



2023 SUSTAINABILITY REPORT

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About this Report

Roo-Hsing Co., Ltd. (hereinafter referred to as Roo-Hsing/J.D. United) has been regularly publishing its Sustainability Report annually since 2017. This report is the seventh Sustainability Report issued by Roo-Hsing/J.D. United. The primary purpose of this report is to disclose to the public and stakeholders the company’s efforts, performance, and future strategies in the three major aspects: Environmental, Social, and Governance (ESG). Roo-Hsing/J.D. United adheres to the principles of transparency, integrity, and objectivity, hoping that through this report, its stakeholders will understand the company’s efforts in corporate sustainability development, its commitment to social responsibility, and its determination to strive for progress.

Reporting Period

The reporting period of this report is consistent with the company’s financial report, primarily covering data and content from the 2023 fiscal year (January 1 to December 31). However, some performance data will be retrospectively traced back to 2022 and extended to April 2024, with explanations noted in the report.

Basis for Data Calculation

The financial data in this report are based on publicly available information audited by certified public accountants and are denominated in New Taiwan Dollars (NTD). Other data are derived from self-compiled statistical information of the company and the results of internal and external surveys. All statistical data are presented in metric units.

Reference

This report is prepared in accordance with the 2021 version of the Global Reporting Initiative (GRI) Standards. It also references the framework of the Task Force on Climate-related Financial Disclosures (TCFD) and adopts sustainability metrics from the Sustainability Accounting Standards Board (SASB) for disclosures. For the GRI Standards content index and the SASB reference table, please refer to the appendix.

Boundaries and Scope

The information disclosed in this report primarily focuses on Roo-Hsing/J.D. United’s three major operational locations: Taipei (Taiwan), Changzhou (China), and Cambodia. Part of the reporting data covers Roo-Hsing/J.D. United’s operations in other countries. If other regions are involved, specific explanations will be provided in the report. In this report, “Roo-Hsing/ J.D. United” or “we” is used as an abbreviation for Roo-Hsing Co., Ltd.

Publication

Issuance Date: August 2023, The next Issuance expected: in the year of 2024.

Feedback

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If you have any feedback or advice on this report, you are welcome to contact us.

Message from our Chairman

As a key partner of major apparel brands, Roo-Hsing/J.D. United has always been committed to sustainable development, prioritizing environmental protection, actively promoting innovation, and planning ahead for the future. Guided by the core values of “Sustainability as our Foundation, Environment first, Proactive Innovation, and Foresight into the Future,” we are fully committed to fulfilling our promises. Through sustainable business practices, we strive to reduce our impact on the environment while ensuring efficient resource utilization in all aspects.

The key to success in the apparel industry lies in five essential factors: management, scale, talent, technology, and capital. Roo-Hsing/J.D. United not only pursues economics of scale but also focuses on improving product quality and production efficiency. At the same time, the company is dedicated to developing eco-friendly materials, reducing the use of chemical dyes, minimizing water consumption and energy waste, progressively achieving the goal of “minimizing environmental pollution during the production process.” To prevent negative impact on the environment, our washing plants have gradually replaced traditional potassium permanganate and pumice with a zero-hazardous PP substitute, implementing eco-friendly practices from the source of our washing process. Our Research and Development team continuously explores cutting-edge technologies not only to enhance product quality for our customers’ satisfaction, but also to engage in environmental protection, ensuring we maintain a leading position in the market. We firmly believe that only through constant innovation can we stand out in the fierce market competition. We will continue to uphold these core values and intensify our efforts in sustainable development, ensuring that each step we take sets a new benchmark for the industry. Together with our upstream and downstream partners, we aim to move towards a greener and more prosperous future.

In terms of attracting talent, localization and internationalization are the two core pillars. The apparel manufacturing industry is known for its high labor intensity and complex processes, where local talent is the foundation for the operations at each site. However, we rely on an international talent pool to introduce advanced technology and management experience, further elevating the company’s altitude and competitiveness, eventually leading to sustainable growth. Within the company, comprehensive talent training and development programs have been established, integrating supply chain projects such as V.O.I.C.E., P.A.C.E., and AEO to enhance employees’ professional growth and well-being. We offer a friendly working

environment and competitive compensation and benefits, ensuring the work-life-balance of our employees. We also encourage personal growth and self-value enhancement, and thus attracting outstanding talent, both internationally and from Taiwan.

In the face of future challenges and goals, we are not only optimizing our existing initiative for technologies, productivity, and employee care and development programs, but also continuously strengthening corporate governance and enhancing the supervisory functions of the Board of Directors, so as to fulfill our responsibilities in sustainability and our commitments to stakeholders. The Board of Directors views transparency and accountability as core values of corporate governance, ensuring that every decision undergoes rigorous evaluation and aligns with the highest ethical standards. The Board of Directors plays a crucial role in overseeing the company’s operations and management, ensuring that the company’s strategies and actions are always guided by sustainable development principles. The governance of the Board of Directors not only enhances trust and transparency both within and outside the company, but also solidifies our commitment to achieving sustainable development goals.

At the same time, we fully recognize that maintaining strong relationships with our stakeholders is the cornerstone of long-term business development. We engage in regular communication with our brand customers, shareholders, Board of Directors, and regulatory authorities, who provide us guidance and oversight. We listen to the suggestion and expectations of these parties and integrate them into our strategic decision-making process. Guided by our core values of “Sustainability as our Foundation, Environment first, Proactive Innovation, and Foresight into the Future,” we continuously enhance the company’s comprehensive competitiveness. Through relentless efforts and innovation, we aim to deliver excellent products and services to the global market while contributing to a greener and more prosperous future.

