysis

In 2025, ZH Group employees worked a total of **5.39 million hours**. Excluding commuting accidents, the Group recorded **four occupational injury cases**, representing **0.18%** of the total workforce. The primary types of injuries were cuts, abrasions, and slips or falls occurring during production operations, with most incidents attributable to unsafe employee behaviors. To effectively manage occupational accidents, the Group has established an Accident Investigation Procedure. Following any incident, the Industrial Safety Office and relevant supervisors immediately conduct an investigation to identify the root cause, develop corrective actions, and monitor their implementation. Investigation results are reviewed by the Occupational Health and Safety Committee, while case studies are shared during weekly plant meetings and safety awareness programs to strengthen employees' safety awareness and prevent similar incidents from recurring. **In 2025, ZH Group reported no occupational injuries involving non-employee workers.**

## Zeng Hsing Group Occupational Injury Statistics (2023–2025)

| Item                                | 2023                         | 2024                                | 2025                                |
|-------------------------------------|------------------------------|-------------------------------------|-------------------------------------|
| Occupational Injury Fatality Rate   | 0.00                         | 0.00                                | 0.00                                |
| Severe Occupational Injury Rate     | 0.00                         | 0.00                                | 0.00                                |
| Recordable Occupational Injury Rate | 0.19                         | 0.17                                | 0.15                                |
| Types of Occupational Injuries      | Cuts, Lacerations, Abrasions | Cuts, Lacerations, Abrasions, Falls | Cuts, Lacerations, Abrasions, Falls |

**Notes :**

1. The calculation scope includes only employees; commuting-related incidents are excluded.
2. Occupational Injury Fatality Rate = (Number of fatalities from occupational injuries / Total working hours per year) × 200,000.
3. Severe Occupational Injury Rate = (Number of severe occupational injuries, excluding fatalities / Total working hours per year) × 200,000.
4. Recordable Occupational Injury Rate = (Number of recordable occupational injuries / Total working hours per year) × 200,000.
5. Total working hours: Calculated based on data reported to Taiwan's Ministry of Labor by the Taiwan HQ's Industrial Safety Office; for ZH Vietnam and ZH China, total working hours are calculated based on actual working days.

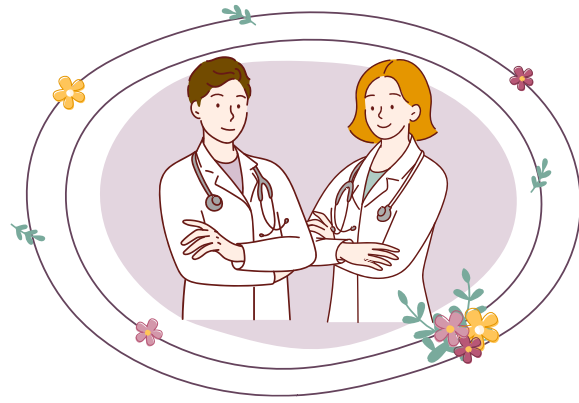
## Material Topic Management Approach – Occupational Safety and Health

【2-23、2-24、3-3、403】

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Policy                          | Occupational Safety and Health Policy                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Objectives and Commitments      | <p><b>Short-term:</b> Continuously enhance the occupational safety and health management system, health management, health promotion, and create a friendly workplace environment.</p> <p><b>Medium to Long-term:</b> Build a workplace that promotes work-life balance, supports family and physical/mental well-being, and achieves zero workplace injuries.</p>                                                                                                               |
| Responsible Department          | Industrial Safety Office                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Resources and Actions           | <p>Both Taiwan HQ and ZH Vietnam hold ISO 45001:2018 certification. Through hazard identification, risk assessment, and regular Occupational Safety and Health Committee meetings, risks are evaluated, and improvement objectives are set annually.</p> <p>The Group holds monthly corporate safety meetings to review progress and ensure actions are implemented according to the annual plan. In addition, thematic joint safety inspections are carried out each month.</p> |
| Management Evaluation Mechanism | <p>Taiwan HQ &amp; ZH Vietnam:<br/>In accordance with ISO 45001 internal management procedures, the PDCA (Plan–Do–Check Act) effectiveness cycle for occupational safety and health is assessed annually.</p> <p>ZH China:<br/>Safety and health-related incidents are jointly reviewed and improved by the Industrial Safety Office and the respective management units.</p>                                                                                                    |
| Performance                     | Zeng Hsing Group: Occupational injury fatality rate – 0; Severe occupational injury rate – 0; Recordable occupational injury rate – 0.15.                                                                                                                                                                                                                                                                                                                                        |

## 5.5 Employee Health Management and Promotion

**Zeng Hsing :** Each subsidiary of Zeng Hsing complies with local occupational safety and health regulations and conducts regular health examinations to ensure early detection of potential health abnormalities among employees and to help maintain their overall well being. In addition to routine health examinations, special medical checkups are provided for employees working in operations with occupational disease risks (e.g., hearing or ionizing radiation exposure). Any abnormalities identified are subject to periodic follow-up to prevent severe occupational illnesses.



**Taiwan HQ :** Taiwan HQ provides annual health examinations for employees under the age of 65, offering services beyond legal requirements. The Industrial Safety Office proactively notifies employees with abnormal results to undergo reexaminations. Dependents are also invited to participate at their own expense, enjoying group-discount rates and the same examination items. In 2025, a total of 212 employees participated in health examinations, with a total company subsidy of NT\$530,000.

### ✿ Employee Care and Support



**Medical Consultation:** A specialist physician is contracted to provide on-site health services every two months, totaling six visits in 2025. Employees can consult medical professionals during working hours to better understand their health conditions and potential risks. Based on the 2025 health examination results, employees with abnormal findings were stratified for health risk management. All employees identified as having critical health risks received 100% intervention, including follow-up care, corrective tracking, and case management. Occupational health nurses coordinated with physicians to conduct phone consultations, follow-ups, and provide medical guidance for health improvement.

**Health Information Sharing:** A dedicated “Health, Safety, and Environment” section on the employee intranet provides the latest healthcare information, focusing on major illnesses and the top 10 abnormal findings from employee health examinations. In 2025, the Company organized health promotion sessions on topics including Preventing Ergonomic Injuries and Maintaining Proper Sitting Posture, Managing Evaluation Anxiety and Building Psychological Resilience, Heatstroke Prevention, Proper Lifting Techniques to Prevent Ergonomic Injuries, Overcoming Burnout and Regaining Work Motivation, Influenza Vaccination Awareness (October), and Preventing Hypertension, Hyperglycemia, Hyperlipidemia, and cardiovascular diseases.

**Health Center and Facilities:** The new headquarters building in Taiwan features a health center and blood pressure monitor, providing employees and other on-site workers with a place for emergency care and rest. To ensure workplace safety, two Automated External Defibrillators (AEDs) are installed for emergency use.

**Lactation Room:** To foster a female-friendly workplace, Zeng Hsing has established a lactation room equipped with a refrigerator and sterilizer to support working mothers. This initiative helps facilitate work-life balance, enhances employee focus, and increases overall productivity.

### ✿ Employee Health Promotion

Taiwan HQ prioritizes employee wellness and has established an annual health promotion plan and budget. Occupational health nurses conduct yearly analyses of health checkup results and questionnaires to identify major issues such as overweight, high cholesterol/blood sugar, and abnormal liver function. Targeted programs such as weight management and exercise initiatives are then implemented. The company actively participates in the Ministry of Health and Welfare's "Workplace Health and Safety Week" and promotes various wellness activities. °



To counteract rising overweight trends, Zeng Hsing held a "100-Day Million Steps Challenge" in 2025. The three-month campaign attracted 95 participants, collectively walking 55.32 million steps. According to the Ministry of Health and Welfare, walking 10,000 steps reduces carbon emissions by approximately 1.42 kg CO<sub>2</sub>e, consequently, this campaign resulted in an estimated reduction of 7,855 kg CO<sub>2</sub>e. Employees are encouraged to walk or take stairs instead of riding motorcycles or elevators — actions that both reduce emissions and improve health. The company also promotes healthy lifestyles through the motto: "Eat smart, move joyfully, and weigh daily." Various fitness clubs, such as aerobics, boxing, and yoga, are available. In addition, company meal plans are designed to stay under 750 kcal per meal, prepared with low oil, sugar, and salt to promote healthy eating habits. °

### ✿ Occupational Safety and Health Training

The Company continues to strengthen its occupational safety and health (OSH) management. Safety personnel complete the required professional and on-the-job training each year, while the Company maintains certification to the **ISO 45001 Occupational Health and Safety Management System**. To comply with applicable OSH regulations, regular OSH education and awareness programs are provided to both new and existing employees, ensuring that employees develop sound safety awareness from the start of their employment and reducing the risk of workplace hazards. Training covers occupational safety and health regulations, OSH concepts, workplace safety rules, pre-, during- and post-operation inspections, standard operating procedures, emergency response, fire safety, first aid, and other job-related safety knowledge to continuously enhance employees' safety awareness and emergency response capabilities.

Employees engaged in hazardous operations are required to complete relevant professional training, certification, and qualification requirements before performing such work. During operations, they must wear appropriate personal protective equipment (PPE) in accordance with regulations to ensure workplace safety. In addition, the Company has established a **Contractor Management Procedure**, under which supplier visits, contractor meetings, and safety training are conducted to communicate OSH requirements and strengthen operational controls, thereby reducing occupational injury risks for contractors and fostering a safe and healthy working environment.

To enhance emergency response capabilities and fire safety awareness, all operating sites conduct regular fire drills in accordance with local fire safety regulations. In 2025, Taiwan HQ conducted two fire drills, ZH Vietnam conducted four, and ZH China conducted two. These drills were used to validate the effectiveness of emergency response procedures and further strengthen workplace fire safety culture and emergency preparedness. °



#### ✿ Occupational Disease Prevention

The Group's occupational health nurses monitor workplace environments and implement special health examinations based on the results of environmental assessments to prevent potential health deterioration. Regular site inspections and case analyses are conducted in collaboration with occupational medicine physicians. Through safety promotion, training, and audits, employees are reminded of proper protective equipment usage to reduce exposure to health hazards and minimize occupational disease risks. In 2025, a total of **2 employees** underwent special health examinations across the Zeng Hsing Group. The examination results indicated that **1 employee was classified as Level 1 management** and **1 employee as Level 2 management for ionizing radiation exposure** (partial or full abnormalities deemed unrelated to work by the attending physician). **No occupational diseases were identified among non-employee workers within Zeng Hsing in 2025.**

## 6 Social Engagement

### 6.1 Social Welfare [203-1]

Zeng Hsing leverages its industrial strengths and corporate influence to actively advance social welfare initiatives. In alignment with the United Nations Sustainable Development Goals (SDGs), the Group continues to support disadvantaged communities in rural areas and give back to local neighborhoods. In 2025, Zeng Hsing donated cash and goods to 14 organizations, totaling approximately NT\$910,000. The Group also donated 106 sewing machines and vacuum cleaners to 11 organizations. Through these efforts, Zeng Hsing aims to create positive social impact, foster long-term community engagement, and generate shared value for the communities where it operates.



#### Cash & In-kind Donations

| ZH         | Organization                                                                                  | Support Program                                                                                                                                                                                                                                                         |
|------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Taiwan HQ  | Tainan University of Technology                                                               | Sewing Culture and Circular Economy Practices.                                                                                                                                                                                                                          |
|            | Love Binti International                                                                      | Supporting programs in Africa to improve sanitation and provide vocational.                                                                                                                                                                                             |
|            | Taichung - St. Love Villa,                                                                    | Mountain cleaning                                                                                                                                                                                                                                                       |
|            | Xinglong Community Development Association                                                    | Supporting community sewing and handicraft courses to encourage seniors to engage in creative activities and lifelong learning, promote hand-eye coordination and cognitive stimulation, and enhance their sense of participation and achievement within the community. |
|            | Taichung Kawagoe Culture and Arts Association                                                 |                                                                                                                                                                                                                                                                         |
|            | Miaoli TouFen Association                                                                     |                                                                                                                                                                                                                                                                         |
|            | Miaoli Hakka Culture Promotion Association                                                    |                                                                                                                                                                                                                                                                         |
|            | Taoyuan Carpenter's Home Care Association                                                     |                                                                                                                                                                                                                                                                         |
|            | The Mustard Seed Mission                                                                      | Supporting disaster relief and the Cash-for-Work Program in Matai'an.                                                                                                                                                                                                   |
| ZH Vietnam | Taichung City Police Friends Association                                                      | Enhance police welfare and improve police working environments.                                                                                                                                                                                                         |
|            | Taichung City Volunteer Fire Brigade - Women's Fire Prevention Promotion Team, Taiping Branch | Promoting fire prevention, disaster preparedness, and emergency evacuation awareness.                                                                                                                                                                                   |
|            | Qingping Minli Chinese School                                                                 | Donating desks and chairs to improve learning environments.                                                                                                                                                                                                             |
|            | Vietnam Flood Disaster Relief Assistance                                                      | Donating drinking water, long-life milk, and instant noodles.                                                                                                                                                                                                           |
| ZH China   | Zhangjiagang - Aiman Port Charity Foundation                                                  | Supporting education assistance, poverty relief, and child welfare programs.                                                                                                                                                                                            |



#### Sewing Machine Donation

| ZH        | Organization                                                                 | Support Program                                                                                                                                      |
|-----------|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Taiwan HQ | Tainan University of Technology                                              | Sewing Culture and Circular Economy Practices.                                                                                                       |
|           | The Clothes Association With Technical Degree A R.O.C                        | Supporting sewing skills preservation programs in rural schools.                                                                                     |
|           | The Mustard Seed Mission                                                     | 50+ Senior Support Program                                                                                                                           |
|           | Love of Life Education and Culture Foundation                                | Providing second-career training and social participation programs for middle-aged and senior women.                                                 |
|           | Taichung Kawagoe Culture and Arts Association                                | Supporting immigrants in developing second career skills and promoting multicultural arts and cultural exchange.                                     |
|           | Taoyuan Carpenter's Home Care Association                                    | Supporting sewing experience programs at community care centers, and the ReLife Upcycled Handcraft Sewing Experience Program.                        |
|           | Miaoli TouFen Association                                                    | Supporting women's empowerment initiatives by providing knowledge and skills in sewing, handicrafts, and fabric dyeing.                              |
|           | Miaoli Hakka Culture Promotion Association                                   |                                                                                                                                                      |
|           | Xinglong Community Development Association                                   | Supporting community sewing courses and cultivating senior citizens and volunteers as sewing instructors, creating opportunities for second careers. |
| ZH China  | Taichung Ping An Community Development Association                           |                                                                                                                                                      |
|           | Organizing Committee of the 2025 China Patchwork Creative Design Competition | Supporting the 2025 China Patchwork Creative Design Competition to jointly promote sewing culture.                                                   |

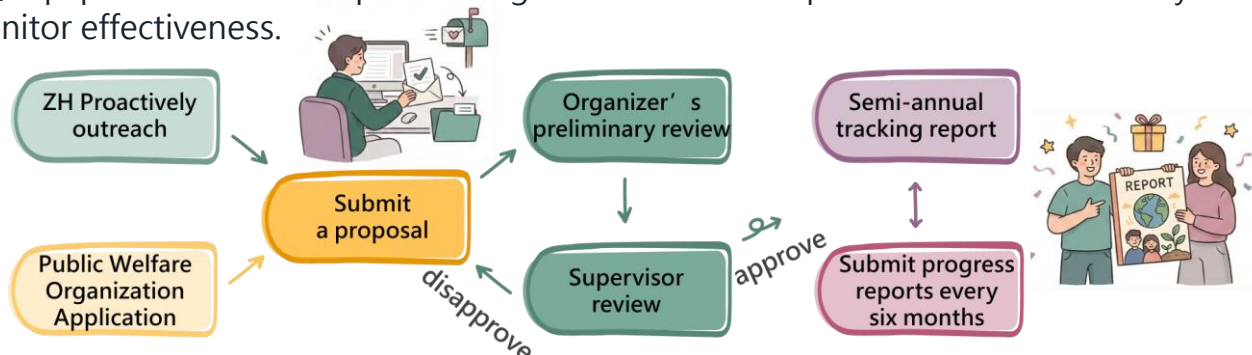
#### Donations in 2025:

Cash: NT\$910,000

Sewing Machines: 106 units



Since 2020, Taiwan HQ has implemented a donation application and outcome-tracking system to ensure efficient use of charitable resources. Each year, ESGO collects proposals and planned fund/equipment uses from partner organizations and requires semiannual activity reports to monitor effectiveness.



## ✿ The Mustard Seed Mission – 50+ Active Aging Empowerment Program

Since 2024, Zeng Hsing has donated sewing machines and overlock machines to support The Mustard Seed Mission's **"50+ Active Aging Empowerment Program."** Through a **"Cash-for-Work"** approach, the program helps middle-aged and senior participants generate income while encouraging meaningful social participation and community engagement.

In 2025, the Mustard Seed Mission organized 35 sewing skills training courses, 7 sewing production projects, and 29 self-practice sessions and sewing study groups. Participants learned practical sewing techniques, including zipper installation, button sewing, coin purse making, and patchwork chopstick pouch production. They also took part in volunteer initiatives, including collaborating with Zeng Hsing Group to produce and donate reusable cloth sanitary pads. By creating employment opportunities and providing income through sewing projects, the program empowers participants to achieve greater self-reliance while enabling them to give back to others, fostering a sustainable cycle of care and positive social impact.



## ✿ Mid-Autumn Festival Charity Gift Box Campaign: Supporting Cash-for-Work and Sharing Care with the Community

Since partnering with The Mustard Seed Mission, Zeng Hsing has participated annually in its Mid-Autumn Festival charity gift box campaign. Employees across the Group actively support economically disadvantaged families and children, helping them experience the warmth and joy of the festive season. Through the Cash-for-Work approach, the program not only provides vocational training and employment opportunities that empower disadvantaged individuals to become self-reliant, but also creates sustainable sources of income through the production and sale of festive gift boxes, thereby supporting family recovery and social inclusion.