Chairman **Jeremy Chi**

2023 Sustainability Highlights

Financial Management

- Consolidated revenue of NTD 13,517,416 thousand.
- Investment of NTD 7,536 thousand for research and development.
- 100% passed the assessments from major brand customers.

Expertise/ Products

- Continuously integrating topics of corporate social responsibility into our product lifecycle considerations.
- Introduced 124 automated washing machines, enabling energy and power efficiency.
- Continuous engagement of our Washing Team in research and development of washing techniques.
- Officially recognized as an outstanding supplier by brand partners.

Environment

- Completed the training for ISO 9001 and ISO 14001 internal auditors.
- Introduced solar photovoltaic power generation system in our Cambodian operations, Hung Hsing Garment's washing plant and JD & Toyoshima's Factory, further reducing carbon emission.
- Adopted a zero-hazardous PP substitute to replace traditional potassium permanganate, implementing eco-friendly practices from the source of our washing process.
- Gradually achieving the goal of minimizing environmental pollution during the production process.
- All our production sites have passed the wastewater and ZDHC emission tests required by local government.
- 100% of the chemical materials used at the Cambodia site have passed the verification of third-party verifiers recognized by Screened Chemistry (SC) and ZDHC.

Employee

P.A.C.E.

Strengthened the communication skill and problem-solving ability of female employees, enhancing their work-life balance and boosting their self-confidence.

V.O.I.C.E

Roo-Hsing/J.D. United Group has centered its activities around the core value of V.O.I.C.E., committing to fostering a corporate culture that is healthy, harmonious, equal, and respectful, with a strong emphasis on diversity and inclusion. Guided by the principles of adaptiveness, integrity, courage, and empathy, the company strives to create an environment where these values thrive.

Authorized Economic Operator (AEO) Training

Provided training focused on trade security, supply chain security, and information security. The training program has achieved 100% coverage.

Human Rights Due Diligence

Roo-Hsing/J.D. United has conducted preliminary human rights risk identification and assessment for its employees. In the future, the company plans to carry out comprehensive human rights due diligence in accordance with various international human rights conventions, including the "United Nations Guiding Principles on Business and Human Rights."

Company Profile and Sustainability Strategy

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1.1 About Roo-Hsing/J.D. United

1.1.1 Company Overview

Roo-Hsing/J.D. United was founded in 1977, originally specializing in garment production, sales, and denim jeans OEM manufacturing. Over the recent years, the company has vertically integrated its supply chain, offering a one-stop service from product design and order fulfillment to raw material development, production, procurement, and quality control. To expand its business scope, optimize production efficiency, and create diverse customer management models, Roo-Hsing/J.D. United has entered the largest U.S. retail supply chain through external investments, positioning itself in the global market to deliver the highest quality products and services.

The five key elements for success in the apparel industry are management, scale, talent, technology, and capital. Roo-Hsing/J.D. United has a particular passion and dedication to denim jeans. Driven by the vision of “Sustainability as our Foundation, Environment first, Proactive Innovation, and Foresight into the Future,” we are deeply committed to the garment industry and have established the “New 3C” values for management: Care, Communication, and Creativity, embedding these spirits into our business operations and talent development. In the future, Roo-Hsing/J.D. United aims to foster collective decision-making and cultivate partnerships with collaborators from around the world to drive the company’s growth. In the face of intense competition in the textile industry, we will continue to establish automated production systems and facilities to replace the outdated ones, and at the same time actively nurture strong relationships with business partners. Our goal is to develop innovative customer solutions and new business models, and thus-starting with denim jeans-to make the entire fashion industry more eco-friendly and sustainable.

1.1.2 Products and Services

Roo-Hsing/J.D. United offers customers a diverse range of products and one-stop shopping services. The main products include various types of denim jeans, casual shorts and trousers, sportswear sets, and high-end garments such as women’s skirts and simple dresses made from cotton and synthetic fibers. To balance sustainability with product quality, we engage in continuous innovation in equipment and technology. We invested in automation, laser, ozone washing system, and introduced the revolutionary waterless dyeing and printing technology. These advancements aim to optimize the production process, reducing unnecessary waste while meeting the short delivery cycle demanded by fast fashion industry. Our professional and high-quality standards are highly regarded in the market.

Basic Information

Company Name	Roo-Hsing Co., Ltd.
Date of Establishment	November 23, 1977
Chairman	CHI, Chung-Ming
General Manager	James Ian Harrison
Company Headquarters	13F-4, No. 57, Fuxing North Road, Songshan District, Taipei City, Taiwan
Paid-in Capital	NT\$ 8,821,149,490 (as of June 30, 2024)
Number of Employees belonging to the Group	15,701 (as of December 31, 2023)
Stock Code	4414

1.2 Sustainability Strategies and Governance

Roo-Hsing/J.D. United ’ s Sustainable Development Strategy and Context

■ Roo-Hsing/J.D. United ’ s Sustainable Vision

We are committed to becoming a socially responsible and sustainable enterprise, making it a key element of our strategy to care for our employees and the environment.	Roo-Hsing/J.D. United has conducted a comprehensive review of its alignment with the United Nations ’ Sustainable Development Goals (SDGs) 2030. Based on these goals, we are expecting to deepen our commitment to environmental, social, and governance (ESG) efforts, progressively moving toward our vision and promise for sustainable development.	Sustainability as our Foundation Environment First Proactive Innovation Foresight into the Future
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In recent years, with increasing uncertainties in the context of globalization, Roo-Hsing/J.D. United has placed great emphasis on the capabilities and quality of corporate governance and risk management. We are attentively seeing that all employees work with greater caution, thoughtful planning, and a responsible attitude, ensuring stable operations and continuous development of the company. In the face of the rapidly evolving and competitive market, Roo-Hsing/J.D. United leverages its advantage in production efficiency to serve as the supplier for leading fashion brands. The company ’ s strengths also include an exceptional design team, approximately 30 production sites, one-stop services, and innovative technologies. We continue to invest resources in the following key areas:

Direction for Development	Description
Revenue Growth	<ul style="list-style-type: none">▪ Expanding the production line, increasing capacity to meet customer demand.▪ Exploring new markets (mainly from the USA and Europe) in addition to maintaining existing customer orders.▪ Roo-Hsing/J.D. United recognizes that the textile industry will soon experience intense competition and large-scale mergers, much like what happened in the electronics industry. Therefore, through mergers and acquisitions (M&A), we continue to expand our operations to satisfy the requirement from brand owners who are now following the trend of seeking supplier integration.
Enhancement in Production Efficiency	<ul style="list-style-type: none">▪ Establishing factory management SOPs, streamlining the production processes and speeding up delivery times.▪ Automated production: Since 2013, Roo-Hsing/J.D. United has adopted automated equipment, improving production efficiency and reducing the company ’ s reliance on labor.▪ Centralized management:<ul style="list-style-type: none">— Adoption of computerized information system, for example, step-by-step instruction of ERP systems, AWS cloud computing, electronic invoicing, and supplier platform, in preparation for seamless information flow between suppliers and customers.— Online operations at various factory sites, with unified fabric inspection where raw materials are verified at a centralized inspection site before being distributed to factories across different countries.— Computerized warehouse management to shorten lead times for pre-production operations.

Direction for Development	Description
Technology Innovation and Strengthening Cross-industry Connection	<ul style="list-style-type: none"> Integrating technology in fabric and technique development: Roo-Hsing/J.D. United is driving technological innovation in the apparel manufacturing industry through cross-industry collaboration with NTXTM Group, applying NTXTM Cooltrans (cold transfer printing) technology to the denim dyeing process. From OEM to ODM: Transitioning from Original Equipment Manufacturing (OEM) to Original Design Manufacturing (ODM), Roo-Hsing/J.D. United now offers a "one-stop" solution for customers in the garment industry, including design, procurement, inspection, and manufacturing, along with relevant supply chain services. Starting from real-time design, the company collaborates with customers for fabric development, leverages its geographical advantages to secure procurement information, and establishes inspection stations that meet customer needs for product quality control. Roo-Hsing/J.D. United has competed a vertical integration for production process, thus fostering a strong reliance from brand customers. Process improvements and equipment upgrades: With the introduction of automated equipment (e.g., laser washing machines), Roo-Hsing/J.D. United has reduced the use of traditional chemicals. The company replace outdated equipment and production processes with new tools and new procedures that helps to reduce water usage and chemical consumption, at the same time minimizing exhaust gas emission and waste water discharge. At the same time, the company switched to more energy-efficient equipment to increase unit yields, ensuring both timely deliveries and high product quality.
Talent Management and Friendly Workplace	<ul style="list-style-type: none"> Maintaining post-pandemic emergency response team even after Covid-19, ensuring that necessary measures are implemented in all domestic and international sites to protect the health and safety of employees. Roo-Hsing/J.D. United has been actively providing all kinds of development programs to cultivate talent in management and to explore employee's potential. The company offers diverse training courses, enhancing employees' essential workplace skills and equip them with knowledge on self-care for daily health. Roo-Hsing/J.D. United places great importance on labor rights and human rights, actively promoting and advocating workplace behavior guidelines. The company works closely with supply chain partners to follow Corporate Social Responsibility (CSR) principles and ensure that all employees, from upstream suppliers to the entire Roo-Hsing/J.D. United team, are treated with the respect and rights they deserve. Roo-Hsing/ J.D. United prioritizes the health and occupational safety of its employees. The company has been investing significant resources and manpower in training course relevant to these topics, aiming to establish a safe working environment.
Eco-friendly Production and Reduction of Environmental Footprint	<ul style="list-style-type: none"> The popularity of denim jeans has remained strong for over a century, largely due to the development of diverse washing techniques. However, traditional washing processes require large amounts of water and chemical agents. Roo-Hsing/J.D. United has made significant efforts in recent years to reduce the pollution and wastewater produced during manufacturing. As International fashion brands are imposing stricter sustainability requirements on their suppliers, Roo-Hsing/J.D. United has actively invested in wastewater treatment to meet these evolving standards and to obtain acknowledgement as a qualified supplier for the international brands. Roo-Hsing/J.D. United has developed advanced washing technologies and introduced Turkish washing machines and the "One Cup Water" procedures, which dramatically reduce water consumption during production. Roo-Hsing/J.D. United has forbidden the usage of toxic chemicals in its manufacturing process, progressively working towards its goal of minimizing environmental pollution during its production process.
Fulfillment of Corporate Social Responsibility	<ul style="list-style-type: none"> Continuously addressing social issues by supporting charitable organizations and activities, providing assistance through both monetary and non-monetary donations to those in need. As a multinational company with operations abroad, Roo-Hsing/J.D. United offers employment opportunities in the countries where its factories are located, serving as a bridge for diplomacy. Through its actions, the company strives to deepen the bonds between Taiwan and other nations.

Sustainable Responsibility Management

Roo-Hsing/J.D. United considers corporate sustainability as a critical foundation for its long-term business operations. Through its efforts, the company aims to keep up with the global trends nowadays, creating value for society, customers, and employees. To integrate ESG principles into its business operations and corporate culture, the company has established an Sustainability Management Committee. This committee oversees and carries out the company's sustainability initiatives. The Chief Sustainability Officer is responsible for drafting sustainability strategies and policies, establishing systems, and designing and implementing relevant management guidelines. Specific activities include evaluating and improving projects related to carbon emissions, workplace safety, occupational health, energy conservation, and environmental protection for all operating sites in various regions. The company reports annually to the Board of Directors on the progress and execution of its sustainability initiatives.

Roo-Hsing/J.D. United structures its Corporate Social Responsibility (CSR) and Environment, Health, and Safety (EHS) departments based on functional roles and operating regions. The CSR department is primarily responsible for evaluating and improving factory inspection projects in various regions. The EHS department focuses on production-related safety, occupational health, energy conservation, and environmental protection. Each region has on-site specialists responsible for managing local affairs, who report directly to the headquarters. A report is made annually to the Board of Directors, in which the implementation of ESG programs is presented.



Roo-Hsing/J.D. United regularly offers sustainability education and training to enhance employee's understanding and capabilities of corporate sustainability. In terms of internal stakeholder communication, the company has developed and implemented the V.O.W. project: a welfare program for frontline employees that offers customized and localized training courses which takes into account the employee's specific needs. Additionally, we collaborate with customers to promote training programs that strengthen the internal communication of the company. Such programs include P.A.C.E. (which helps employees develop core skills such as communication, problem-solving, decision-making, and time and stress management), J.R.H. (which focuses on workplace health), and CARE (which covers topics such as diet, nutrition, and women's career development).


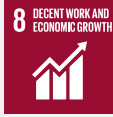



On our website, we have a dedicated section for corporate sustainability, allowing external stakeholders to understand the company's efforts and performance in areas such as environmental protection, labor rights protection, energy conservation, carbon reduction, and supplier management. This section also reflects our ongoing and active collaboration with internationally renowned brands and retailers to address issues related to environment, human rights, underprivileged groups. We are committed to the sustainable development of both the company and society.



United Nations' Sustainable Development Goals (SDGs)

In 2015, the United Nations adopted the 2030 Agenda for Sustainable Development, featuring 17 Sustainable Development Goals (SDGs), inviting global stakeholders to collaborate on addressing the pressing global issues. Roo-Hsing/J.D. United also aims to respond to these SDGs by contributing our internal and external efforts to address those issues from the aspect of environment, society, economics, and governance, actively working towards the global sustainability goals.

ESG	United Nations' SDG	What it Means to Roo-Hsing / J.D. United	Roo-Hsing/ J.D. United's Responses in 2023	Short-term Strategies	Mid-term and Long-term Strategies
Environment	 	<p>We prioritize the environmental responsibility of our products, and in terms of environmental management, we aim for sustainable operations. Our goal is to establish an intelligent production process. We invest in equipment and new technology that enables energy-saving and water-conservation. We also strive to improve our energy-reuse efficiency, reducing the impact of our product on the environment.</p>	<ul style="list-style-type: none"> ▪ Hung Hsing Garment's washing plant and JD & Toyoshima's factory, both in Cambodia, have progressively integrated the use of renewable energy. ▪ The washing plant of Hung Hsin Garment and Nagapeace Corporation, both in Cambodia, have made improvements on steam pipelines and production equipment. ▪ We are achieving zero toxicity in production processes step by step. ▪ We are optimizing our water usage, improving wastewater utilization and water recycling rates. ▪ We have introduced energy-saving measures such as lighting replacement and the installation of water curtain systems. ▪ Turkish washing and drying machines have been introduced to reduce energy consumption. ▪ We have established strict chemical management policies to enhance the control of hazardous substances. ▪ We have adopted environmentally friendly materials, such as recycled cotton, TENCEL, organic cotton, recycled polyester, recycled yarn, and coffee yarn. 	<ul style="list-style-type: none"> ▪ Gradually switch to renewable energy for production in the Cambodian plants. ▪ Enhance waste steam recovery to reduce wood consumption and exhaust gas emissions. ▪ Ensure 100% of wastewater and waste are treated in compliance with local regulatory standards. ▪ Ensure 100% chemicals used in the production processes meet the local regulatory standards or the industrial standards. ▪ Ensure noise levels are 100% in compliance with local regulatory standards. ▪ Replace all traditional lighting equipment with LED lights. ▪ Adopt revolutionary washing processes through the introduction of ozone and laser washing machines, effectively reducing the use of traditional chemicals, energy, and water while supporting complex product designs. ▪ Carry out sustainability assessments using the Higg Index published by the Sustainable Apparel Coalition (SAC) to evaluate the corporate's impact on the environment and society. ▪ Provide customers with sustainable textiles that comply with the rules in ZDHC Manufacturing Restricted Substances List (MRSL). 	<ul style="list-style-type: none"> ▪ Gradually adopt environmentally friendly chemicals to reduce the use of chemical auxiliaries. ▪ Utilize renewable power to reduce or even eliminate the use of fossil oil or wood-burning boilers. ▪ Use energy- and water-efficient equipment. ▪ Introduce innovative equipment to reduce emission of pollutants. ▪ Replace outdated technologies with new technologies and new material, achieving energy-saving and carbon reduction goals. ▪ Optimize wastewater treatment year over year, increasing the recycle rate of purified water. ▪ Monitor and control factory wastewater discharge. Establish specific measures to ensure that the discharge of wastewater and waste are in compliance with national standards.