Beyond Mid-Autumn Festival gift boxes, the initiative also encompasses bakery products, tea and coffee products, and handcrafted woven goods, all of which incorporate local community participation and employment opportunities to promote local economic development and inclusive growth. In 2025, employees of Zeng Hsing collectively purchased 71 charity gift boxes. Through these charitable purchases, the Group transformed corporate support into meaningful social impact, ensuring that each gift box not only conveyed festive greetings but also represented a commitment to supporting disadvantaged communities, creating employment opportunities, and advancing sustainable development.



## ✿ Hualien Guangfu Township Fundraising Campaign: Supporting Post-Disaster Relief, Recovery, and Reconstruction

On September 23, 2025, the failure of the Matai'an River barrier lake caused severe flooding in Guangfu Township, Hualien, resulting in significant damage to the local community. In addition to the efforts of volunteers from across Taiwan and generous public donations, The Mustard Seed Mission rapidly mobilized many volunteers to assist with emergency recovery operations. The organization subsequently transitioned to long-term recovery services, bringing together volunteers with diverse expertise to implement five key initiatives: Home Support, Home Safety, Educational Companionship, Caregiver School, and Social Enterprise Cash-for-Work Programs. These efforts focused on rebuilding homes, supporting disaster-affected families, and restoring community resilience.

In response to the disaster, Zeng Hsing promptly launched an employee fundraising campaign and donated the contributions to the Guangfu Community Support Center established by The Mustard Seed Mission, joining the relief efforts and supporting the implementation of the post-disaster recovery and reconstruction program.

## ✿ Love of Life Education and Culture Foundation – Miaoli Women's Center

Since 2023, Zeng Hsing has donated sewing machines and overlock machines to support sewing training programs organized by the Love of Life Education and Culture Foundation, promoting personal growth and second-career skill development for middle-aged and senior women.

In 2025, the Foundation conducted six sewing skills training courses, two handicraft workshops, and monthly clothing repair volunteer services. Through these programs, participants learned practical skills such as garment alterations, zipper replacement, pattern making, and garment construction. They also actively participated in volunteer services, including sewing name labels for students at the beginning of the school year to assist families with school uniform requirements, providing monthly clothing alteration services for community residents, and collaborating with the Huashan Social Welfare Foundation to produce drawstring bags for the Dragon Boat Festival.

Approximately 500 handmade items were completed through these activities. By combining sewing education with hands-on practice, the program has helped participants gain a deeper understanding of their abilities, build confidence, discover new purpose in retirement, and strengthen their engagement with the local community.



## ✿ Chinese Association for Non-Profit Organization Development

Recognizing the Chinese Association for Non-Profit Organization Development's commitment to organizing sewing and handicraft programs, Zeng Hsing has donated sewing machines and overlock machines since 2021 to support the Association's Happy Sewing Workshop.

The program provides disadvantaged groups, including members of single-parent families and low-income households, with opportunities to develop sewing skills. Participants receive hands-on training in the operation of sewing machines and overlock machines, with the goal of equipping them with practical vocational skills and creating opportunities for secondary employment to improve their economic well-being. In 2025, the Association organized 11 upcycling workshops for used clothing, attracting approximately 220 participant attendances.



## ✿ ZH Vietnam

Zeng Hsing extends its commitment to local care beyond Taiwan by continuously supporting and addressing the needs of disadvantaged communities in Vietnam, while providing opportunities for self-reliance and personal development. In addition to maintaining long-term industry-academia collaboration with educational institutions, the Group is dedicated to improving local educational environments and strengthening community support, with the aim of creating positive social impact through concrete actions.



In 2025, ZH Vietnam donated desks and chairs to Qingping Mini Chinese School to help improve the school's learning environment, support the development of Chinese language education in rural areas, enhance students' learning quality, and establish a stronger foundation for their future education and development.

This donation is also aimed to encourage greater investment in educational resources, expand positive social impact, and contribute to the promotion of social well-being. In addition, ZH Vietnam donated supplies to disaster-affected areas in response to the Vietnam floods, providing essential daily necessities to support affected communities during emergency relief efforts.

## 6.2 Zeng Hsing Volunteer Team

Zeng Hsing upholds the philosophy of “giving back to society what we have received from it” and is committed to promoting social welfare initiatives from within the organization outward. In 2020, the Group established the “Zeng Hsing Volunteer Team”, inviting employees, their families and friends, retired employees, and suppliers who are passionate about public welfare to participate in volunteer services, give back to society, and spread care and compassion. To encourage employees to actively engage in public welfare activities, the Company has established the “**Volunteer Management Guidelines**”, providing each employee with **16 hours of paid volunteer leave annually** to participate in volunteer services. Since 2023, the Company has also introduced a volunteer participation evaluation system to strengthen engagement and incentive mechanisms. As of 2025, the volunteer team has grown to **93 members**.

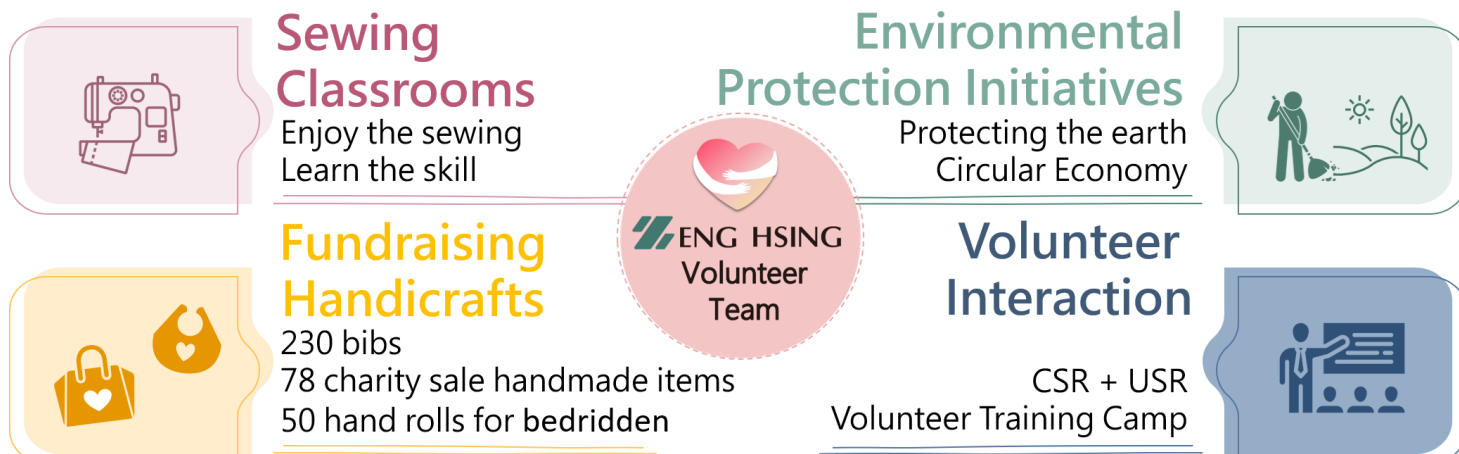
The Company allocates an annual public welfare budget equivalent to approximately **0.2% of revenue**, primarily used for **cash donations, sewing machine donations**, and the procurement of materials and fabrics required for sewing education programs and charitable product-making activities. Through systematic management and resource investment, Zeng Hsing continues to encourage employees and their families and friends to participate in volunteer services and fulfill corporate citizenship responsibilities.

In 2025, the Zeng Hsing Volunteer Team organized **26 volunteer activities and 2 volunteer training sessions**, with a total of **433 participants**. The cumulative volunteer service and training hours reached **1,845 hours**. Activities focused on three major areas: mobile sewing classrooms, charitable handmade product production, and environmental protection, while also extending to other social care initiatives based on community needs. The volunteer activity satisfaction score for 2025 reached **4.8 points** (out of 5), demonstrating strong recognition of both activity quality and participant experience. Details of related activities are provided in the “Zeng Hsing Volunteer Team Quarterly.”



▲ Volunteer Team Quarterly

Since its establishment in 2020, the volunteer team has completed a cumulative total of **106 activities**, with total volunteer service and training hours reaching **9,389 hours**. Looking ahead, the Company will continue to enhance its volunteer service mechanisms, encourage more employees, families, and friends to join the “Zeng Hsing Volunteer Team” and deepen social engagement through diverse public welfare initiatives, continuously creating positive social impact and realizing its commitment to sustainable social responsibility.



## Sewing Classrooms

### ✿ Care for Disadvantaged Children – St. Francis Girls' Home

Each year, the Zeng Hsing Volunteer Team visits the St. Francis Girls' Home to accompany the children in sewing activities. Through sewing education, the team hopes to cultivate children's diverse interests and create meaningful and memorable summer experiences.

In July and August 2025, the volunteer team once again visited the Girls' Home and designed customized sewing courses featuring cute bow hair accessories and practical storage pouch projects. During the activities, the children demonstrated great creativity, learning ability, and enthusiasm. Each completed piece reflected their dedication and effort, and the joyful smiles of the children became the greatest motivation for the volunteers.

Zeng Hsing hopes that every child will continue to grow with confidence and look forward to creating more meaningful learning experiences together in the future.



### ✿ Elderly Care Activities- Taiping Community Development Association



Recognizing elderly care and support as an increasingly important social issue, Zeng Hsing continues to invest in elderly care and companionship activities while upholding its commitment to promoting sewing culture.

Since 2020, the Zeng Hsing Volunteer Team has regularly visited community development associations and community care centers to organize sewing experience courses for senior citizens. As participants' sewing skills have gradually improved, the courses have progressively introduced more challenging projects, including "Hanging Ear Storage Pouch" and "Three-Layer Storage Bag" designs. These activities encourage seniors to challenge themselves, develop new skills, and gain a sense of achievement through completing their own handmade creations.

Zeng Hsing has collaborated with the Taiping Community Development Association for six years. Each activity attracts approximately 30 senior participants. Satisfaction surveys are conducted on-site to collect feedback and suggestions from participants, which are used as a basis for improving future courses and activities and continuously enhancing service quality.

## ✿ Elderly Care Activities – Xing Long Community Development Association

The sewing classrooms with the Xinglong Community Development Association entered its second year of collaboration in 2025. As the community has independently organized sewing courses on a regular basis, senior participants already possess a solid foundation in sewing skills. Even

though the projects introduced in this session, including the “Heat-Resistant Pad” and “Persimmon-Shaped Pouch,” involved more complex procedures, participants successfully completed their creations and demonstrated impressive results.

Each activity session involved approximately 30 senior participants, and the programs received enthusiastic and positive feedback from the participants. The community also expressed strong interest in continuing future collaborations.

Looking ahead, Zeng Hsing will continue to design diverse and engaging courses, enabling seniors to continue learning, building confidence, and experiencing personal growth through companionship, interaction, and creative participation.



## ✿ Huashan Social Welfare Foundation



As part of a special feature, CTS (Chinese Television System) visited Zeng Hsing’s Taiping headquarters to conduct an interview with the CEO. In conjunction with the interview, the Zeng Hsing Volunteer Team invited senior beneficiaries from the

Huashan Social Welfare Foundation to participate in a sewing experience workshop.

As it was the participants’ first experience with sewing, the workshop began with simple projects to help them gradually become familiar with sewing techniques. Through an enjoyable and hands-on learning experience, the program aimed to introduce the joy of sewing and the sense of accomplishment that comes from completing a handmade project.

The event was filled with warmth and laughter. While learning new skills, the seniors interacted with volunteers and shared memorable moments together. One participant happily remarked, “If it weren’t for this activity, I would probably have stayed at home staring at the ceiling.” This heartfelt comment deeply touched the volunteer team and reinforced the significance and value of companionship and volunteer service.



Looking ahead, Zeng Hsing hopes to create more opportunities to accompany and support senior citizens, bringing them warmth, companionship, and joyful experiences through meaningful community engagement.

## ✿ Zhuzishan Community Development Association

Each visit to the Zhuzishan Community Development Association in Puli begins with an early morning departure, followed by a drive of more than an hour. Along the way, the beautiful scenery and fresh mountain air make it easy to understand why the senior participants are always so healthy and energetic.

This year's sewing workshop featured two practical and attractive projects—a mobile phone pouch and a water bottle carrier—both of which were well received by the participants. Throughout the class, the seniors learned enthusiastically and supported one another. Some helped choose button colors, others offered encouragement to their classmates, while many generously praised each other's work.

Watching the participants happily complete their handmade creations made every mile of the journey worthwhile and left the volunteer team looking forward to the next opportunity to meet and create together.



## ✿ Overlock Machine Training Workshop for The Mustard Seed Mission and the Love of Life Education and Culture Foundation

In 2025, Zeng Hsing donated overlock machines to **The Mustard Seed Mission** and the **Love of Life Education and Culture Foundation** to support the expansion of their sewing programs and enable them to provide more diverse community services.

To maximize the value of the donated equipment, Zeng Hsing also invited representatives from both organizations to its facilities for an overlock machine training workshop, covering machine operation, practical applications, and basic troubleshooting and maintenance. The training aimed to enhance participants' operational skills and equipment maintenance capabilities, ensuring that the donated machines could be effectively and sustainably utilized.

Through this exchange, Zeng Hsing hopes to support the continued growth of its partner organizations and help them extend their positive impact within the community. Throughout the workshop, participants demonstrated great enthusiasm, strong engagement, and a genuine passion for learning.



## ✿ Zeng Hsing × Taichung City Government Social Affairs Bureau × Taichung Volunteer Promotion Center × Love Binti International – One-Day Volunteer Experience

The Zeng Hsing Volunteer Team was honored to be invited to co-host a meaningful One-Day Volunteer Experience Program in collaboration with the Taichung City Government Social Affairs Bureau and the Taichung Volunteer Promotion Center.

During the event, participants took part in one of the volunteer team's most popular activities—making reusable cloth sanitary pads. The completed products were donated through Love Binti International and delivered to girls in Africa, providing practical support while conveying care and compassion.



To help participants better understand the significance of the initiative, the Chairperson of Love Binti International was invited to share inspiring stories about the organization's work and the challenges faced by girls in Africa. The presentation gave participants a deeper appreciation of the impact of volunteer service and motivated them to devote themselves wholeheartedly to the activity.

Working together, participants successfully completed 30 reusable cloth sanitary pads, each carefully handmade with dedication and care. Zeng Hsing sincerely thanks everyone who took part in the event and is delighted to have shared the meaningful experience of volunteer service with so many enthusiastic participants.

## Fundraising Handicrafts

### ✿ Children' s Bibs

Over the years, the Zeng Hsing Volunteer Team has primarily focused on producing reusable cloth sanitary pads for Love Binti International. In 2025, the team took on a new charitable handmade project—children' s bibs, combining both practicality and thoughtful design to extend care and support to more children in need.

The activity brought together 33 volunteers and 11 children, who worked collaboratively to complete 230 handmade bibs. From pattern making, fabric cutting, pinning, sewing, trimming, hand stitching, and ironing, each participant contributed approximately 6 hours of dedicated effort. Despite only having a short break at noon, team



members quickly returned to their workstations, demonstrating strong teamwork, efficiency, and commitment to quality.

The completed bibs were donated to the Baling Community Public Childcare Home, with the hope that each handmade item would bring more gentle care, warmth, and thoughtful companionship to the children.

#### \* Genesis Social Welfare Foundation – Charity Bags & Hand Rolls for bedridden



At the invitation of the Genesis Social Welfare Foundation, the Zeng Hsing Volunteer Team participated in the Foundation's charity bazaar, actively supporting its public welfare initiatives. As the Foundation currently relies on only one senior volunteer to produce handmade items, it was unable to meet the growing demand for charity tote bags and therefore sought assistance from the volunteer team. In response, 13 Zeng Hsing volunteers enthusiastically joined the project and handcrafted 38 charity bags, providing meaningful support for the fundraising campaign and helping the Foundation raise additional resources to care for those in need.

In addition, the volunteer team applied its sewing expertise to produce hand rolls designed for bedridden who require long-term bedside care. These soft hand rolls help relieve continuous hand clenching and pressure caused by muscle tension, reducing discomfort and the risk of injury. Volunteers carefully sewed the inner cushions, filled them with polystyrene beads, and assembled the finger-shaped covers, completing 50 hand rolls, all of which were donated to the Genesis Social Welfare Foundation to enhance the quality of care for its residents.

This volunteer initiative not only demonstrated the dedication, teamwork, and social commitment of Zeng Hsing's volunteers, but also reflected the Company's commitment to addressing community needs through meaningful action. Every handmade item embodies the care and compassion of the volunteers, helping to spread warmth and kindness throughout the community. Looking ahead, Zeng Hsing will continue to support diverse public welfare initiatives, fulfill its corporate social responsibility, and create lasting positive social impact.



## ✿ Huashan Social Welfare Foundation – Mid-Autumn Festival Care Initiative



The Zeng Hsing Volunteer Team was invited to participate in the Huashan Social Welfare Foundation's Mid-Autumn Festival Care Initiative, demonstrating Zeng Hsing's commitment to giving back to the community through meaningful action.

As part of the initiative, the volunteer team handcrafted 40 practical and stylish crossbody bags, which were delivered together with Mid-Autumn Festival mooncakes, oatmeal, acupressure combs, whole-grain biscuits, soap, and other care packages. Volunteers personally visited senior beneficiaries to present these gifts, bringing festive blessings, companionship, and heartfelt care during the holiday season.

Through both material support and personal interaction, the initiative helped elderly recipients feel the warmth, care, and support of the community during the Mid-Autumn Festival. Looking ahead, the Zeng Hsing Volunteer Team will continue to engage in volunteer services through tangible actions, expand the reach of its community care efforts, create greater positive social impact, and contribute to a more compassionate and sustainable society.

## ✿ Shareholder Gifts – Hand Wash from Little Lamb Sheltered Workshop

For the 2025 shareholders' meeting, Zeng Hsing selected handmade soap products developed through a collaboration between the **Eden Social Welfare Foundation** and the **Little Lamb Sheltered Workshop** as shareholder gifts.