ESG	United Nations' SDG	What it Means to Roo-Hsing / J.D. United	Roo-Hsing/ J.D. United's Responses in 2023	Short-term Strategies	Mid-term and Long-term Strategies
Society	  	<p>Employees are Roo-Hsing/ J.D. United's most important asset. We prioritize the human rights and workplace safety of our colleagues at all production sites. We ensure open channels for labor-management communication to protect employee rights. We also provide various training and development programs, aiming to inspire employees and enhance overall morale in the company.</p>	<ul style="list-style-type: none"> ▪ We have established human rights-protection policies to enhance gender equality. ▪ We have established appropriate risk control methodology (with risk classification) to ensure workplace safety. ▪ We have been advocating a diverse talent structure. ▪ We have maintained multiple communication channels. ▪ We have been internally raising awareness for the company's code of professional conduct. ▪ We have been providing trainings and education regarding occupational health and safety. ▪ We have been offering diverse training programs to reinforce a zero-tolerance approach toward sexual harassment. 	<ul style="list-style-type: none"> ▪ Establish a tracking mechanism for labor safety. ▪ Ensure workplace safety and improving the working environment for employees. ▪ Implement measures to prevent any forced labor incidents at Roo-Hsing/J.D. United. ▪ Promote activities that enhance employee's communication within the company. ▪ Continuously promote comprehensive and complete training programs for employees. ▪ Regularly provide anti-sexual harassment education and training, striving to create a healthy and discrimination-free working environment. 	<ul style="list-style-type: none"> ▪ Continuously collaborate with the local governments in each operating region to establish measures for workplace health and safety. ▪ Continuously improve workplace risk management. ▪ Establish diverse communication channels. ▪ Implement various reward and benefit programs.
Governance	 	<p>Roo-Hsing/J.D. United has always prioritized integrity as a core business principle. We aim to enhance the quality and transparency of comprehensive information disclosure, to protect shareholders' rights, and to establish robust communication channels with stakeholders. Our goal is to deepen our presence in key global markets, thus we engage in the research and development of production technologies and materials, improving quality management, and building an ecosystem for the denim jean industry. This approach is designed to enhance customer satisfaction and loyalty, positioning us as a key strategic partner for our customers.</p>	<ul style="list-style-type: none"> ▪ We have been advocating the "New 3C values": Care, Communication, and Creativity. ▪ We have introduced automated procedures into our production and management processes. ▪ We have been continuously investing in the research and development of innovative washing technology. ▪ We have expanded our business into the personal protective equipment (PPE) market. ▪ We have been committed to provide one-stop services to our customers. ▪ We have strengthened our organizational operation and optimized the group structure. 	<ul style="list-style-type: none"> ▪ Diversify our product lines, spread of customer base, explore new customers to avoid reliance on a single customer. ▪ Continuously introduce and upgrade automated equipment in the production line so as to optimize productivity and process control, enhancing factory efficiency. ▪ Apply SAP system and AWS cloud computing in phases to achieve automation in cloud technology and information management, boosting overall operational efficiency. ▪ Actively expand overseas operations, leveraging transnational resource allocation to strengthen the company's competitive advantages. ▪ Organize professional R&D teams to collaborate with global partners in innovative textile and fabric technology development. ▪ Keep up with industrial trends and utilize our advantages to drive economic growth. ▪ Continuously improve production efficiency, output, and R&D capabilities to create industrial value. 	<ul style="list-style-type: none"> ▪ Collaborate with brand partners to expand overseas production sites, aiming for better tariff benefits. ▪ Complete in phases the disclosure of information in English, including public information such as official website, financial reports, annual reports, charters and regulations of the corporation and the shareholders' meetings. ▪ Maintain the position as a leading denim manufacturer through multi-engine innovation models such as economics of scale, automation, efficiency enhancement, customization, and ecosystem integration. ▪ Actively follow the corporate governance blueprints issued by the government, continuously enhancing the corporate governance culture, leveraging the board's functions, improving the quality of information disclosure, and strengthening regulatory compliance to increase international visibility and competitiveness.

1.3 Stakeholder Identification and Engagement

Roo-Hsing/J.D. United cares about the needs and opinions of stakeholders. By engaging in internal discussions and seeking assistance from external experts, referencing the Global Reporting Initiative (GRI) Standards, considering key trends in both domestic and international industries, and utilizing systematic analysis methods such as departmental interviews and surveys, Roo-Hsing/J.D. United identifies the sustainability issues that are of concern to its stakeholders.

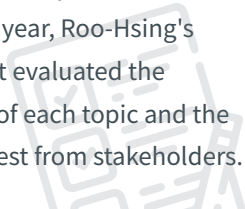
Stakeholder Identification

Through internal discussions, Roo-Hsing/J.D. United has identified seven key stakeholder groups: employees, customers, investors, suppliers, media, local communities, and government/regulatory authorities.



Topics Identification and Survey through Questionnaire

Based on the GRI Standards, we collected and categorized sustainability issues relevant to Roo-Hsing/J.D. United's industry characteristics, resulting in the identification of 34 key sustainability topics and designed a questionnaire accordingly. Based on the material topics identified in the previous year, Roo-Hsing's management evaluated the significance of each topic and the level of interest from stakeholders.



Analysis and Ranking of Material Topics

Based on the survey result derived from the previous year questionnaire, we have identified 11 material topics. We have evaluated the importance of each topic according to its score and decided whether it should be categorized as a significant issue or a general issue.







Disclosure and Discussion of Material Topics




We have responded to the material topics within the corresponding sections in the current years' report. We will continue to strengthen the management of these issues in the future.



■ Stakeholder Identification

Through internal discussions among the management, Roo-Hsing/J.D. United has identified seven key stakeholder groups: employees, media, shareholders and investors, customers, suppliers, local communities, and government/regulatory authorities. The company has established communication channels to address the needs and concerns of these stakeholders. To ensure effective communication and to understand the opinions and expectations of stakeholders regarding Roo-Hsing/J.D. United 's sustainability efforts, the company has outlined the channels and frequency of communication with each stakeholder group, as shown in the following table:

Stakeholder	What it Means to Roo-Hsing/J.D. United	Topics to be Communicated	Corresponding Sections	Communication Methods/Frequency
 Employee	Employees are Roo-Hsing/J.D. United 's most important asset. We offer competitive compensation and benefits, along with a diversified training programs to our employees.	<ul style="list-style-type: none"> Company Integrity Regulatory Compliance Financial Performance Quality Management Labor Relations Occupational Health and Safety 	1.2 Sustainability Strategy and Governance 2.2 Financial Performance 2.3 Compliance and Integrity 3.1 Talent Attraction and Retention 3.2 Talent Cultivation and Development 3.3 Occupational Safety and Health	<ul style="list-style-type: none"> Company websites/ Irregularly Annual Reports/ Annually Internal grievance mechanism/ Permanently Internal email announcements/ Irregular Labor-management conferences/ Quarterly Education, training, and forums/ Irregularly
 Media	The media serves as an important communication bridge for Roo-Hsing/J.D. United, allowing the company to promptly release key information to keep stakeholders informed about significant developments.	<ul style="list-style-type: none"> Company Integrity Regulatory Compliance Financial Performance Product Innovation Labor Relations Forced Labor Prevention 	1.2 Sustainability Strategy and Governance 2.2 Financial Performance 2.3 Compliance and Integrity 2.7 Sustainable Innovation and R&D	<ul style="list-style-type: none"> Company websites/ Irregularly Press conferences and interviews on specific topics/ Irregularly Press releases and telephone interviews/ Irregularly
 Shareholders and Investors	Shareholders and investors support Roo-Hsing 's operations and development. We are committed to research and innovation, striving to create sustainable value for our shareholders and investors.	<ul style="list-style-type: none"> Company Integrity Regulatory Compliance Financial Performance Corporate Governance and Risk Management Quality Control Labor Relations 	1.2 Sustainability Strategy and Governance 1.5 Risk Management Framework 2.1 Governance Framework 2.2 Financial Performance 2.3 Compliance and Integrity 3.1 Talent Attraction and Retention	<ul style="list-style-type: none"> Company websites/ Irregularly Annual Reports/ Annually Investor conferences/ Annually Financial Reports/ Quarterly Media exposure, Market Observation Post System/ Annually Investor hotline and bulletin board for website visitors/ Permanently
 Customers	Roo-Hsing Roo-Hsing/J.D. United aims to become the best partner for its customers by enhancing their brand value through innovation, environmentally friendly manufacturing processes, and fabric development.	<ul style="list-style-type: none"> Company Integrity Regulatory Compliance Financial Performance Product Innovation Child Labor and Human Right Assessment Customer Privacy 	1.2 Sustainability Strategy and Governance 2.2 Financial 2.5 Customer Relationship Management 2.6 Product Responsibility and Safety 2.8 Information Security	<ul style="list-style-type: none"> Annual Reports/ Annually Industrial conferences and seminars/ Irregularly Investor conferences/ Annually Face-to-face meetings and conference call/ Irregularly Customer complaint hotline and bulletin board for website visitors/ Permanently

Stakeholder	What it Means to Roo-Hsing/J.D. United	Topics to be Communicated	Corresponding Sections	Communication Methods/Frequency
 Suppliers	Suppliers are Roo-Hsing's most important partners, providing sustainable and eco-friendly raw materials to meet the demands of brand customers.	<ul style="list-style-type: none"> Procurement Practices Regulatory Compliance Quality Control Forced Labor Prevention Water Resource Management Waste and Waste Water Treatment 	1.2 Sustainability Strategy and Governance 1.5 Risk Management Framework 2.2 Financial Performance 2.3 Compliance and Integrity 2.4 Supply Chain Management 4.1 Response to Climate Change	<ul style="list-style-type: none"> Company websites/ Irregularly Suppliers' meetings/ Irregularly Suppliers' negotiation and experience exchange/ Irregularly Communication managed by responsible department/ Irregularly
 Local Communities	Roo-Hsing/J.D. United is committed to fostering harmonious relationships with the communities surrounding its factories. In addition to contributing to the local economy, the company actively participates in various community activities.	<ul style="list-style-type: none"> Environmental Safety and Health Environmental Pollution Corporate Governance Corporate Image 	3.5 Human Rights Protection 4.3 Water Resource Management 4.4 Waste and Chemical Management	<ul style="list-style-type: none"> Harmonious neighbor relationship and community care managed by responsible department/ Irregularly Local event sponsorship/ Irregularly
 Government/ Regulatory Authorities	Roo-Hsing firmly complies with legal requirements from government authorities at its operational sites, preventing any form of illegal activities.	<ul style="list-style-type: none"> Company Integrity Regulatory Compliance Financial Performance Labor Relations Risk Management Communication with Regulatory Authorities 	1.2 Sustainability Strategy and Governance 1.5 Risk Management Framework 2.2 Financial Performance 2.3 Compliance and Integrity 3.4 Human Rights Protection	<ul style="list-style-type: none"> Official Correspondences/ Irregularly Participation in policy discussions and forums organized by regulatory authorities / Irregularly Cooperation with regulatory authorities for supervision and audits / Irregularly Meetings with regulatory authorities to establish communication opportunities / Irregularly