The Eden Social Welfare Foundation has long been dedicated to providing services and employment support for people with disabilities, while the Little Lamb Shelter Workshop promotes vocational training and product manufacturing programs to help individuals with disabilities develop workplace skills and enhance their independence.

By purchasing products from a social welfare initiative, Zeng Hsing supports the operation of sheltered workshops and employment opportunities for disadvantaged groups. Through this initiative, each gift represents more than a practical item—it conveys care for vulnerable communities, promotes social inclusion, and demonstrates the sustainable value of corporate social responsibility.





## Environmental Protection Initiatives

### \* Mountain Cleanup– St. Love Villa

Entering its sixth consecutive year, the St. Love Villa Mountain Cleaning Activity has become one of the annual signature volunteer events organized by the Zeng Hsing Volunteer Team. In December 2025, the volunteer team once again joined hands with partners from Ernst & Young (EY) to participate in the activity, bringing the total number of participants to 90 people. On a Saturday morning, enthusiastic volunteers from Zeng Hsing Volunteer Team and the St. Love staff worked together to protect and restore the natural environment through hands-on action. Compared with other volunteer activities, mountain cleaning requires greater physical effort and endurance. Nevertheless, participants actively worked together, dividing responsibilities and efficiently restoring the cleanliness of the trails. Their teamwork and dedication quickly brought visible improvements to the surrounding environment.

What was especially inspiring was seeing more volunteers invite their family members and friends to join the activity each year. Among the participants were dedicated volunteers who joined despite returning from business trips the previous day, long-time supporters who had participated every year for six consecutive years, as well as the Chairman and CEO, who have continued to take part annually. Their ongoing commitment and enthusiasm have become the greatest motivation for the continued growth and development of the volunteer team.





## ✿ Participation in Topkey Foundation' s Mountain Cleaning Activity

In addition to the mountain cleaning activities independently organized by the Zeng Hsing Volunteer Team, volunteer members also actively participate in external public welfare initiatives, including the mountain cleaning activity organized by the Topkey Foundation, taking concrete actions to protect the natural environment. Many employees proactively invited their family members and friends to join the activity, expanding the positive influence of environmental protection efforts and demonstrating a strong sense of social responsibility. A total of 10 members from the Zeng Hsing Volunteer Team enthusiastically participated, with the presence of young volunteers becoming one of the highlights of the event.



Through hands-on participation, the activity not only cultivated environmental awareness among the next generation but also helped embed the concept of sustainability from an early age. Although the volunteer team regularly organizes mountain cleaning activities, each event involves different routes and environments, making every effort meaningful and valuable for ecological conservation. Looking ahead, Zeng Hsing will continue encouraging employees to participate in diverse environmental initiatives, working together to protect natural ecosystems and create long-term positive impacts through the practice of sustainability.

## ✿ Participation in Topkey Foundation' s Beach Cleanup Activity

The Zeng Hsing Volunteer Team has continuously participated in the beach cleanup activities organized by the Topkey Education Foundation for many years. Entering its fourth consecutive year, the initiative demonstrates Zeng Hsing' s long-term commitment to environmental sustainability.

Although last year' s activity was postponed due to weather conditions, preventing some volunteers from participating, the team' s enthusiasm remained strong. This year, 15 volunteers and their family members joined the event and took practical action to protect the marine environment.

During the activity, volunteers worked alongside their families and friends to clean up the beach. Beyond contributing to environmental protection, the event also encouraged family participation and strengthened awareness of sustainability across generations.

Through the beach cleanup activity, participants not only experienced the value of volunteer service through hands-on efforts but also gained a deeper understanding of the importance of caring for nature and preserving marine ecosystems.



## \* Huashan Social Welfare Foundation –New Year Meal Delivery & Senior Sports Day



At the invitation of the Huashan Social Welfare Foundation, the Zeng Hsing Volunteer Team participated in the Foundation's New Year Meal Delivery Program, bringing festive warmth and care to elderly residents in the local community.



On the day of the event, volunteers first assisted the Foundation with packing Lunar New Year meal boxes before dividing into teams to deliver them to 40 senior beneficiaries across the Taiping District. In addition to delivering the meals, volunteers spent time interacting with the seniors, introducing the contents of the meal packages, measuring their blood pressure, checking on their well-being, and presenting them with warm scarves and hats. These thoughtful gestures helped ensure that the seniors felt cared for and could enjoy the warmth and festive spirit of the Lunar New Year.

The volunteer team also enthusiastically participated in the "Senior Sports Day" organized by the Huashan Social Welfare Foundation, spending an energetic and enjoyable day with elderly participants. The event featured a variety of fun challenges that combined physical activity, reaction exercises, and teamwork, allowing seniors and volunteers to participate together in a safe, engaging, and cheerful atmosphere.

Working together with enthusiasm and team spirit, the Zeng Hsing Volunteer Team proudly won first place in the competition, adding a memorable highlight to the event. Many seniors with limited mobility also attended to watch and cheer on the participants, sharing in the excitement and joyful atmosphere. This meaningful event not only demonstrated Zeng Hsing's commitment to caring for senior citizens but also highlighted the positive impact that companionship, interaction, and volunteer service can bring to the community, further reinforcing the Company's commitment to creating lasting social value.



## \* Greater Taichung Volunteer Day Achievement Exhibition

Corporate Volunteers United for Good—Creating a Better Future Together! Organized annually by the Taichung City Government Social Affairs Bureau in collaboration with the



Topkey Education Foundation, the Greater Taichung Corporate Volunteer Day brings together businesses committed to creating positive social impact through volunteer service. In 2025, the event attracted 35 companies and nearly 300 corporate volunteers, with Zeng Hsing actively participating in this meaningful initiative.

The exhibition showcased the volunteer achievements and community service accomplishments of participating companies over the years, highlighting the collective efforts and contributions of the corporate sector toward public welfare.

The event also featured a keynote speech by Vice President of the Legislative Yuan, Johnny C. Chiang, titled "From Participation to Change: Mapping the Impact of Volunteer Service." Drawing on his experience from academic research to public service, he shared how the spirit of volunteerism can strengthen collaboration among businesses, government, and society, transforming civic engagement into meaningful social change.

Through this inspiring event, Zeng Hsing joined fellow corporate partners in reaffirming a shared commitment to volunteerism, social responsibility, and the collective vision of building a more sustainable and inclusive city for future generations.

### ✿ The 3rd Volunteer Assembly



To encourage greater employee participation in volunteer service, Zeng Hsing refined its volunteer recognition program in 2025. The revised program now includes annual awards for the Active Volunteer Award and Special Contribution Award, as well as the Outstanding Volunteer Award, presented every three years. Through public recognition and an enhanced incentive system, the Company aims to inspire more employees to actively engage in volunteer activities.



A new Special Contribution Award – Mountain Cleaning category was also introduced this year to recognize volunteers who have shown exceptional dedication to environmental conservation through mountain cleanup activities. The awards reflected the diverse contributions and unique spirit of the volunteer team, with categories including the Outstanding Strength Award for volunteers who took on physically demanding tasks such as clearing trees and shoveling soil, the Rookie Volunteer Award, the Mountain Cleanup Enthusiast Award for active participation in both Zeng Hsing and Topkey Foundation mountain cleanup events, the Perfect Attendance Award for volunteers who participated in every annual mountain cleanup activity, and the Perseverance Award recognizing volunteers who continued serving despite injuries. In total, 13 outstanding volunteers were recognized for their dedication and contributions.

During the ceremony, the Chairman delivered an encouraging speech and personally presented the awards to thank each volunteer for their commitment and selfless service. The event celebrated the spirit of volunteerism and inspired the team to continue growing and creating positive social impact in the years ahead.



## ✿ Taichung City Government Social Affairs Bureau – Corporate Volunteer Achievement Showcase

Businesses United for Good—  
Demonstrating the Power of Volunteerism!

The Taichung City Government Social Affairs Bureau organized the Corporate Volunteer Achievement Showcase, bringing together volunteer teams from various companies to share their experiences and celebrate the impact of corporate volunteerism.



The Zeng Hsing Volunteer Team was honored to be selected as one of the featured volunteer organizations. During the event, the team showcased its handmade volunteer projects, introduced its volunteer initiatives and regular activities, and shared its experiences in promoting community engagement and public welfare.

The event also provided an excellent opportunity for exchanging ideas and experiences with other corporate volunteer teams. Through these interactions, Zeng Hsing looks forward to fostering more collaborative partnerships in the future and working together with like-minded organizations to create greater positive social impact.



## ✿ Taichung City Government – Outstanding Volunteer Team Award

The Zeng Hsing Volunteer Team has long been dedicated to public welfare initiatives, with a well-established volunteer management system and a strong commitment to community service. In recognition of its sustained efforts and meaningful contributions, the team was honored with the “Outstanding Volunteer Team Award” presented by the Taichung City Government.



This recognition represents not only an affirmation of the volunteers’ selfless dedication and continuous efforts, but also an encouragement to continue spreading care and kindness through concrete actions.

Moving forward, the Zeng Hsing Volunteer Team will remain committed to expanding its volunteer services, inspiring more participation, and continuing to create positive social impact by bringing warmth and compassion to the community.

## Volunteer Training

Before each Sewing Classroom activity, the Zeng Hsing Volunteer Team conducts preparatory training and material kit preparation one day in advance to ensure that all volunteers follow consistent teaching procedures and that the activities can be carried out smoothly. Furthermore, to strengthen volunteers' professional sewing skills and knowledge, the volunteer team organizes an 8-hour sewing intensive training session annually. Through continuous learning and skill enhancement, the team aims to improve service quality and provide participants with more professional and meaningful sewing experiences.

### ✿ Advanced Sewing Training for Volunteers

After several years of training and hands-on teaching experience, sewing volunteers from the Zeng Hsing Volunteer Team have developed a solid foundation in sewing knowledge and skills. To further enhance their techniques and professional capabilities, the volunteer team organizes the annual "Advanced Sewing Training for Volunteers", providing members with opportunities to strengthen their sewing expertise and expand their practical knowledge.

Each advanced sewing course is led by professional internal instructors, who guide volunteers in learning embroidery machine operations and various sewing techniques, including pattern making, fabric cutting, edge finishing, and embroidery. The instructors also share valuable sewing tips and attention to detail to help volunteers improve their craftsmanship.

Not only do volunteer members actively participate in the training, but the CEO, who is also a member of the volunteer team, enthusiastically joins the learning process. Together, participants apply their newly acquired skills to create their own unique "Quilted Embroidered Zipper Pouch", transforming their learning into meaningful handmade creations.



## ✿ Mindfulness Workshop

In addition to professional sewing training courses, the Zeng Hsing Volunteer Team also organizes well-received mindfulness and wellness seminars to support volunteers' personal growth while enhancing their knowledge and overall capabilities.

In 2025, the team once again invited Director Huang Ho from Aozora Psychological Clinic, a clinical psychologist, to deliver a seminar titled "The Truth About Stress – Don't Let Work Become Your Enemy."

During the first half of the session, the speaker introduced how psychology views stress and shared practical workplace stress management techniques. In the second half, participants engaged in card-based activities designed to encourage self-exploration and reflection. Through group discussions and personal sharing, participants were able to provide mutual support, comfort, and emotional connection.

Throughout the activities, the instructor observed each group's interactions, providing timely guidance and professional insights. After each group session, the instructor further discussed participants' experiences and observations with both the inner and outer circles of the groups, helping attendees gain deeper understanding of their emotions and discover effective approaches for self-care and personal healing.

Through diverse and interactive learning formats, the seminar not only strengthened volunteers' mental well-being but also fostered stronger connections among team members, supporting their continued commitment to volunteer service.



## 6.3 ESG Promotion

### ✿ The Clothes Association with Technical Degree A R.O.C

#### Sewing Skills Inheritance Program for Rural Schools

In recent years, unequal distribution of educational resources in rural areas of Taiwan has become an increasingly important social issue. Recognizing the need to support educational equality, Zeng Hsing has been committed to contributing to rural education development. Since 2022, Zeng Hsing has collaborated with the Clothes Association with Technical Degree A R.O.C Technicians to promote the “Rural Sewing Education Program”, bringing sewing resources and technical knowledge into rural schools to help bridge the learning gap caused by urban–rural disparities.

By 2025, Zeng Hsing and the Association had continued their partnership, cumulatively donated 192 sewing machines and overlock machines to 19 organizations. In 2025, the program expanded to include Gengfang Elementary School in Yilan, with approximately 580 student participants attending sewing courses and around 330 volunteer instructors participating. Through the guidance of professional volunteer instructors, students learned to create practical handmade items, including woven-edge vests, casual shorts, small school bags, and nap pillows. Compared with previous years, the complexity of sewing projects has continued to increase, reflecting the students’ growing skills and confidence. Simple tote bags are no longer enough to satisfy their enthusiasm for sewing, as students continue to challenge themselves with more advanced creations.

Zeng Hsing sincerely appreciates the dedication and support of the association’s technicians. Without the passion and commitment of the volunteer instructors toward rural students, Zeng Hsing would not have been able to extend its care and support to more children in need. Together, the partners hope to bring sewing education to more communities and plant seeds of opportunity and hope for future generations.

At the end of 2025, the Association organized the “2025 Young Fashion Designer Bag Design and Production Competition.” Rural elementary school students and volunteer instructors formed 2:1 mentor teams, completing a full creative process within three hours, including theme development, pattern design, material selection, and final production. The competition not only enhanced students’ technical abilities but also cultivated problem-solving skills, time management, teamwork, and creative thinking. Through three stages of competition, outstanding young creators were selected, and Zeng Hsing sponsored prizes to recognize and encourage their achievements. The event demonstrated the unique creativity and craftsmanship of rural students while nurturing future talent in fashion design and sewing-related fields.

The association’s technicians have become an important partner of Zeng Hsing in expanding sewing education into rural communities. With the Association’s professional support, Zeng Hsing hopes to provide children with more learning opportunities and possibilities through sewing machines and technical education. Beyond developing practical life skills, the program aims to cultivate patience, confidence, creativity, and gratitude among students, while inspiring potential future careers in the fashion industry.



Through continued collaboration and social engagement, Zeng Hsing remains committed to supporting rural students, promoting sewing culture, and creating positive social impact through education and empowerment.



### ✿ Tainan University of Technology–A New Life with Sewing and Embroidery

In 2025, Zeng Hsing Industrial continued its collaboration with Tainan University of Technology (TUT) to promote the "A New Life with Sewing and Embroidery" program. Centered around TUT, the initiative extends sewing and embroidery education into local communities, equipping participants with practical sewing skills that enable them to alter ill-fitting garments and transform them into useful everyday items.

Supported by faculty members and students from the University's Embroidery Center, participants are guided in learning and practicing traditional hand embroidery techniques while creating unique, personalized works. In addition to fostering creativity, these activities help improve hand-eye coordination, fine motor skills, and cognitive function. By encouraging the repair and reuse of clothing, the program also helps reduce textile waste, conserve resources, and minimize environmental pollution.

The program aims to make sewing and embroidery accessible life skills for people of all ages while promoting the enjoyment of handmade crafts, environmental awareness, and social responsibility. Built around the three core themes of charitable giving, circular economy, and intergenerational co-learning, the year-long series of workshops received an enthusiastic response from local communities.

## Three Core Learning Themes Promoting Sustainability Through Handcraft

### 1. Embroidery for Charity

Community members could participate in embroidery workshops free of charge by donating two pieces of used clothing or contributing NT\$200 to support disadvantaged students. This initiative made charitable giving simple and meaningful while encouraging more people to experience the joy of handmade crafts.



### 2. Upcycling Used Clothing

Participants brought two pairs of used denim jeans to join upcycling workshops, transforming unwanted garments into practical items such as reusable shopping bags and beverage carriers. The program promoted the concept of upcycled design, inspiring creativity while supporting the principles of a circular economy.

### 3. Intergenerational Sewing Workshops

Designed as parent-child or intergenerational learning experiences, these workshops encouraged families to learn together, inviting parents, children, grandparents, and grandchildren to create side by side. Through shared learning and hands-on collaboration, the program fostered stronger family connections while promoting inclusiveness and lifelong learning across generations.



## Remarkable Results – Making Sewing a Meaningful Part of Everyday Life

This program not only enhanced participants' awareness of circular use of textile resources and environmental protection but also inspired creativity and strengthened their hands-on skills. Through the activities, sewing became more than a practical skill—it evolved into a meaningful way to integrate sustainability into everyday life.



Many participants shared that the experience of personally upcycling and repurposing used clothing gave them a deeper appreciation of how individual actions can contribute to environmental sustainability. By transforming discarded textiles into useful new products, they realized that everyone could play a meaningful role in advancing a more sustainable future.

## 2025 "A New Life with Sewing and Embroidery" Showcase – Celebrating Creativity and the Spirit of Craftsmanship

On December 21, 2025, the "A New Life with Sewing and Embroidery" Showcase and an Embroidered Scarf Workshop were successfully held, inviting members of the public to experience the beauty of embroidery while promoting an age-friendly city through intergenerational learning. The event brought together younger and older generations to share knowledge and creativity, fostering social inclusion and building a more sustainable lifestyle through sewing and embroidery.

Centered on the themes of sustainable living and creative upcycling, the showcase highlighted the diverse possibilities of resource reuse through sewing, embroidery, and garment upcycling. The exhibition featured works created by course participants throughout the program, including recycled fabric creations, practical lifestyle accessories, redesigned garments, and creative embroidery projects. These works not only demonstrated the beauty of craftsmanship but also conveyed the importance of resource conservation and waste reduction.

Throughout the event, participants explored creative approaches to giving new life to used fabrics and clothing through hands-on practice and design thinking, further strengthening their awareness of environmental sustainability and green living. In addition to displaying a wide variety of practical and innovative handmade works, the event also included sharing sessions and interactive exchanges, allowing participants to discuss their creative ideas, learning experiences, and sustainability practices while fostering stronger community connections.

Beyond showcasing the achievements of sewing education and innovative design, the event also promoted the principles of the circular economy and responsible consumption. Zeng Hsing hopes to encourage more people to incorporate sustainable practices into their daily lives and work together to create a lifestyle that embraces creativity, craftsmanship, and environmental responsibility.



## Supporting Post-Flood Recovery in Hualien – Helping Residents Rebuild Their Lives and Livelihoods

In September 2025, Guangfu Township, Hualien County was severely impacted by the Matai' an River flood disaster. Due to the influence of the typhoon's peripheral circulation and continuous heavy rainfall, the mountainous areas of Hualien experienced exceptionally high accumulated rainfall. The overflow of a barrier lake in the upper reaches of the Matai' an River caused massive amounts of mud, water, and sediment to rush downstream, resulting in severe flooding and transportation disruptions in Guangfu Township and surrounding tribal communities.

The disaster significantly affected residents' daily lives, with some homes flooded, roads damaged, communication systems disrupted, and residents requiring emergency evacuation and temporary shelter. Rescue teams and support organizations promptly mobilized to conduct search and rescue operations and deliver essential supplies. During the initial recovery period, key efforts included debris removal, infrastructure restoration, assistance for affected households, community psychological support, and local economic recovery. During the later recovery stage, supporting residents in returning to work and rebuilding their livelihoods became a critical focus. In addition to providing financial donations, Zeng Hsing collaborated with Tainan University of Technology to donate sewing machines and support the "Matai' an Community Sewing and Embroidery Warmth Program and Graphene Scarf Workshop in Guangfu Township."

Combining social care with skills empowerment, the program used sewing and embroidery activities as a means of providing emotional support and practical assistance. Through graphene scarf-making workshops, community members learned practical skills and innovative material applications, enhancing their self-reliance and future development opportunities. The program also encouraged interaction and mutual support among residents, strengthened community cohesion, and demonstrated continued support and companionship from external partners throughout the recovery process. Through this initiative, Zeng Hsing hopes to help tribal communities gradually restore daily life, rebuild confidence, and create new momentum for sustainable local development.



## ✿ ESG X USR

### National Taichung University of Science and Technology – ESG Practice Sharing for the Department of International Trade

To promote sustainability concepts and cultivate students' awareness of sustainable development, members of the ESGO were invited to National Taichung University of Science and Technology to share practical experiences in corporate ESG implementation.

The session covered Zeng Hsing's sustainability development journey, ESG management mechanisms, goal setting, corporate governance, greenhouse gas inventory management, energy management, volunteer team operations, cross-department collaboration models, and practical achievements. Through these real-world examples, students gained a deeper understanding of how ESG strategies are transformed from planning into daily business operations and management practices.

The activity also incorporated case discussions and interactive exchanges, encouraging students to reflect on the professional knowledge, sustainability awareness, communication skills, and problem-solving capabilities required to become future contributors to sustainable development. In addition, the session introduced potential ESG-related career pathways, providing students with valuable references for future academic planning and career development.

Through industry-academia collaboration, Zeng Hsing hopes to continue sharing practical ESG experiences with young generations, inspiring more students to understand sustainability issues and actively participate in building a more sustainable future.



### National Changhua University of Education – Department of Accounting Corporate Visit

To enhance students' understanding of industry practices and strengthen the connection between academic knowledge and real-world applications, the Department of Accounting at National Changhua University of Education (NCUE) visited Zeng Hsing Industrial for a corporate tour led by the department chair.

During the visit, Zeng Hsing introduced the applications of sewing machines and Cricut cutting machines through Riccar, allowing students to explore how accessible and practical tools can be utilized to develop creative products and potential entrepreneurial opportunities. Lijia Creative Studio also demonstrated the machines' creative capabilities by producing a unique tote bag featuring the NCUE logo as a gift for the department chair, showcasing the equipment's design flexibility, ease of operation, and practical value.

In addition, the ESGO conducted a sustainability development session to introduce Zeng Hsing' s ESG journey, implementation practices, and achievements, helping students understand how corporate sustainability strategies are integrated into daily operations and management.

Through interactive activities, including prize-based Q&A sessions and discussions, students actively participated and demonstrated strong interest in sustainability and corporate practices. This corporate visit not only expanded students' understanding of industry operations and ESG topics but also strengthened collaboration between academia and industry, achieving the goals of talent cultivation and industry–academic connection.



## 7 Eco-Sustainability

### ✿ Environmental Management Manual

Zeng Hsing has established an Environmental Management Manual in accordance with the ISO 14000 series standards (CNS 14001 and CNS 14004). The manuals establish environmental policies, target-setting procedures, and evaluation mechanisms. Based on the Group's environmental policy, each site sets long-term goals and practical measures while balancing environmental protection and economic needs. The Group is committed to environmental protection, pollution prevention, and sustainable development.

# Environmental Policy



We comply with environmental laws and customer requirements and adopt pollution prevention as our core principle through a green product management system.



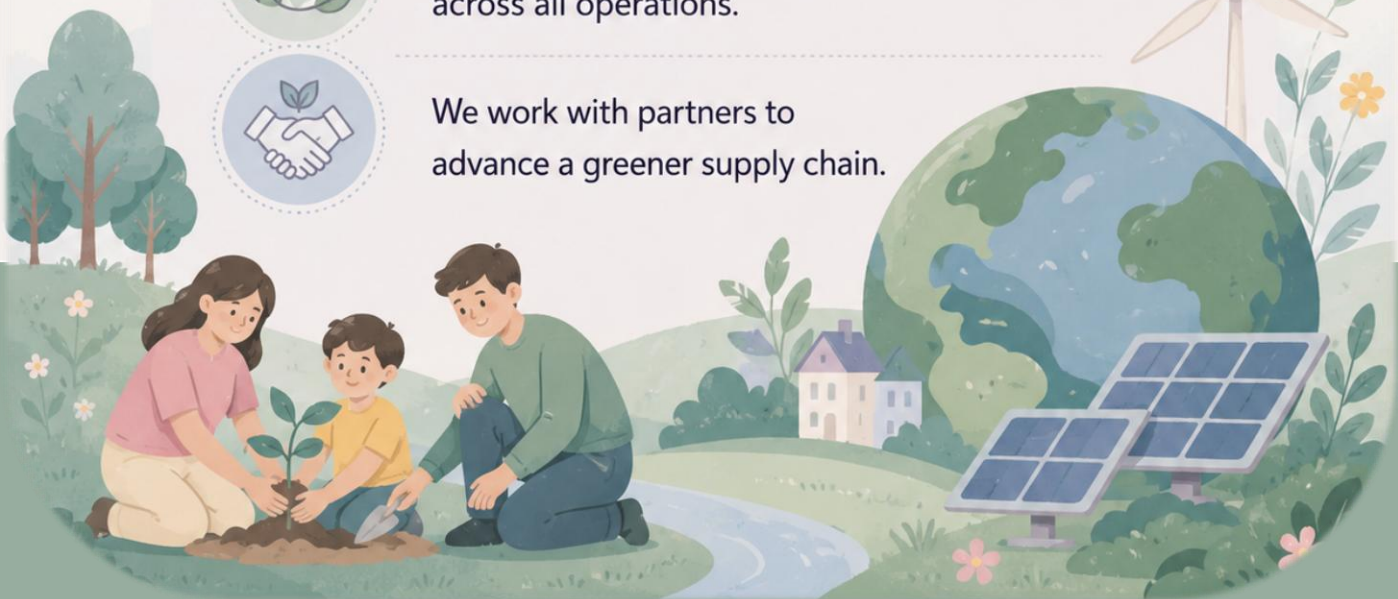
We promote environmental awareness through employee training.



We strengthen environmental management across all operations.



We work with partners to advance a greener supply chain.

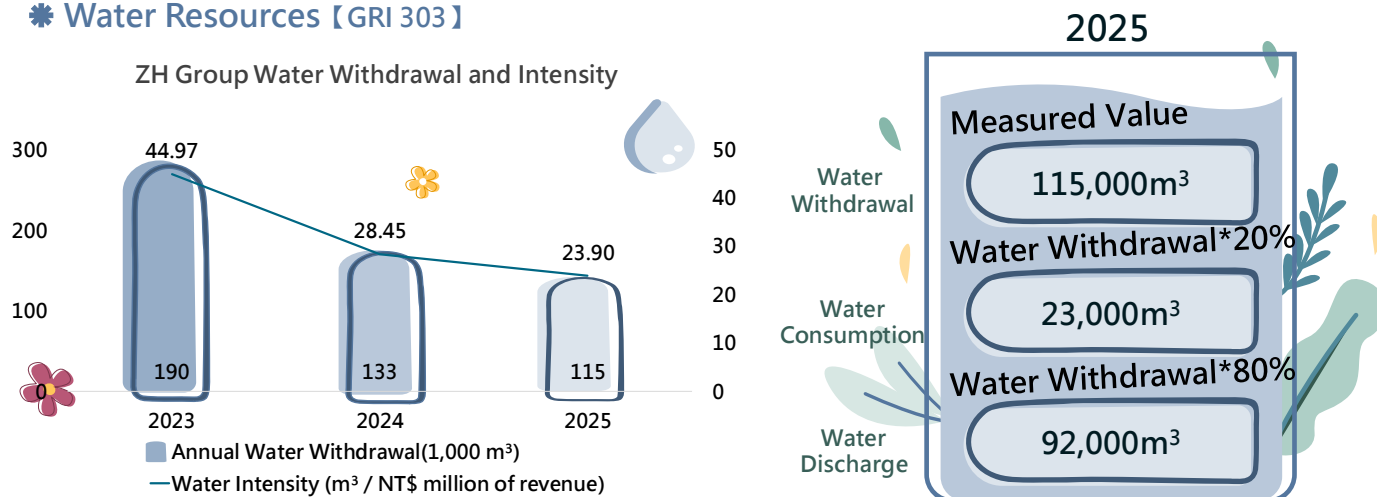


## Material Topic Management Approach - Emissions, Energy, Water Resources, and Waste 【2-23、2-24、3-3、GRI 302-1、302-3、305-1~4】

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Policies                        | Sustainable Development Policy, Environmental Policy, and Energy Management Policy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Goals and Commitments           | <p><b>Short-term:</b><br/>Each operating site continues to set targets for emissions intensity, energy conservation and carbon reduction, water intensity, resource recovery, and waste reduction to enhance energy and resource management.</p> <p><b>Mid- and Long-term:</b><br/> 1. Continue energy conservation and carbon reduction initiatives toward carbon neutrality for Category 1 and Category 2 emissions by 2050.<br/> 2. Continue green design projects to reduce Category 3-5 emissions and waste generation.<br/> 3. Encourage all sites to implement water-saving measures, targeting a 30% reduction in water withdrawal by 2050 from the 2020 baseline.<br/> 4. Reduce waste generation by 20% by 2050 from the 2020 baseline.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Responsible Units               | ESG Committee, GHG Inventory Task Force, Energy Management Task Force, and General Affairs units at each operating site.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Resources and Actions           | 1. Each subsidiary has established a GHG Inventory Task Force in accordance with ISO 14064-1 to conduct GHG inventories, including training, activity data collection, inventory preparation, internal verification, and external verification in compliance with applicable regulations.<br>2. ZH Vietnam has established an Energy Management Task Force in accordance with ISO 50001. Key activities include training, identification of significant energy uses, energy-saving targets, internal audits, management reviews, and external verification.<br>3. From 2014 to 2025, Zeng Hsing invested approximately NT\$28 million in GHG inventory and energy management initiatives, including consulting, training, external verification, electricity monitoring hardware and software in Taiwan and Vietnam, and solar power generation equipment at Taiwan HQ.<br>4. During peak summer water-use periods, General Affairs units conduct water conservation campaigns, incorporate water-use inspections into routine checks, and implement measures such as water pressure adjustments and water-saving faucets.<br>5. Each operating site continues to promote the 3Rs (Reduce, Reuse, Recycle) and waste sorting, including digitalization to reduce paper waste, replacement of wooden pallets with durable plastic pallets, and recycling of waste oil. |
| Management Evaluation Mechanism | Based on the Sustainable Development Policy, ISO 50001 Energy Management System, and ISO 14064-1 internal verification procedures, annual PDCA reviews are conducted for emissions, energy, water resources, and waste management.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Performance                     | <p><b>Zeng Hsing</b><br/> 1. <b>Greenhouse Gas Management:</b> Completed the 2024 Group GHG inventory and internal verification in 2025; Category 1 and Category 2 emissions decreased 44% from the 2020 baseline.<br/> 2. <b>Waste Management:</b> Achieved a 75% resource recovery rate in 2025; waste generation decreased 33% from the 2020 baseline.<br/> 3. <b>Water Resource Management:</b> Total water withdrawal decreased 13% from 2024 and 53% from the 2020 baseline.</p> <p><b>ZH Vietnam</b><br/> <b>Carbon reduction:</b> Achieved a 0.3% carbon reduction in 2025, equivalent to approximately 35 tCO<sub>2</sub>e. The reduction was calculated based on energy-saving measures in accordance with Taiwan Industrial Development Bureau methodologies rather than actual measured emission reductions.</p> <p><b>ZH China</b><br/> <b>Greenhouse Gas Management:</b> Completed GHG external verification of its 2024 emissions in 2025.</p>                                                                                                                                                                                                                                                                                                                                                                                                         |

## 7.1 Energy, Resource Consumption, and Greenhouse Gas Inventory

### ✳ Water Resources [GRI 303]



Zeng Hsing Group promotes water resource management under its water conservation policy of resource circulation and reuse. In 2025, the Group's water data covered Taiwan HQ, ZH China, and ZH Vietnam. Water is primarily sourced from municipal and public water supplies (surface water), with only a small amount of groundwater used at Taiwan HQ for landscape irrigation.

To strengthen water management and data monitoring, Taiwan HQ has installed a water meter monitoring system to regularly track water use and identify abnormal consumption. In addition to water conservation awareness programs, each operating site has implemented infrastructure improvements, including replacing aging water pipes and water tank float valves to reduce leakage, lowering water pressure at washbasins, and installing water-saving toilets and faucets. Taiwan HQ and ZH Vietnam have also implemented rainwater harvesting systems, with collected rainwater reused for landscape irrigation to reduce municipal water consumption.

In 2025, the Group's total water withdrawal was 115 thousand m³ of municipal water and 0.8 thousand m³ of groundwater, a decrease of 18 thousand m³ from 2024. Water consumption was 23 thousand m³, down 4 thousand m³ year on year, representing an overall reduction of approximately 13%. As production utilization increased, the Group continued to improve energy and resource efficiency by consolidating three operating sites in Vietnam and relocating production lines from ZH China to Vietnam. These initiatives enhanced production efficiency through centralized management while reducing overall energy and water use. Although ZH Vietnam accounted for approximately 83% of the Group's total water use, it achieved a 5% reduction in water use through site consolidation and water conservation measures, demonstrating continued improvement in resource efficiency despite high production demand.

ZH Vietnam and ZH China are located in industrial parks, where wastewater treatment is centrally managed by the respective industrial park authorities in accordance with local regulations and environmental standards. Taiwan HQ generates no industrial wastewater. Therefore, none of the Group's operating sites directly discharge industrial wastewater into natural water bodies or cause soil contamination. According to the **World Resources Institute (WRI) Aqueduct Water Risk Atlas**, the Group assesses water risk levels in the regions where its operating sites are located. Taiwan HQ is classified as **Low-Medium (1-2)**, while ZH Vietnam

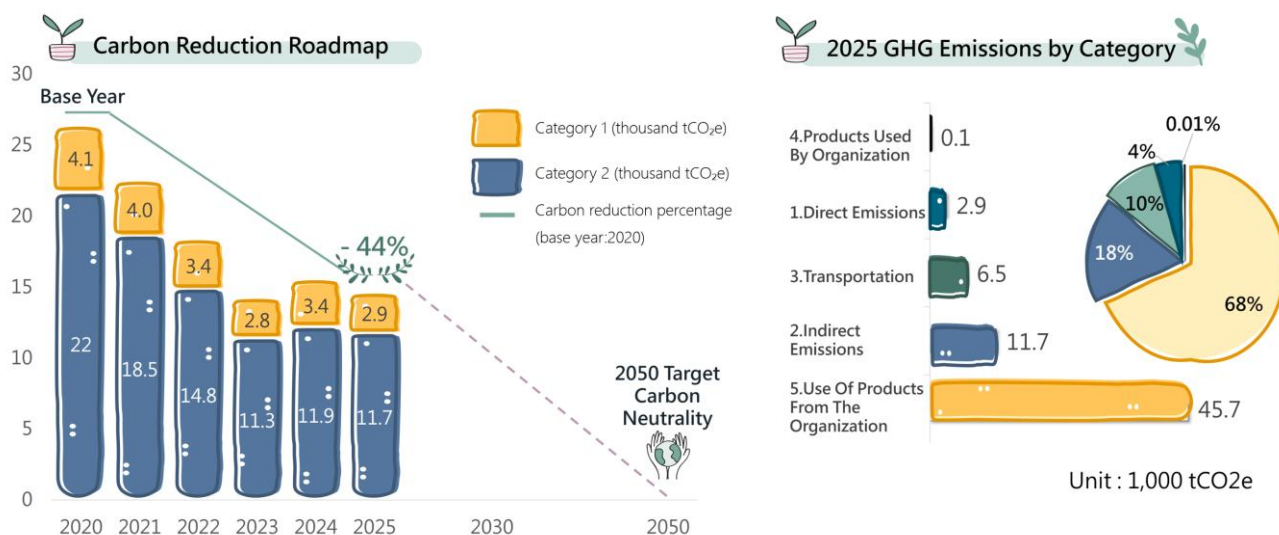
in Ho Chi Minh City, Vietnam, and ZH China in Zhangjiagang, Jiangsu Province, China, are both classified as **High (3–4)**.

As sewing machine manufacturing requires relatively little water, with water primarily used for domestic and general facility purposes, water-related risks have a relatively limited impact on the Group's operations. Nevertheless, in view of environmental challenges such as water scarcity and declining water quality, ESGO requires each operating site to establish annual **water intensity targets** and regularly reviews water management performance across the Group to improve water-use efficiency and minimize environmental impacts.