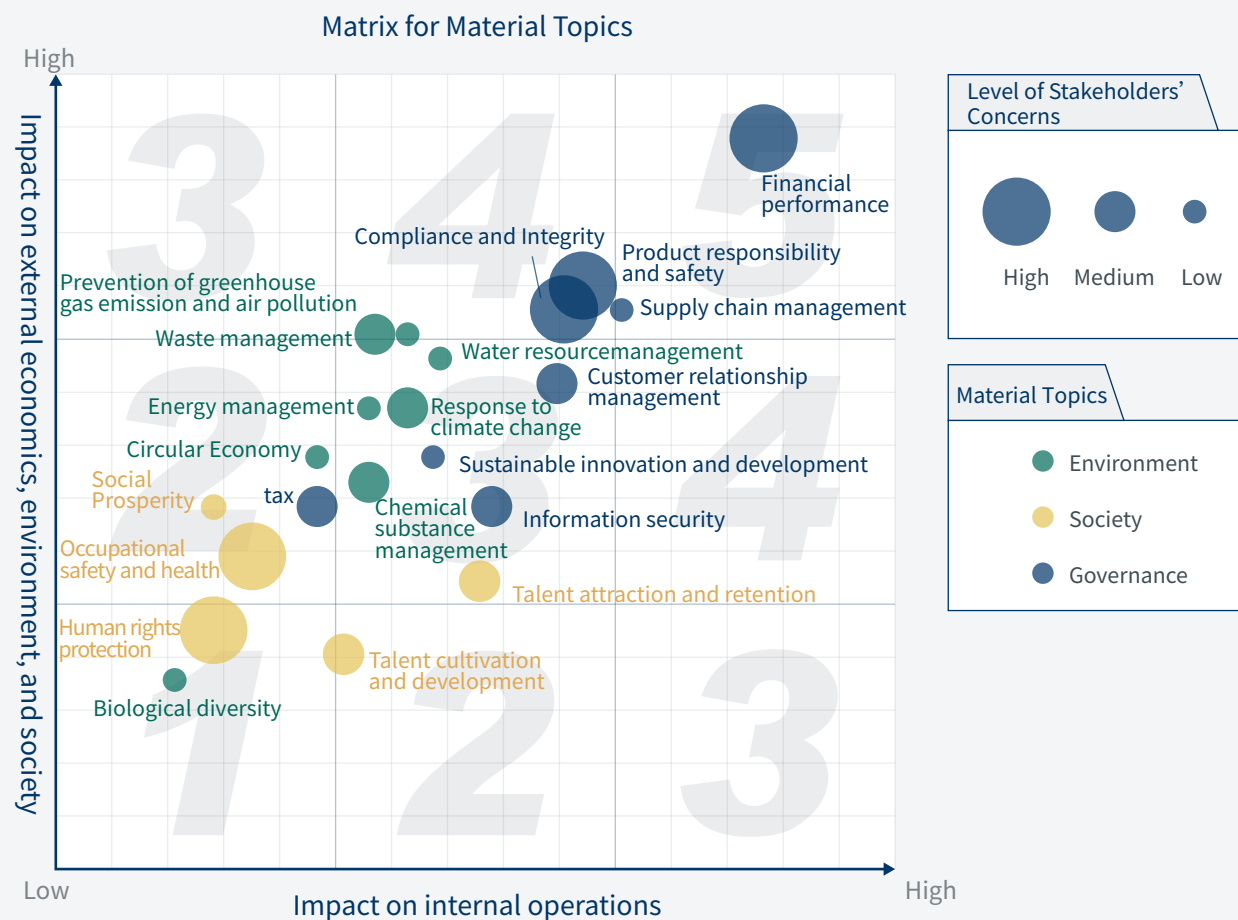
■ Topics Identification and Survey through Questionnaire

Roo-Hsing/J.D. United engages in regular and irregular communication with stakeholders to continuously gather information about stakeholders' concerns and sustainability trends in the domestic and international apparel industry. This year's material topics are based on the significant topics from the previous year's sustainability report. Adjustments are made according to global sustainability trends and industry benchmarks. We distributed questionnaires to stakeholders and internal senior management, conducting data analysis and integration according to their feedback.

1.4 Material Topics Identification

■ Matrix for Roo-Hsing/ JD 's Material Topics in 2023

In the matrix below, the X-axis represents “Impact on internal operations,” the Y-axis represents “Impact on external economics, environment, and society,” and the bubble size indicates “Level of stakeholders’ concern.” Topics are assessed for significance based on their scores, classified as significant and general topics. For 2023, given that no significant operational changes happened this year, as confirmed by senior management, we decided to continuously refer to the 2022 assessment results as the basis for the disclosure of the current year report. Additionally, we will continue to refine our approach to ensure the accuracy and completeness of this report. According to the previous year’s comprehensive analysis, Roo-Hsing/J.D. United has identified 11 material topics: financial performance, supply chain management, compliance and integrity, information security, product responsibility and safety, customer relationship management, response to climate change, waste management, chemical substance management, talent attraction and retention, and occupational safety and health.



■ The Sustainable Value Chain of Roo-Hsing/J.D. United

Topic	Corresponding Sections	Report Boundary						
		Internal		External				
		Roo- Hsing/ J.D. United	Employees	Investors/ Shareholders	Customers	Suppliers	Media	Community
Financial Performance	2.2 Financial Performance	★	★	★	★			
Product Responsibility and Safety	2.6 Product Responsibility and Safety	★	★	★	★	★		
Supply Chain Management	2.4 Supply Chain Management	★				★		
Compliance and Integrity	2.3 Compliance and Integrity	★	★	★	★	★	★	
Customer Relationship Management	2.5 Customer Relationship Management	★	★	★	★			
Waste and Chemical Management	4.4 Waste and Chemical Management	★	★		★	★	★	★
Information Security	2.8 Information Security	★	★		★	★		
Talent Attraction and Retention	3.1 Talent Attraction and Retention	★	★	★				★
Occupational Safety and Health	3.3 Occupational Safety and Health	★	★	★				