Notes :

1. The Group's water data cover three operating sites: Taiwan HQ, ZH China, and ZH Vietnam.
2. Water withdrawal is calculated based on actual water use from January 1 to December 31, 2025, using utility bills and groundwater reporting records from each operating site.
3. Water consumption and wastewater discharge are estimated. As ZH Vietnam accounts for 83% of the Group's total water withdrawal and, under local industrial park requirements, its wastewater discharge is estimated at 80% of water withdrawal, the same ratio is applied to estimate the Group's total wastewater discharge.

## ✿ Energy and Emissions 【GRI 305】



Since 2014, Zeng Hsing Group has conducted greenhouse gas (GHG) inventories, beginning with Taiwan HQ. By 2018, ISO 14064-1 had been implemented across four operating sites, with annual GHG inventories and internal verification conducted thereafter to establish a robust foundation for carbon management. In line with the Taiwan Stock Exchange's sustainability roadmap, Taiwan HQ expanded its organizational boundary in 2023 to include Mitsumichi Industrial Co., Ltd., Taiwan Cheer Champ Co., Ltd., and Riccar, enhancing the completeness of the Group's GHG inventory. In 2025, ZH China obtained external verification for its 2024 GHG emissions. The remaining operating sites will complete external verification within the next two years to meet applicable regulatory requirements in Taiwan and enhance the transparency and credibility of the Group's carbon disclosures.

In 2025, Zeng Hsing Group's total GHG emissions amounted to **66.9 thousand metric tons of CO<sub>2</sub>e**, primarily from Category 2 (purchased electricity) and Category 5 (emissions from the use of sold products).

**Category 1 + 2 Direct and Energy-Related Indirect Emissions:** Total Category 1 and 2

emissions were approximately **15 thousand metric tons of CO<sub>2</sub>e**, a decrease of approximately **0.8 thousand metric tons** from 2024. Major emission sources included electricity used in manufacturing operations and sales facilities, liquefied petroleum gas (LPG), natural gas, refrigerants, gasoline, and diesel. Electricity remained the largest emission source, accounting for approximately **80%** of Category 1 and 2 emissions. The decrease was primarily attributable to higher production utilization following site consolidation and lower energy consumption, which reduced both direct and electricity-related emissions. Total electricity consumption in 2025 included purchased electricity and self-generated solar electricity consumed on-site. GHG emissions intensity decreased to **3.02 metric tons of CO<sub>2</sub>e per NT\$ million in revenue**, down **0.27 metric tons of CO<sub>2</sub>e per NT\$ million** from the previous year.

**Categories 3 + 4 + 5 Upstream and Downstream Value Chain Emissions:** Indirect value chain emissions, including transportation activities outside the Group's operational control and emissions associated with the use of sold products, totaled approximately **52 thousand metric tons of CO<sub>2</sub>e**, accounting for approximately **78%** of the Group's total GHG emissions. Category 5 (emissions from the use of sold products) remained the largest source. Total Category 3–5 emissions decreased by approximately **0.3 thousand metric tons of CO<sub>2</sub>e** from the previous year, primarily due to a higher proportion of energy-efficient products in total sales and differences in grid emission factors across major sales markets. Together, these factors reduced electricity-related emissions associated with the use phase of ZH's products.

| GHG Emissions (tCO <sub>2</sub> e)                                | 2023          | 2024          | 2025          |
|-------------------------------------------------------------------|---------------|---------------|---------------|
| Category 1 – Direct GHG Emissions                                 | 2,805         | 3,412         | 2,858         |
| Category 2 – Energy Indirect GHG Emissions [Location-based]       | 11,297        | 11,990        | 11,725        |
| Category 3+4+5 – Other Indirect GHG Emissions                     | 52,729        | 52,519        | 52,269        |
| <b>Total GHG Emissions</b>                                        | <b>66,831</b> | <b>67,921</b> | <b>66,852</b> |
|                                                                   |               |               |               |
| GHG Emissions Intensity (tCO <sub>2</sub> e/NT\$ million revenue) | 2023          | 2024          | 2025          |
| Category 1+2 Emissions / Revenue                                  | 3.34          | 3.29          | 3.02          |
| Category 3+4+5 Emissions / Revenue                                | 12.49         | 11.22         | 10.82         |

Notes:

1. Emission sources include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and HFCs. The Company does not use or emit ozone-depleting substances (ODS) in its operations, and there are no biogenic carbon emissions.
2. The Group's GHG inventory adopts the operational control approach. The base year represents the first year in which a Group-wide GHG inventory was conducted. All reported data, including Categories 1–5, are currently based on the Group's own GHG inventory.
3. Emission factors are based on the latest official standards applicable to each operating site, using GWP values from the IPCC Sixth Assessment Report (AR6). Other reference sources include the Taiwan Ministry of Environment's Carbon Footprint Information Platform and the SimaPro database.
4. Categories 3–5 currently cover selected indirect emission sources. Purchased goods and services (raw materials and service procurement) and upstream transportation and distribution are planned to be included by 2027. Fuel- and energy-related activities not included in Categories 1 or 2 include electricity transmission losses and fuel production. For upstream leased assets, gasoline consumption from leased vehicles is included in Category 2. The following categories are not applicable: processing of sold products, downstream leased assets, franchises, and investments.
5. GHG emissions intensity = GHG emissions (tCO<sub>2</sub>e) ÷ revenue (NT\$ million). The revenue and GHG inventory boundaries are aligned, and reported data exclude TURVO.

Notes :

**[2-4]** In September 2025, Zeng Hsing Group completed external verification of GHG emissions at ZH China. Based on the verifier's recommendation, the electricity emission factor used to calculate product use-phase emissions was revised to better reflect local conditions in China, thereby improving inventory accuracy. As a result, the Group's 2024 total GHG emissions were restated from **69.9 to 67.9 thousand metric tons of CO<sub>2</sub>e**, primarily due to the revision of Category 3–5 emissions from **55 to 52 thousand metric tons of CO<sub>2</sub>e**.

## ✳ Energy consumption and Intensity [302-1,302-3]

In 2025, Zeng Hsing Group's energy consumption covered four operating sites: Taiwan HQ, ZH Vietnam, ZH China, and Mitsumichi. Non-renewable energy consumption included 2,323 GJ of gasoline, 2,050 GJ of diesel, 63 GJ of natural gas, 34,105 GJ of liquefied petroleum gas (LPG), and 64,177 GJ of purchased electricity. **Total energy consumption was 102,922 GJ, down 7% from 2024.** The decrease was mainly attributable to the consolidation of manufacturing sites, which improved overall energy efficiency and reduced energy demand. In 2025, the Group's **energy intensity was 21 GJ per NT\$ million of revenue, down 10% from 2024.** The improvement was mainly driven by lower overall energy consumption, particularly the significant reduction in LPG consumption following the consolidation of the die-casting plant. Zeng Hsing will continue to optimize production processes and equipment efficiency to further reduce energy intensity and advance energy conservation, carbon reduction, and sustainable manufacturing.

| Category                                   | Item                                                    | Consumption (GJ) |         |
|--------------------------------------------|---------------------------------------------------------|------------------|---------|
|                                            |                                                         | 2024             | 2025    |
| Direct Energy (A)                          | Natural Gas                                             | 83               | 63      |
|                                            | LPG                                                     | 39,684           | 34,105  |
|                                            | Diesel                                                  | 2,762            | 2,050   |
|                                            | Gasoline                                                | 2,344            | 2,323   |
| Indirect Energy (B)                        | Purchased Electricity (excluding renewable electricity) | 65,484           | 64,177  |
| Non-renewable Energy (C)                   | (A) + (B)                                               | 110,537          | 102,718 |
| Renewable Energy (F)                       | Self-generated and Self-consumed (D)                    | 0                | 204     |
|                                            | Purchased Renewable Energy (E)                          | 0                | 0       |
|                                            | (D) + (E)                                               | 0                | 204     |
| Total Energy Consumption (G)               | (C) + (F)                                               | 110,537          | 102,922 |
| Renewable Energy Ratio (H)                 | (F)/(G)                                                 | -                | 0.2%    |
| Energy Intensity (GJ/NT\$ million revenue) |                                                         | 24               | 21      |

### Notes:

1. Energy consumption is calculated by multiplying the actual fuel consumption by the corresponding energy conversion factor.
2. Energy conversion (kJ) = Fuel consumption × Heating value × 4.1868.
3. Heating values used are as follows:
  - ZH Vietnam: Gasoline 8,120 kcal/L, Diesel 8,633 kcal/L, LPG 11,305 kcal/kg
  - ZH China: Gasoline 7,519 kcal/L, Natural Gas 8,505 kcal/m<sup>3</sup>
  - Taiwan operations: Heating values are based on the standards announced by the Ministry of Environment.

## ✳ Energy Reduction and Pollution Prevention [302-4、305-5]

Zeng Hsing implements environmental management practices in accordance with the operational characteristics of each site. The Group's manufacturing facilities, ZH Vietnam and ZH China, have both obtained ISO 14001 Environmental Management System certification. In accordance with their Environmental Management Manuals, each site establishes annual pollution prevention objectives, complies with applicable local environmental regulations, and continuously invests in air pollution control, wastewater management, and waste reduction measures to minimize the environmental impacts of manufacturing operations.

Taiwan HQ has transitioned to an office-based operation and therefore no longer maintains ISO 14001 certification. Nevertheless, it continues to promote voluntary environmental initiatives, including office energy conservation, carbon reduction, and resource recycling. **During the reporting period, Zeng Hsing incurred no significant environmental fines or sanctions resulting from non-compliance with environmental laws or regulations.**

To increase the use of renewable energy, Taiwan HQ installed a solar power system as part of the construction of its new office building, with a total panel area of 542 m<sup>2</sup> and annual generation of over 100,000 kWh. From its commissioning in mid-2019 through June 2025, the system generated approximately 690,000 kWh of solar electricity. Since July 2025, all solar electricity generated on-site has been consumed internally, supporting the Group's energy transition and GHG reduction efforts. Taiwan HQ has also implemented a central monitoring system integrated with an Energy Management System (EMS) to monitor energy consumption, load fluctuations, and abnormal electricity use in real time. The data are used to optimize equipment operations and identify energy-saving opportunities. The General Affairs Department reviews EMS data monthly to monitor energy performance and continuously identify areas for improvement.

ZH Vietnam, the Group's principal manufacturing base with annual production of over one million sewing machines, is also the Group's largest source of GHG emissions. To effectively manage energy consumption and GHG emissions, ZH Vietnam introduced the ISO 50001 Energy Management System in 2017 and established a systematic energy management framework. Annual energy reviews and consumption analyses are conducted to identify significant energy users and develop energy-saving initiatives, with a target of reducing carbon emissions by 0.5% annually. To ensure the effectiveness of its energy management system, ZH Vietnam establishes annual carbon reduction targets and conducts management reviews in the following year to assess target achievement and overall energy performance. In addition to routine measures such as optimized air-conditioning temperature settings and energy conservation awareness programs, the facility has implemented an Energy Management System (EMS) with real-time monitoring, data analysis, and abnormal energy-use alerts to strengthen the management of energy-intensive processes and identify further energy-saving opportunities.

In 2025, the Group continued to implement energy efficiency initiatives. At ZH Vietnam, measures included the installation of variable-speed air compressors and dryers, as well as regular maintenance of air-conditioning systems. Based on the energy-saving calculation methodology published by Taiwan's Energy Administration, these initiatives achieved an estimated reduction of approximately 35 metric tons of CO<sub>2</sub>e, equivalent to a 0.33% reduction in carbon emissions. During the same year, ZH China replaced aging air compressors with high-efficiency variable-frequency equipment to reduce manufacturing energy consumption.

Looking ahead to 2026, the Group will continue implementing energy conservation initiatives and use EMS data to regularly monitor energy performance, further enhancing energy efficiency and GHG management. ZH Vietnam also plans to launch its solar photovoltaic installation project in 2026 to increase renewable energy use, strengthen operational resilience to climate change, and advance toward low-carbon operations and sustainable development.

## Energy Policy

- |                                                                                                                                                                                                |                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  Comply with energy regulations                                                                             |  Support green procurement  |
|  Use energy efficiently  |  Promote internal and external communication                                                                     |
|  Implement target management                                                                                |  Provide adequate resources to achieve goals                                                                     |
|  Continuously improve performance                                                                           |  Move toward sustainable energy conservation                                                                     |

## 7.2 Waste Management [GRI 306]

### ✳ Waste Classification, Storage, and Disposal Management Procedures

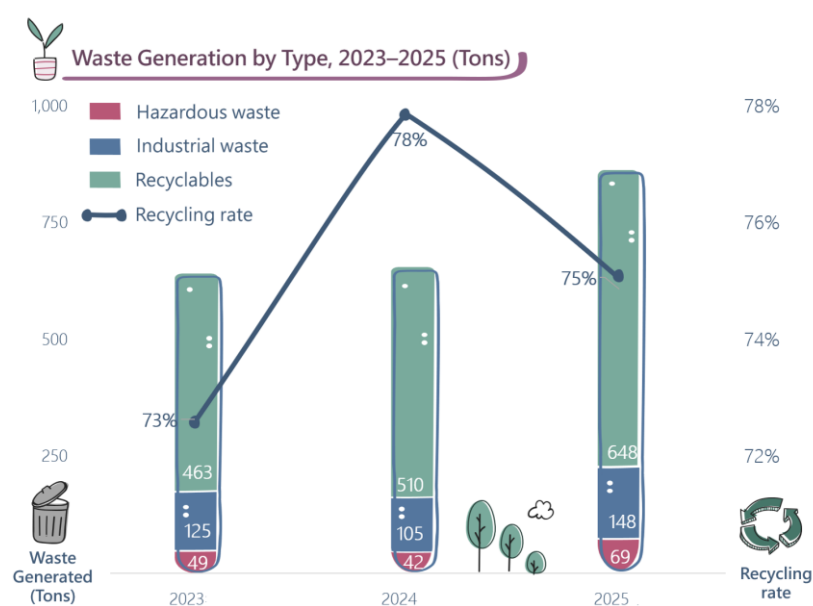
Zeng Hsing Group has established waste management procedures in accordance with local regulations and ISO 14001 requirements. The Group implements strict requirements for waste classification, recycling, storage, and disposal, maintains waste disposal records, and reports relevant information to local authorities as required. General waste is disposed of through landfill or incineration, while hazardous waste is collected and treated by qualified waste disposal contractors in accordance with local environmental regulations. **In 2025, no contractual violations or regulatory non-compliance involving waste disposal contractors were reported.**

### ✳ Waste Management and Reduction

Waste generated across the Group's three operating sites is broadly classified as non-recyclable waste, including general, industrial, and hazardous waste, and recyclable waste, such as paper, plastics, and metals. To reduce environmental impacts, Zeng Hsing applies the 3R principles—Reduce, Reuse, and Recycle—throughout its operations by reducing waste at the source, recycling waste materials, and reusing packaging and transportation materials to improve resource efficiency and promote circularity.

In 2025, Zeng Hsing Group generated 865 tons of waste, an increase of 208 tons from 2024. The increase was mainly attributable to production transfers and the introduction of new product models at ZH Vietnam. Frequent material changeovers associated with high-mix, low-volume production resulted in increased plastic tube waste. In addition, the relocation and consolidation of Shinco into ZH Vietnam increased the use of wooden pallets for equipment transportation. At ZH China, the disposal of air compressors, air-conditioning equipment, and molds increased recyclable waste. Hazardous waste also increased due to die-casting furnace maintenance and the removal and cleaning of refractory materials. In 2025, the Group's waste recycling rate was 75%, down 3 percentage points from 2024.

To strengthen waste management, the ESG Committee requires each operating site to set an annual waste recycling rate target, with performance reviewed semiannually. When abnormalities are identified, responsible units are required to conduct root-cause analyses and develop improvement actions. Through these measures, the Group aims to reduce unnecessary resource loss and continuously improve its waste recycling performance.



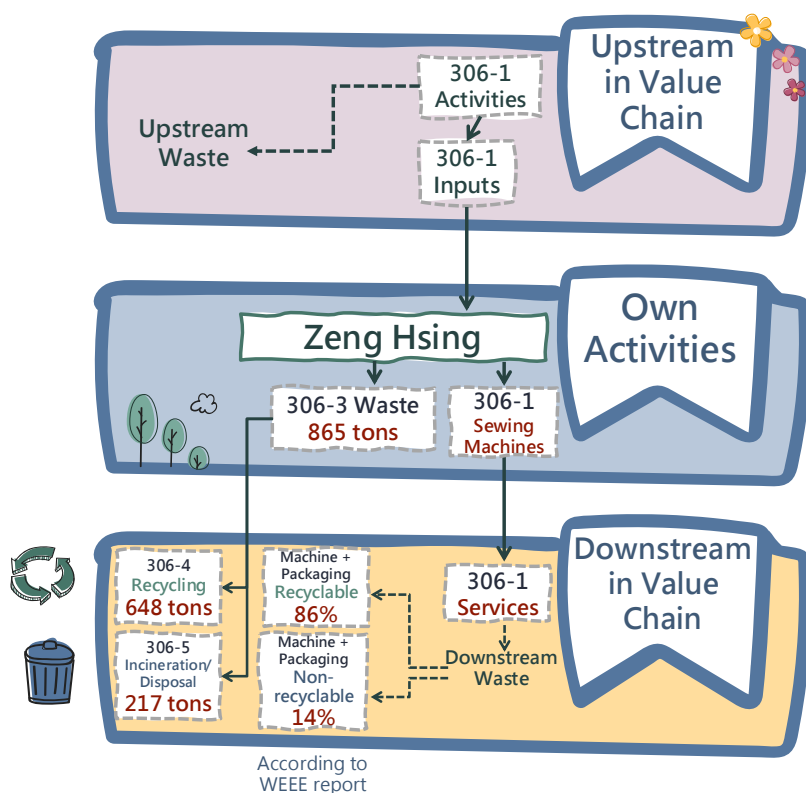
Notes :

1. Recycling Rate = Recyclable waste ÷ Total waste generated.

2. General domestic waste from ZH Vietnam is collected by the industrial park authority. As actual weights data are unavailable, it is excluded from the calculation.

As an OEM manufacturer of household sewing machines, Zeng Hsing operates an integrated production process covering die casting, injection molding, CNC machining, grinding, assembly, packaging, and shipment. ABS and aluminum ingots are the primary raw materials used in production. All waste generated during production is handled by qualified waste contractors approved by local environmental authorities.

Most non-recyclable domestic and industrial waste is transported by local industrial park authorities for incineration or landfill. Hazardous waste is collected and treated according to waste type by qualified contractors or relevant suppliers, such as used oil and waste oil containers. Recyclable waste includes paper, such as office paper and packaging cartons; plastics, such as containers and plastic products; and metals, such as aluminum dross and scrap iron. These materials are collected by qualified local recyclers for recycling and reuse.



As a B2B manufacturer, Zeng Hsing's downstream sales and marketing activities are primarily conducted by its customers. According to the household sewing machine product carbon footprint report, approximately 86% of a sewing machine and its packaging is recyclable, while the remaining 14% is non-recyclable.

## \* Environmental Monitoring

Zeng Hsing Group operates facilities in Taiwan, Vietnam, and China and conducts regular environmental monitoring in accordance with applicable local regulations. Monitoring items include E. coli in drinking water, chemical oxygen demand (COD) in wastewater, workplace carbon dioxide concentrations, non-methane hydrocarbons (NMHC), particulate matter, and noise levels. In 2025, all water quality and environmental monitoring results across the Group's subsidiaries complied with applicable local regulatory standards, with no exceedances identified.

|                                                                                     |                                                    | Compliance with local regulations |           |            |
|-------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------|-----------|------------|
| Test items                                                                          |                                                    | ZH China                          | Taiwan HQ | ZH Vietnam |
|  | <b>Water pollution test</b><br>(SS、COD、BOD, etc.)  | ✓                                 | ✓         | ✓          |
|  | <b>Environmental test</b><br>(SOx、NOx、noise, etc.) | ✓                                 | ✓         | ✓          |

Notes: Water pollution and environmental monitoring reports of each subsidiary. Testing is conducted annually in accordance with local regulations.

## 7.3 Reduction in Energy Demand of Products and Services 【GRI 301】

### Material Topic Management Approach – Green Products 【2-23、2-24、3-3、302-5】

|                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Policy</b>                          | In response to climate change, resource depletion, and sustainability trends, ZH promotes green design and environmentally friendly products by integrating environmental considerations throughout the product life cycle—from design and material selection to manufacturing, packaging, transportation, use, and end-of-life recycling—to reduce environmental impacts and improve energy and resource efficiency.                                                                                                                                                                                                                                                                                                                                    |
| <b>Goals and Commitments</b>           | <p><b>Short-term:</b> Increase the proportion of green products and improve environmental performance; promote environmentally friendly and recyclable materials; and ensure compliance with international environmental regulations and customer requirements.</p> <p><b>Medium- to Long-term:</b> Reduce energy consumption and carbon emissions throughout the product life cycle, reduce packaging materials, and improve packaging recyclability.</p>                                                                                                                                                                                                                                                                                               |
| <b>Resources and Actions</b>           | <ol style="list-style-type: none"> <li>1. Integrate eco-design principles and environmental impact assessments into the early stages of product development.</li> <li>2. Prioritize materials compliant with international environmental regulations, including RoHS and REACH.</li> <li>3. Improve product energy efficiency and develop high-efficiency technologies.</li> <li>4. Reduce packaging materials and adopt environmentally friendly alternatives.</li> <li>5. Regularly review product carbon emissions and energy performance to support continuous improvement.</li> </ol>                                                                                                                                                               |
| <b>Responsible Units</b>               | Research & Development Division                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Management Evaluation Mechanism</b> | Zeng Hsing regularly reviews the effectiveness of green product initiatives through cross-functional collaboration, covering regulatory compliance, green material use, product energy efficiency, and customer feedback. Results are reported to management and used to guide future product development and sustainability strategies.                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Performance</b>                     | <p><b>ZH Group :</b></p> <ol style="list-style-type: none"> <li>1. Completed 9 green design improvement projects in 2025, optimizing product structures, packaging materials, and manufacturing processes to reduce environmental impacts.</li> <li>2. Introduced green packaging designs for two product models, replacing expanded polystyrene (EPS) with recyclable materials such as molded pulp and paperboard to improve packaging recyclability.</li> <li>3. Through product energy efficiency improvements, material reduction, and lightweight design, quantified carbon reduction benefits reached approximately <b>209 tCO<sub>2</sub>e</b> in 2025, supporting the continued development of low-carbon products and green design.</li> </ol> |

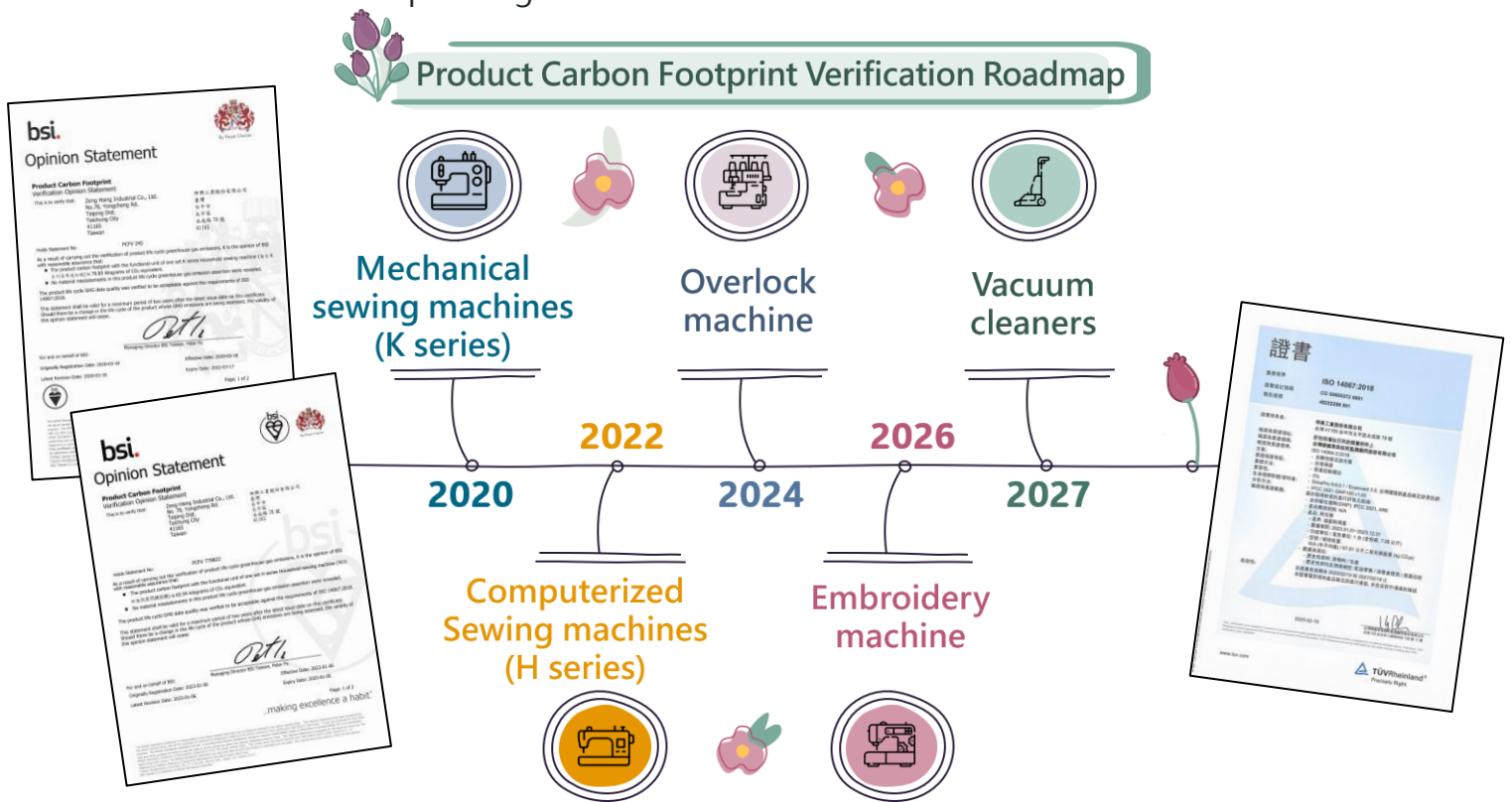
### ✳ Product Carbon Footprint – ISO14067

Zeng Hsing Group is committed to working with customers to develop high-quality, environmentally friendly products. In addition to conducting organizational GHG inventories and third-party verification, the Group has proactively conducted product carbon footprint assessments in accordance with ISO 14067 to identify key emission sources and carbon reduction opportunities throughout the product life cycle.

Through product carbon footprint assessments, Zeng Hsing identifies opportunities to reduce emissions through green design, low-carbon materials, improved production efficiency, green logistics, energy efficiency, and recyclability. Since initiating product carbon footprint assessments in 2019, the Company has completed carbon footprint inventories and third-party verification for K-series mechanical sewing machines, H-series computerized sewing machines, and overlock machines. Going forward, Zeng Hsing will expand assessments to embroidery machines and vacuum cleaners and progressively complete

verification across its product lines. The resulting carbon footprint database will strengthen product-level carbon management and data reliability, providing a foundation for future carbon reduction initiatives and low-carbon product development.

In addition, Zeng Hsing has incorporated green design principles into product development, focusing on energy efficiency, material reduction, ease of maintenance, and recyclability. The Company will also evaluate the use of environmentally friendly materials and further improve product energy efficiency to reduce environmental impacts throughout the product life cycle. By advancing product carbon management and green design in parallel, Zeng Hsing aims to enhance product sustainability and support its low-carbon manufacturing and sustainable development goals.



## ✿ Green Product Design

Product carbon footprint assessments show that raw material production contributes 60%–65% of total emissions in sewing machine manufacturing. To address this, Zeng Hsing's R&D teams adopt green design as a core principle—reducing resource and energy consumption from the earliest stages of development.

At Taiwan HQ, the R&D and Engineering Departments integrate energy-saving and eco-friendly design into annual KPIs and KT/KC programs. Key initiatives include improving motor efficiency, increasing component standardization, reducing mold steel use, replacing Styrofoam with eco-friendly packaging, and developing lightweight components. Significant resources are invested each year to upgrade products and processes for greater energy efficiency and lower carbon emissions.

To further enhance environmental benefits, the R&D team is also simplifying design processes and optimizing product architecture for both sewing machines and vacuum cleaners. In 2026, ongoing initiatives will focus on reducing raw material use, increasing parts commonality, and improving mold reusability—ensuring sustainability is fully embedded in product development.

Total carbon  
reduction from  
green design in  
2025

209  
tCO<sub>2</sub>e



## Green Design

| Category                                                                                                    | Improvement Initiative                                                                                         | Description                                                                                                                                                                                                                                                                                                                                         | Product         | Estimated Carbon Reduction |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------|
|  <b>Energy Reduction</b>     | AC to DC Motor Conversion<br> | Building on the 2024 AC-to-DC motor conversion project, power consumption was reduced by 25 W /PCS, resulting in an estimated reduction of 157 tCO <sub>2</sub> e in 2025 based on annual production volume and the product carbon footprint use-phase scenario. (Note 1)                                                                           | Sewing Machines | 157 tCO <sub>2</sub> e     |
|                                                                                                             | Motor Upgrade                                                                                                  | The motor upgrade increased suction power by 53 IOW and airflow by 16.5 CFM while reducing energy consumption, resulting in an estimated carbon reduction of 12 kgCO <sub>2</sub> e/PCS and approximately 6 tCO <sub>2</sub> e in 2025. (Note 1)                                                                                                    | Vacuum Cleaners | 6 tCO <sub>2</sub> e       |
|  <b>Material Reduction</b> | Plastic Exterior Component Commonality                                                                         | In 2025, 43.5% of the plastic exterior components for new sewing machine models were shared across models, avoiding the development of 27 sets of new steel molds and reducing material use.                                                                                                                                                        | Sewing Machines | /                          |
|                                                                                                             | Component Commonality                                                                                          | LED lamp assemblies were consolidated from <b>18 to 15 types</b> , improving component commonality and extending the usable life of spare parts.                                                                                                                                                                                                    | Sewing Machines | /                          |
|                                                                                                             | Component Commonality<br>   | Motor cable specifications were consolidated from 81 to 66 types, optimizing cable lengths and reducing wire use by 8.6 meters. Based on annual production volume, this resulted in an estimated carbon reduction of 1.8 tCO <sub>2</sub> e <sup>2</sup> . (Note 2)                                                                                 | Sewing Machines | 2 tCO <sub>2</sub> e       |
|                                                                                                             | Component Integration                                                                                          | A two-piece upper shaft detection sleeve, previously requiring two molds and additional screws and nuts, was redesigned as a <b>one-piece component</b> , reducing material and mold requirements. Based on annual production volume, the redesign resulted in an estimated carbon reduction of <b>0.39 tCO<sub>2</sub>e<sup>2</sup></b> . (Note 2) | Sewing Machines | 0.39 tCO <sub>2</sub> e    |
|                                                                                                             | Lightweight Design                                                                                             | The AC-to-DC motor conversion project reduced the material use and weight of the motor body and support plate. Based on annual production volume, the lightweight design resulted in an estimated carbon reduction of <b>43.6 tCO<sub>2</sub>e<sup>2</sup></b> . (Note 2)                                                                           | Sewing Machines | 44 tCO <sub>2</sub> e      |

### NOTES :

- Carbon reductions during the product use phase were estimated based on annual production volume and the use-phase scenario defined in the product carbon footprint assessment.
- Carbon reductions from material savings were estimated based on annual production volume, material weight reduction, and applicable emission factors.

## SASB (Sustainability Accounting Standards Board)

### – Appliance Manufacturing (Version 2023-12)

| Topic                                                       | Metric                                                                              | Code                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Quantitative Data                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Description                                                                                                                                                                      |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Product Safety                                              | Number and volume of product recalls                                                | CG-AM-250a.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | No product recalls occurred.                                                                                                                                                     |
|                                                             | Discussion of product safety risks                                                  | CG-AM-250a.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | /                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Please refer to Chapter 4, which covers the Company's quality policy, certifications, customer health and safety, customer complaint handling, and related management practices. |
|                                                             | Monetary losses resulting from product safety issues                                | CG-AM-250a.3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | NT\$0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | No product safety incidents occurred; therefore, no related monetary losses were incurred.                                                                                       |
| Environmental Impacts of Products Throughout the Life Cycle | Percentage of revenue from products certified for energy efficiency                 | CG-AM-410a.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0 %                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Sewing machines are not considered significant energy-consuming products. Vacuum cleaners have not obtained relevant energy efficiency certifications.                           |
|                                                             | Percentage of revenue from products certified to environmental life cycle standards | CG-AM-410a.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 49%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Revenue generated from products that have obtained third-party Product Carbon Footprint verification. Please refer to <b>Section 7.3</b> .                                       |
|                                                             | Efforts to manage the impacts of products at end of life                            | CG-AM-410a.3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Since 2020, Zeng Hsing has conducted life cycle carbon footprint assessments to evaluate opportunities for reducing carbon emissions and waste from sewing machine products. Each year, the R&D Department also implements various green design initiatives, including component and product lightweighting, packaging reduction, design for disassembly, and component standardization to reduce material consumption at the source, supporting the Company's sustainability policy. (Please refer to <b>Section 7.3</b> for details.) |                                                                                                                                                                                  |
| Activity Metric                                             | Code                                                                                | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                  |
| Annual production volume                                    | CG-AM-000.A                                                                         | Beginning this reporting year, Zeng Hsing has revised its disclosure approach for production volume. As the Company's operations and business portfolio have become increasingly diversified, production volume alone no longer adequately reflects its overall operating scale and business performance. Accordingly, this Sustainability Report no longer discloses production volume by product category or total units produced. Please refer to <b>Section 1.3 (Operating and Financial Information)</b> and <b>Section 5.1 (Employee Profile in 2025)</b> for information on the Company's operating performance and overall business profile. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                  |
|                                                             |                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                  |

## 7.4 Circular Economy

In addition to promoting the circular economy through its volunteer teams, Zeng Hsing Group actively advances green logistics within its green supply chain management efforts, with the goal of reducing packaging waste. By shifting from the traditional linear logistics model of “raw materials–products–waste” to a circular model of “raw materials products–recycled products,” we are able not only to reduce waste but also to reduce the environmental impact caused by deforestation. Zeng Hsing Group incorporates product life extension and multiple value cycles into its circular economy strategy by promoting carton reuse, refurbishment of IT equipment, and recirculation of refurbished employee welfare items to improve resource efficiency and reduce environmental impacts. To further reduce the use of single-use packaging, the Group continues to encourage suppliers to replace disposable cartons with reusable cartons and plastic returnable containers for material transportation.

### 2025 Resource Circularity and Reuse Highlight

#### Carton Reduction



Reduced the use of **139** cartons, equivalent to saving approximately **2,776** mature trees. Reduced approximately **218** kg CO<sub>2</sub>e from carton manufacturing.

#### IT Equipment Reuse



Desktop computers: **23**  
Laptop computers: **3**  
LCD monitors: **34**  
Peripheral devices: **256**

#### Product Reuse



Refurbished employee welfare products: **235** units, reduced carbon emissions by **11.32** tCO<sub>2</sub>e through product reuse

#### Clothing Donation and Reuse



Donated **436** brand-new uniforms to LOVE BINTI International.

#### Idle Equipment Recycling



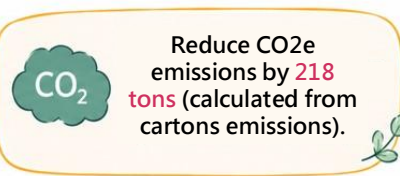
**1,241** pieces of used equipment successfully recycled through auction

#### Paperless Initiative



Reduced **1,121** sheets of paper, approximately **8** kg CO<sub>2</sub>e emissions.

### \* Recycling Cartons / Using Reusable Parts Turnover Boxes



A total of **10,858** trees were saved by 2025.

#### Data Sources :

1. Monthly inbound turnover box count → converted to equivalent carton weight → converted to carbon emissions.
2. Carton Weight: Calculated based on the number of turnover box usages multiplied by the weight of cartons of similar size.
3. Carbon Emissions: Carton weight × Taiwan EPA Product Carbon Footprint Database–corrugated cardboard emission factor.
4. Trees Saved: Approximately 20 trees are equivalent to 1 metric ton of paper pulp.
5. Data Coverage: Taiwan HQ and ZH Vietnam, from January 1 to December 31, 2025.

A total of **8,082** trees were saved by 2024.

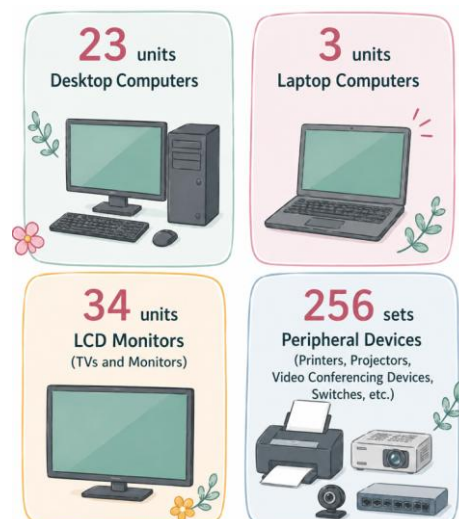
A total of **5,471** trees were saved by 2023.



Zeng Hsing Group encourages suppliers at all sites to use recyclable or renewable packaging materials, or to deliver raw materials and components using reusable turnover boxes. Since 2020, the ESGO team has collaborated with the Taiwan Operations Department to promote green logistics and track environmental performance through carton and turnover box usage data. For performance measurement, materials personnel record the number of cartons recycled and the number of times plastic turnover boxes are used in place of cartons each month. They also identify the unit weight of various carton sizes and report monthly inbound quantities to ESGO. ESGO then estimates the annual reduction in carton consumption and converts the results into avoided carbon emissions based on corrugated cardboard emission factors. In addition, carton weight saved is converted into the equivalent number of trees conserved to demonstrate environmental contribution. In 2025, thanks to the efforts of ZH Vietnam, carton usage was reduced by **139** metric tons, equivalent to saving **2,776** trees and reducing **218** tons of CO<sub>2</sub>e from carton manufacturing. Zeng Hsing will continue to advance these initiatives and strengthen supplier engagement, encouraging all sites and partners to adopt green design, green production, green supply chain practices, and green logistics—working together to promote environmental sustainability.

### ✿ ASUS Foundation – “Reverse Logistics Recycling & Refurbished Computer Donation Program”

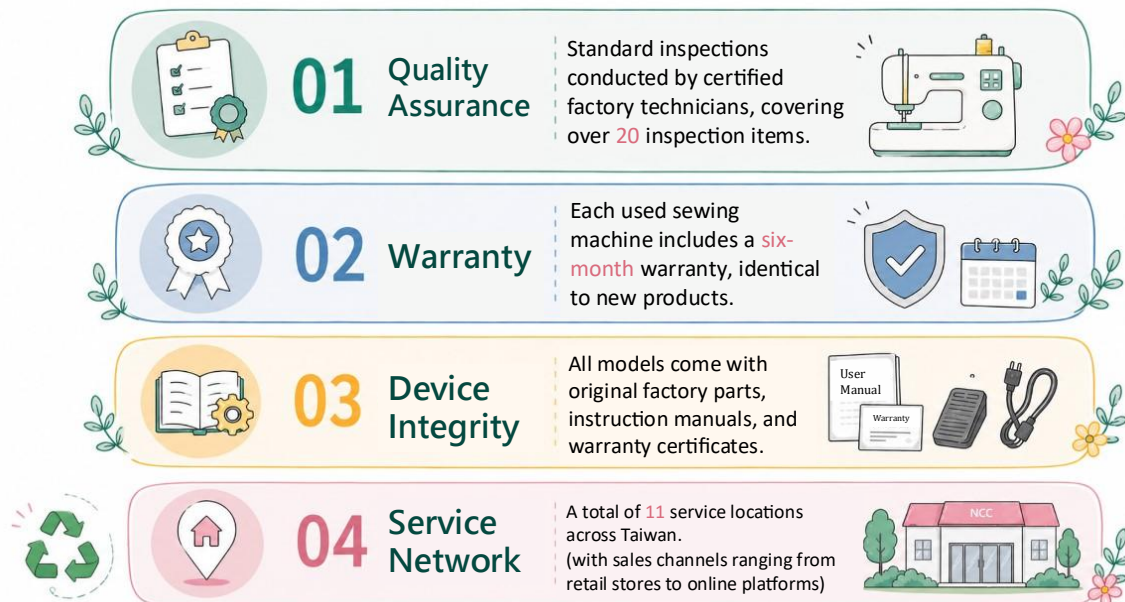
To support environmental sustainability, Taiwan HQ has participated in the Reverse Logistics Recycling Computer Donation Program initiated by the ASUS Foundation since 2021. Retired computers and IT equipment are donated to the foundation for use by underprivileged children, students, women, senior citizens, and people with disabilities, helping bridge the digital divide through resource reuse and the circular economy. In 2025, Taiwan HQ donated 23 desktop computers, 3 laptop computers, 34 LCD monitors, and 256 peripheral devices. Cumulatively from 2021 to 2025, the Company has donated 210 desktop computers, 56 laptop computers, 124 LCD monitors, and 633 peripheral devices, reducing carbon emissions by approximately **10 metric tons of CO<sub>2</sub>e**, equivalent to preserving about **841 trees**.



Electronic waste contains valuable metals that can be recovered, but improper disposal may lead to chemical reactions that contaminate soil and the environment. Through recycling and reuse, Zeng Hsing aims to contribute to environmental protection and responsible resource management.

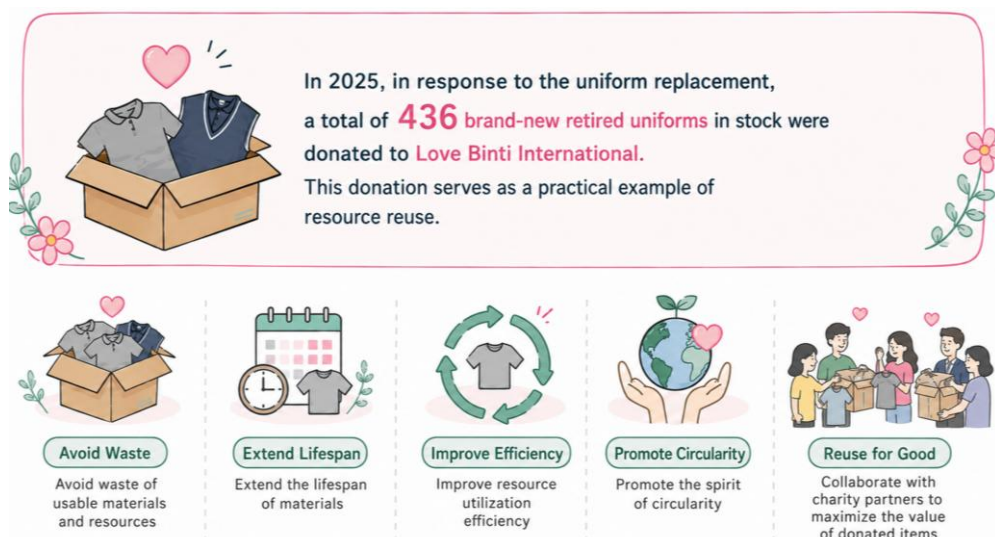
### ✿ Taiwan Cheer Champ – Refurbishing Second-hand Sewing Machines

Through its subsidiary Taiwan C.H. Lifestyle Center, Zeng Hsing has promoted the reuse of pre-owned sewing machines for many years by providing a comprehensive take-back program. Customers can trade in their used machines at preferential prices when upgrading to higher-end models. Returned machines are professionally refurbished and classified into Grade A, B, or C based on their condition, and are sold with four customer assurance guarantees to ensure product quality and reliability. In 2025, a total of **235** refurbished sewing machines were sold, avoiding approximately **11.32** metric tons of CO<sub>2</sub>e emissions. Going forward, Zeng Hsing will continue to promote the circulation of refurbished products, creating both environmental and economic value together with consumers.



## ✳️Donation of Retired Uniforms

Taiwan HQ continued to identify reusable resources and collaborated with appropriate nonprofit organizations to promote resource circulation while creating both environmental and social value. In 2025, following the replacement of employee uniforms, 436 brand-new retired uniforms were donated to the Love Binti International as a practical initiative to extend the useful life of resources. The donation not only prevented usable materials from becoming idle or wasted but also extended the service life of the uniforms, improved resource efficiency, and demonstrated the Company's commitment to circular resource utilization.



## ✳️ Donation of Used Facility Equipment to Nonprofit Organizations

In addition to clothing donations, the Group further enhanced resource utilization by conducting a comprehensive inventory and classification of idle facility equipment across its operations. The ESGO then invited long-term nonprofit partners to identify and receive reusable equipment through a structured matching and management process. As a result, **1,241** pieces of used equipment were successfully donated, significantly reducing the amount of idle assets that would otherwise have become waste and minimizing environmental impacts. By extending the service life of equipment and promoting resource reuse, the initiative further demonstrates the Group's commitment to the circular economy and sustainable development while maximizing resource value and generating positive social impact.



## ✿ Paperless Office Initiative at Taiwan HQ

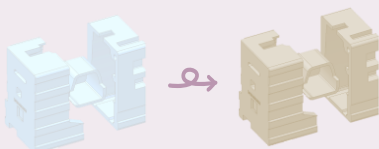
To improve resource efficiency and reduce environmental impacts, Taiwan HQ has implemented a comprehensive paperless office policy by adopting digital workflows and electronic document management systems to minimize paper consumption and printing. The Company establishes paper consumption targets for each department and regularly reviews performance to continuously improve paper usage and operational processes. Employees are encouraged to use the OA system for electronic document approvals, cloud-based file storage, and online collaboration tools, which not only improve operational efficiency and information security but also reduce operating costs and carbon emissions. In addition, the Company continues to promote paperless working practices by encouraging digital communication and document management while regularly monitoring implementation results to ensure the effectiveness of the policy. Going forward, Zeng Hsing plans to expand these initiatives across the Group, further advancing low-carbon office operations and sustainable business practices.



## ✿ Green Design – Replacing Expanded Polystyrene (EPS) Packaging with Recyclable Pulp and Paperboard

To reduce the environmental impacts of product packaging, Zeng Hsing continues to incorporate green design principles into product development by gradually replacing expanded polystyrene (EPS) packaging with recyclable molded pulp and paperboard packaging for both sewing machines and vacuum cleaners. The optimized packaging materials help reduce plastic waste generation while improving packaging recyclability and lowering environmental impacts throughout the product life cycle. At the same time, without compromising product protection or transportation safety, the Company continues to evaluate packaging reduction and lightweight design opportunities to decrease material consumption and transportation-related carbon emissions, further supporting the principles of the circular economy and sustainable development.

### Replacing EPS Packaging with Paper-Pulp Packaging



#### **Pulp Packaging :**

Pulp packaging has been introduced for mechanical and computerized sewing machines, reducing protective foam/plastic usage and supporting a more sustainable environment.

### Replacing EPS Packaging with Paperboard Packaging



#### **Paperboard Packaging :**

Paperboard packaging has been introduced for selected vacuum cleaner models, reducing protective foam/plastic usage while maintaining product protection and improving environmental sustainability.

## 7.5 Biodiversity and Nature Conservation



Zeng Hsing recognizes the importance of nature conservation and biodiversity. Although biodiversity was not identified as a material sustainability topic through the materiality assessment, the Company remains committed to the principles of respecting nature, avoiding environmental harm, and minimizing environmental impacts by integrating environmentally responsible practices into its daily operations and employee initiatives.

The Group's major operating sites are located within industrial zones and are not situated in or adjacent to protected areas, ecologically sensitive areas, or areas of high biodiversity value. Based on a preliminary assessment, the Group's operations do not involve the conversion of natural habitats, nor have any significant direct impacts on local ecosystems been identified. Nevertheless, the Company continues to minimize indirect impacts on the natural environment and resources through environmental management, pollution prevention, resource conservation, and waste management initiatives.

In its daily operations, the Company promotes paperless practices through electronic approval systems, digital forms, and digital management processes to reduce paper consumption and waste generation (please refer to Section 7.4 Circular Economy), thereby improving resource efficiency. In addition, through its volunteer team, the Company encourages employees to participate in local environmental initiatives, including mountain clean-up activities (please refer to Section 6.2 Zeng Hsing Volunteer Team), fostering greater awareness of environmental protection and biodiversity conservation in both the workplace and daily life.

Looking ahead, Zeng Hsing will continue to monitor international developments in nature-related disclosures and, taking into consideration changes in operating sites and manufacturing processes as well as stakeholder concerns, progressively strengthen the identification and management of nature- and biodiversity-related issues, thereby fulfilling its commitment to environmental sustainability.

Zeng Hsing is committed to complying with applicable environmental protection, ecological conservation, and biodiversity-related laws and regulations in all regions where it operates. Guided by the principles of respecting nature, avoiding environmental harm, and minimizing impacts, the Company seeks to prevent its operations from causing the degradation of natural habitats or significant adverse impacts on biodiversity.

The Group's major operating sites are located within industrial zones and are not situated in or adjacent to protected areas, ecologically sensitive areas, or areas of high biodiversity value. Should the Company establish new operating sites or make significant changes to existing sites in the future, environmental and ecological impacts will be taken into consideration during site selection and planning to minimize potential impacts on the natural environment.

Zeng Hsing will continue to minimize the indirect environmental impacts of its operations through pollution prevention, resource conservation, waste management, paperless operations, environmental education, and local environmental initiatives. It will also progressively enhance awareness of biodiversity and nature conservation among employees and stakeholders, working together to advance environmental sustainability.

## 8 Appendix

### 8.1 GRI Standards Index

GRI 1 Used: GRI 1: Foundation 2021

Applicable GRI Sector Standard(s): None

#### General Disclosures

| GRI 2 General Disclosures                       | Disclosure Item                                                                  | Corresponding Chapter                                                        | Pages                                  |
|-------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------|----------------------------------------|
| 1. The Organization and its Reporting Practices | 2-1 Organizational details                                                       | 1.1 About Zeng Hsing                                                         | 11 、 13                                |
|                                                 | 2-2 Entities included in the organization' s sustainability reporting            | About This Report                                                            | 1 、 2                                  |
|                                                 | 2-3 Reporting period, frequency and contact point                                |                                                                              |                                        |
|                                                 | 2-5 External assurance                                                           |                                                                              |                                        |
|                                                 | 2-4 Restatements of information                                                  | No restatement of information                                                | 2 、 113                                |
| 2. Activities and Workers                       | 2-6 Activities, value chain and other business relationships                     | 1.1 About Zeng Hsing, 1.2 Operating Information, 4.4 Supply Chain Management | 13 、 14 、 52                           |
|                                                 | 2-7 Employees                                                                    | 5.1 Employee Profile in 2025                                                 | 57                                     |
|                                                 | 2-8 Workers who are not employees                                                |                                                                              |                                        |
| 3. Governance                                   | 2-9 Governance structure and composition                                         | 3.1 Corporate Governance                                                     | Annual Report<br>(English Version)     |
|                                                 | 2-10 Nomination and selection of the highest governance body                     | Please refer to the Annual Report, pages 18–20                               |                                        |
|                                                 | 2-11 Chair of the highest governance body                                        | Please refer to the Annual Report, pages 8–11                                |                                        |
|                                                 | 2-12 Role of the highest governance body in overseeing the management of impacts | Please refer to the Annual Report, pages 18                                  |                                        |
|                                                 | 2-13 Delegation of responsibility for managing impacts                           | Please refer to the Annual Report, pages 18,86–96                            |                                        |
|                                                 | 2-14 Role of the highest governance body in sustainability reporting             | Please refer to the Annual Report, pages 86–96                               |                                        |
|                                                 | 2-15 Conflicts of interest                                                       | Please refer to the Annual Report, pages 39                                  |                                        |
|                                                 | 2-16 Communication of critical concerns                                          | Please refer to the Annual Report, pages 39                                  |                                        |
|                                                 | 2-17 Collective knowledge of the highest governance body                         | Please refer to the Annual Report, pages 23                                  |                                        |
|                                                 | 2-18 Evaluation of the performance of the highest governance body                | Please refer to the Annual Report, pages 39–49                               |                                        |
|                                                 | 2-19 Remuneration policies                                                       | Please refer to the Annual Report, pages 80–86.                              |                                        |
|                                                 | 2-20 Process to determine remuneration                                           | Please refer to the Annual Report, pages 80–86.                              |                                        |
|                                                 | 2-21 Annual total compensation ratio                                             | Not disclosed due to privacy considerations.                                 |                                        |
| 4. Strategy, Policies and Practices             | 2-22 Statement on sustainable development strategy                               | A Message From the Chairman &CEO, Material Topic Management Approach         | 3                                      |
|                                                 | 2-23 Policy commitments                                                          |                                                                              | 3 、 20 、 45 、 66 、 76 、 80 、 110 、 118 |
|                                                 | 2-24 Embedding policy commitments                                                |                                                                              | 31 、 63                                |
|                                                 | 2-25 Processes to remediate negative impacts                                     | 3.3 Implementing Ethical Business Practices                                  | 31 、 63                                |

| GRI 2 General Disclosures | Disclosure Item                                         | Corresponding Chapter                             | Pages   |
|---------------------------|---------------------------------------------------------|---------------------------------------------------|---------|
|                           | 2-26 Mechanisms for seeking advice and raising concerns | Management                                        | 31      |
|                           | 2-27 Compliance with laws and regulations               | 3.5 Regulatory Compliance                         | 43      |
|                           | Membership associations                                 | 1.4 Membership of Associations                    | 20      |
| 5. Stakeholder Engagement | 2-29 Approach to stakeholder engagement                 | 2. Stakeholder communication                      | 23 · 24 |
|                           | 2-30 Collective bargaining agreements                   | 5.2 Employee Benefits and Rights                  | 65      |
| Material Topics           | 3-1 Process to determine material topics                | 2.2 Stakeholder Identification and Material Topic | 24      |
|                           | 3-2 List of material topics                             | Assessment                                        | 26      |

## Specific Disclosures

| GRI Standards                   | Disclosure Title                                                                                   | Corresponding Chapter                                                                     | Pages             | Remarks |
|---------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------|---------|
| 1. Energy and Emissions         |                                                                                                    |                                                                                           |                   |         |
| 1.1 GRI 3-3                     | Management of Material Topics                                                                      | 7. Eco-Sustainability<br>7.1 Energy and Resource Consumption and Greenhouse Gas Inventory | 110<br>114<br>118 |         |
| 1.2 GRI 302-1                   | Energy consumption within the organization                                                         |                                                                                           |                   |         |
| 1.3 GRI 302-3                   | Energy intensity                                                                                   |                                                                                           |                   |         |
| 1.4 GRI 305-1                   | Direct Energy (Category 1) GHG emissions                                                           |                                                                                           |                   |         |
| 1.5 GRI 305-2                   | Energy indirect (Category 2) GHG emissions                                                         |                                                                                           |                   |         |
| 1.6 GRI 305-3                   | Other indirect (Category 3-5) GHG emissions                                                        |                                                                                           |                   |         |
| 1.7 GRI 305-4                   | GHG emissions intensity                                                                            |                                                                                           |                   |         |
| 2. Labor / Employment Relations |                                                                                                    |                                                                                           |                   |         |
| 2.1 GRI 3-3                     | Management of Material Topics                                                                      | 5.2 Employee Benefits and Rights                                                          | 65-70             |         |
| 2.3 GRI 401-2                   | Benefits provided to full-time employees that are not provided to temporary or part-time employees |                                                                                           |                   |         |
| 2.4 GRI 401-3                   | Parental leave                                                                                     |                                                                                           |                   |         |
| 2.5 GRI 402-1                   | Minimum notice periods regarding operational changes                                               |                                                                                           |                   |         |
| 3. Green Products               |                                                                                                    |                                                                                           |                   |         |
| 3.1 GRI 3-3                     | Management of Material Topics                                                                      | 7.3 Reduction in Energy Demand of Products and Services                                   | 118-121           |         |
| 3.2 GRI 302-5                   | Reductions in energy requirements of products and services                                         |                                                                                           |                   |         |
| 4. Training and Education       |                                                                                                    |                                                                                           |                   |         |
| 4.1 GRI 3-3                     | Management of Material Topics                                                                      | 5.3 Employee Training and Development                                                     | 71<br>75          |         |
| 4.5 GRI 404-1                   | Average hours of training per year per employee                                                    |                                                                                           |                   |         |
| 4.6 GRI 404-3                   | Percentage of employees receiving regular performance and career development reviews               |                                                                                           |                   |         |
| 5. Economic Performance         |                                                                                                    |                                                                                           |                   |         |
| 5.1 GRI 3-3                     | Management of Material Topics                                                                      | 1.3 Operating and Financial Information                                                   | 20                |         |
| 5.2 GRI 201-1                   | Direct economic value generated and distributed                                                    | 1.3 Operating and Financial Information                                                   | 19                |         |

| GRI Standards                     | Disclosure Title                                                                                              | Corresponding Chapter                                                                 | Pages | Remarks |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------|---------|
| 5.3 GRI 201-2                     | Financial implications and other risks and opportunities due to climate change                                | 3.4 Risk Management                                                                   | 35    |         |
| 5.4 GRI 201-3                     | Defined benefit plan obligations and other retirement plans                                                   | 5.2 Employee Benefits and Rights                                                      | 66    |         |
| 5.5 GRI 201-4                     | Financial assistance received from government                                                                 | 5.3 Employee Training and Development                                                 | 71    |         |
| 6. Occupational Health and Safety |                                                                                                               |                                                                                       |       |         |
| 6.1 GRI 3-3                       | Management of Material Topics                                                                                 | 5.4 Safety Culture and Responsibility<br>5.5 Employee Health Management and Promotion | 77-83 |         |
| 6.2 GRI 403-1                     | Occupational health and safety management system                                                              |                                                                                       |       |         |
| 6.3 GRI 403-2                     | Hazard identification, risk assessment, and incident investigation                                            |                                                                                       |       |         |
| 6.4 GRI 403-3                     | Occupational health services                                                                                  |                                                                                       |       |         |
| 6.5 GRI 403-4                     | Worker participation, consultation, and communication on occupational health and safety                       |                                                                                       |       |         |
| 6.6 GRI 403-5                     | Worker training on occupational health and safety                                                             |                                                                                       |       |         |
| 6.7 GRI 403-6                     | Promotion of worker health                                                                                    |                                                                                       |       |         |
| 6.8 GRI 403-7                     | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships |                                                                                       |       |         |
| 6.9 GRI 403-8                     | Workers covered by an occupational health and safety management system                                        |                                                                                       |       |         |
| 6.10 GRI 403-9                    | Work-related injuries                                                                                         |                                                                                       |       |         |
| 6.11 GRI 403-10                   | Work-related ill health                                                                                       |                                                                                       |       |         |
| 7. Customer Health and Safety     |                                                                                                               |                                                                                       |       |         |
| 7.1 GRI 3-3                       | Management of Material Topics                                                                                 | 4. Sustainable Products and Services                                                  | 45    |         |
| 7.2 GRI 416-1                     | Assessment of the health and safety impacts of product and service categories                                 |                                                                                       |       |         |
| 7.3 GRI 416-2                     | Incidents of non-compliance concerning the health and safety impacts of products and services                 |                                                                                       |       |         |

The following disclosures are voluntarily provided with reference to the GRI Standards for topics not identified as material by Zeng Hsing.

| GRI Standards | Disclosure Title                                                          | Corresponding Chapter                                            | Pages | Remarks                                                               |
|---------------|---------------------------------------------------------------------------|------------------------------------------------------------------|-------|-----------------------------------------------------------------------|
| GRI 203-1     | Infrastructure investments and services supported and significant impacts | 6. Social Engagement                                             | 84    |                                                                       |
| GRI 204-1     | Proportion of spending on local suppliers                                 | 4.4 Supply Chain Management                                      | 52    |                                                                       |
| GRI 205-1     | Operations assessed for risks related to corruption                       | 3.3 Implementing Ethical Business Practices                      | 31    |                                                                       |
| GRI 205-2     | Communication and training about anti-corruption policies and procedures  |                                                                  |       |                                                                       |
| GRI 205-3     | Confirmed incidents of corruption and actions taken                       |                                                                  |       | No incidents of corruption were reported during the reporting period. |
| GRI 303-1     | Interactions with water as a shared resource                              | 7.1 Energy and Resource Consumption and Greenhouse Gas Inventory | 111   |                                                                       |
| GRI 303-3     | Water withdrawal                                                          |                                                                  |       |                                                                       |
| GRI 303-4     | Water discharge                                                           |                                                                  |       |                                                                       |

| GRI Standards | Disclosure Title                                                                                               | Corresponding Chapter                | Pages | Remarks                                                                                                                                                       |
|---------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 303-5     | Water consumption                                                                                              |                                      |       |                                                                                                                                                               |
| GRI 306-1     | Waste generation and significant waste-related impacts                                                         | 7.2 Waste Management                 | 116   |                                                                                                                                                               |
| GRI 306-2     | Management of significant waste-related impacts                                                                |                                      |       |                                                                                                                                                               |
| GRI 306-3     | Waste generation                                                                                               |                                      |       |                                                                                                                                                               |
| GRI 306-4     | Waste diverted from disposal                                                                                   |                                      |       |                                                                                                                                                               |
| GRI 306-5     | Waste directed to disposal                                                                                     |                                      |       |                                                                                                                                                               |
| GRI 308-1     | New suppliers that were screened using environmental criteria                                                  | 4.4 Supply Chain Management          | 53    |                                                                                                                                                               |
| GRI 405-1     | Diversity of governance bodies and employees                                                                   | 5.1 Employee Profile in 2025         | 59    |                                                                                                                                                               |
| GRI 405-2     | Ratio of the basic salary and remuneration of women to men                                                     |                                      |       |                                                                                                                                                               |
| GRI 406-1     | Incidents of discrimination and corrective actions taken                                                       |                                      |       | No complaints related to discrimination were received during the reporting period.                                                                            |
| GRI 407-1     | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 5.2 Employee Benefits and Rights     | 65    |                                                                                                                                                               |
| GRI 408-1     | Operations and suppliers at significant risk for incidents of child labor                                      | 3.5 Regulatory Compliance            | 44    |                                                                                                                                                               |
| GRI 409-1     | Operations and suppliers at significant risk for incidents of forced or compulsory labor                       |                                      |       |                                                                                                                                                               |
| GRI 414-1     | New suppliers that were screened using social criteria                                                         | 4.4 Supply Chain Management          | 52    |                                                                                                                                                               |
| GRI 415-1     | Political contributions                                                                                        |                                      |       | No political contributions were made during the reporting period.                                                                                             |
| GRI 417-2     | Incidents of non-compliance concerning product and service information and labeling                            | 4.2 Marketing of Product and Service | 48    | No incidents of non-compliance concerning product and service information and labeling or marketing communications were reported during the reporting period. |
| GRI 417-3     | Incidents of non-compliance concerning marketing communications                                                |                                      |       |                                                                                                                                                               |
| GRI 418-1     | Substantiated complaints concerning breaches of customer privacy and losses of customer data                   | 4.3 Customer Satisfaction            | 49    | No substantiated complaints concerning breaches of customer privacy or loss of customer data were received during the reporting period.                       |

8.2 TUV Audit report



Independent Assurance Statement

Zeng Hsing Industrial Co., Ltd. 2025 Sustainability Report

Introduction

TÜV Rheinland Taiwan Ltd., a member of TÜV Rheinland Group, Germany (hereinafter “TÜV Rheinland Taiwan” or “We”), has been entrusted by the management of Zeng Hsing Industrial Co., Ltd. (hereinafter “Zeng Hsing” or “the Company”) to conduct independent assurance of Zeng Hsing’s Sustainability Report 2025 (hereinafter “the Report”) in accordance with the Type 1, Moderate level of assurance requirements under the AccountAbility AA1000 Assurance Standard v3 (AA1000AS v3). This Independent Assurance Statement provides assurance solely for the relevant matters within the scope defined in Zeng Hsing’s Sustainability Report 2025 and shall not be used as a basis for any other purposes.

TÜV Rheinland Taiwan reserves the right to update this Independent Assurance Statement from time to time, depending on the extent of deviations between the final publicly released version and the established criteria.

Intended users of the assurance statement

This Independent Assurance Statement is provided with reference to all Zeng Hsing’s stakeholders.

Scope of Assurance and Applicable Criteria

In accordance with the engagement agreement signed with Zeng Hsing, TÜV Rheinland Taiwan evaluated the disclosed information, data, processes, and systemic evidence of internal control mechanisms. The scope of this assurance engagement and the applicable criteria include:

- The scope of the assurance activities is consistent with the reporting boundaries disclosed in Zeng Hsing’s Sustainability Report 2025;
- The assurance criteria applied are based on Type 1 of the AA1000 Assurance Standard v3 (AA1000AS v3) to evaluate Zeng Hsing against the following items:
  - a) Adherence to the AA1000 AccountAbility Principles 2018 (AA1000 AP), namely Inclusivity, Materiality, Responsiveness, and Impact. This excludes the verification of report quality and reliability of general information/data disclosed in the Report;
  - b) Adherence to the AA1000 Stakeholder Engagement Standard 2015 (AA1000 SES);
  - c) Degree of the Global Reporting Initiative (GRI) Standards 2021 - GRI 1: Foundation, GRI 2: General Disclosures, GRI 3: Material Topics, and the degree of compliance with the Topic Standards corresponding to the annual material topics;
  - d) Degree of compliance with the Sustainability Accounting Standards Board (SASB) Standards for Appliance Manufacturing (2023-12).

Zeng Hsing’s Responsibility

Zeng Hsing’s management is responsible for the preparation of the annual sustainability report with reference to appropriate reporting criteria, including making relevant disclosures in accordance with the GRI Standards (2021) issued by the Global Reporting Initiative (GRI). Zeng Hsing’s management is responsible for ensuring that the information disclosed in the sustainability report is fairly presented, in all material respects, in accordance with the applicable criteria. This responsibility includes establishing, implementing, and maintaining internal controls relevant to the collection, aggregation, and disclosure of sustainability information; maintaining adequate records; and making reasonable estimates and judgments, such that the sustainability report is free from material misstatement, whether due to fraud or error.



TÜV Rheinland Taiwan’s Responsibilities

TÜV Rheinland Group is a global service provider of CSR & Sustainability Services in over 65 countries, having qualified professionals in the field of Corporate Sustainability Assurance, Environment, Social and Stakeholder Engagement. Throughout this assurance engagement, our assurance team maintained complete impartiality and independence and was not involved in the preparation of the Report’s content. Adhering to our internal Sustainability Report Assurance Process, professional ethics, an objective attitude, professional competence, and sound judgment, we have obtained sufficient and appropriate evidence to provide a basis for the conclusion stated in this Independent Assurance Statement.

Description of assurance procedures

In accordance with the Type 1, Moderate level of assurance requirements under the AA1000 Assurance Standard v3 (AA1000AS v3), TÜV Rheinland Taiwan performed assurance procedures on the information reported in the annual Sustainability Report at Zeng Hsing’s headquarters from 2026-06-01 to 2026-06-03. The procedures performed included:

- Conducted interviews with Zeng Hsing’s personnel to understand its business operations, the overall implementation of sustainable development, and the sustainability reporting process;
- Conducted interviews with relevant personnel to understand the processes for collecting, compiling, and disclosing information;
- Reviewed relevant documents and conducted interviews to understand Zeng Hsing’s key stakeholders, their expectations and needs, the specific communication channels, and how the Company responds to such expectations and needs; however, we did not directly engage with external stakeholders;
- Reviewed the process of material topic identification and statistical analysis;
- Checked whether the calculation methodologies have been appropriately applied in accordance with the methods outlined in the applicable criteria;
- Performed procedures based on sampling principles and analytical procedures, and reviewed relevant documentation relating to sustainability strategies, management practices, performance information, and data sources, to assess their appropriateness and consistency of the reported disclosures;
- Assessed Zeng Hsing’s relevant disclosures in accordance with the GRI Standards and SASB Standards;
- Read the Report to confirm its consistency with the sustainability-related evidence obtained by the assurance team during the on-site visit.

Limitations

The scope of this assurance engagement does not include the verification of financial information and sustainability-related information, such as greenhouse gas (GHG) emissions data, that have been audited or assured by other third-party organizations.

Furthermore, the non-financial information disclosed in the sustainability report is subject to inherent measurement uncertainties. The application of different measurement methods may result in materially different quantitative outcomes. Additionally, as this assurance engagement is conducted on a sampling basis and given the inherent limitations of any internal control system, there is an unavoidable risk that some existing material misstatements may not be detected during the on-site verification, whether resulting from fraud or error.



Compliance with the AA1000 Principles

The following are the results of TÜV Rheinland Taiwan’s review of the AA1000 Accountability Principles (2018):

- **Inclusivity:** Zeng Hsing has identified key stakeholders and continues to seek their participation. The process considers issues of concern to stakeholders and establishes significant sustainability issues based on this, developing management strategies to respond to sustainability in a responsible and appropriate manner. Evidence shows that this report reflects the Company’s inclusive approach to stakeholder issues and has had an accountable impact on both internal and external stakeholders.
- **Materiality:** Zeng Hsing has implemented materiality assessment. The identification of issues is based on the needs and concerns of stakeholders, internal policy considerations, and understanding and communication of sustainable development content, thereby disclosing the materiality and impact of issues. Evidence shows that the Company has appropriately responded to the identified material issues in accordance with their priority and materiality, demonstrating the organization’s accountability.
- **Responsiveness:** Zeng Hsing has responded to material issues of concern to stakeholders and engaged with them through diverse channels and measures. The Company has set clear quantitative targets to track performance and complete systematic information responses, thereby appropriately demonstrating its proactive responsiveness and commitment to accountability.
- **Impact:** Zeng Hsing has effectively identified and disclosed its impacts through transparent, diverse, fair, and effective means, and has established measurement, monitoring, tracking, and management processes to appropriately demonstrate its performance and impact in terms of the environment, society, and governance. The Company has also fully disclosed and reported this information in the Report.

Conclusion

Based on the assurance procedures performed and the evidence obtained, we have not identified any instances or information that would contradict the following statements:

- Zeng Hsing’s 2025 Sustainability Report meets the relevant requirements of Type 1 Moderate Level of Assurance under the AA1000 Assurance Standard v3 (AA1000AS v3), as well as the applicable requirements of the GRI Standards and SASB Standards;
- The contents of the Report, including statements and claims, are derived from written supporting documents and internal records provided by Zeng Hsing, and adequately reflect the achievements attained by the Company, as well as the challenges the Company faces.

TÜV Rheinland Taiwan shall not bear any liability or responsibility to a third party for perception and decision about Zeng Hsing based on this Assurance Statement.



Taipei, Taiwan  
2026-07-01

Ryan C. C. Hsiang  
Vice General Manager, People & Business Assurance  
TÜV Rheinland Taiwan Ltd.  
11F., No.758, Sec. 4, Bade Rd., Songshan District,  
Taipei 105, Taiwan



# Corporate Sustainability Reports