1.5 Risk Management Framework

Aspect	Risk Category	Response
Operation and Governance	Interest Rate and Exchange Rate Risk	Roo-Hsing/J.D. United has dedicated personnel who regularly monitor exchange rate fluctuations to keep track of currency trends. When providing quotation to customers, exchange rate fluctuations are taken into account. By evaluating the trend for exchange rate in advance, the company aims to avoid foreign exchange losses due to currency fluctuations during payment collection. This approach effectively controls the impact of exchange rate volatility on the cash flow and asset value of Roo-Hsing/J.D. United.
	Investment Risk	The company does not engage in high-risk or highly leveraged investments. Transactions for derivatives must follow the “Procedures for Acquisition or Disposal of Assets” and are limited to hedging purposes only. The endorsements and guarantees made by the company and its subsidiaries, necessary for operational funding, are managed in accordance with the “Procedures for endorsements and guarantees.”
	Production and Operational Risks	Operational risks are managed by implementation of internal control in each cycle. Additionally, meetings are held regularly to discuss about operation and management in factories.
	Business Risk	To narrow the gap in order volume between peak and off-peak seasons and to maintain consistent monthly capacity, Roo-Hsing/J.D. United manages orders centrally through its commercial department and regularly allocates orders to factories. During peak seasons, the commercial department pays particular attention to the number of orders and confirms the capacity with factories in advance. In off-peak seasons, lower prices are used to attract orders, balancing production capacity. This approach allows for early preparation of materials and creates longer production cycles for factories, improving production efficiency in Cambodia and enabling innovative development in line with fashion trends to enhance differentiation.
	Policy and Legal Risk	In response to significant policy and regulation changes, Roo-Hsing/J.D. United consults or engages local lawyers, accountants, and other relevant parties to assess the impact of those changes. This approach enables the company to address the potential changes in important domestic and international policy or regulation at an early stage, minimizing the impact on the company’s operations, finances, and business activities as well as complying with regulations.
	Information Security Risk	To prevent leakage of confidential information and cyberattacks, Roo-Hsing/J.D. United has established an Information Security Committee, formulated an information security policy, and implemented a firewall system. Additionally, through internal training programs, employees are required to integrate information security concepts into their daily operations. Furthermore, one or two educational trainings on information security and information system management are arranged annually.
Society	Concentration Risk in Procurement and Sales	Through long-term relationship with existing customers and suppliers, the pricing and profitability of Roo-Hsing/J.D. United remain relatively stable. In addition to the existing customers in the American market, the company is proactively and strategically exploring new markets in Europe and Asia, aiming for more diversified production in the future.
Large Scale Infectious Disease	Inventory Turnover Risk	In the face of a large-scale infectious disease outbreak, there are potential risks of inventory buildup, extended turnover days, increased operational costs, and falling inventory prices during the periods of global logistics stagnation. Roo-Hsing/J.D. United leverages its one-stop service model, closely aligning with the shipping needs of its brand partners, and flexibly adjusts the production capacity of its various operational sites to mitigate these risks.
Environment	Risk concerning Climate Change	Roo-Hsing/J.D. United references the recommendations for climate-related financial disclosures issued by the Financial Stability Board (FSB) through the Task Force on Climate-related Financial Disclosures (TCFD). The company assesses its current practices and identifies potential risks and opportunities related to climate change. These insights are incorporated into short-term, medium-term, and long-term goals and policy.

■ Risk and Opportunity Related to Climate Change

Type of Risk	Aspect	Potential Impact	Timeline of Impact	Management Policy
Transition Risk	Government Policy and Regulation	Increasingly stringent environmental and climate change-related regulations are established in the countries where Roo-Hsing/J.D. United operates, such as electricity usage restrictions, imposition of carbon taxes, and requirements to disclose carbon footprints or emission data. These regulations and guidelines may lead to higher operational costs for the company.	Short - term (within 3 years)	Roo-Hsing/J.D. United proactively develops innovative eco-friendly fabrics and strengthening relationships with customers through communication with multiple parties. By adjusting off-season orders in a timely manner, the company balances production capacity while closely tracking the latest regulatory trends both domestically and internationally. Proactive medium- and long-term strategies are established in advance to ensure compliance with regulatory requirements. Currently, Roo-Hsing/J.D. United's production facilities in Cambodia use wood as boiler fuel, which has been recognized as biomass with relatively low carbon emissions compared to coal. At the same time, the Cambodian washing plants in Hung Hsing Garment and JD & Toyoshima have fully adopted solar photovoltaic power generation, while other production sites are also conducting feasibility studies for solar photovoltaic power generation step by step. These initiatives will significantly increase the company's use of renewable electricity, thereby reducing carbon emissions.
	Market	In response to consumers' growing expectations for sustainability in apparel, brand companies are demanding that their suppliers reduce carbon emissions. For example, following Levi's carbon reduction initiative, suppliers are required to reduce carbon emissions by 40% by 2025 (with 2016 as the baseline year). Similarly, Fast Retailing (Uniqlo) has set a target to reduce carbon emissions across its entire supply chain by 30% by 2030.	Medium - term (3~5 years)	In response to the sustainable trend in fashion industry, Roo-Hsing/J.D. United is replacing outdated machinery with energy-efficient tools to enhance energy efficiency and at the same time developing innovative, eco-friendly technologies to achieve energy savings. Seeking long-term plans for energy saving and carbon-reduction, the company actively cooperates with organizations such as the International Finance Corporation (IFC) and institutions within the industry, like RESET, who are specialized in the fields of energy and environment. These efforts aim to achieve the shared goals with brand customers, including emission peaking, carbon neutrality, and net-zero emission.
Physical Risk	Acute	Roo-Hsing/J.D. United's suppliers are located in regions with high exposure to climate risks. The occurrence of extreme weather events could pose a significant threat to the company's supply chain, potentially leading to a supply chain disruption crisis.	Medium - term (3~5 Years)	To mitigate the potential risks of supply chain disruptions, Roo-Hsing/J.D. United adopts a flexible strategy that enables adjustment in logistics and production capacity across the company's various global operating sites. Additionally, the company emphasizes on the implementation of supplier evaluation mechanism to ensure our suppliers provide high-quality products and possess the capability for environmental management.
	Chronic	According to the 2022 Global Risk Report, four out of the top five global risks are related to environmental issues, with the highest likelihood being the failure to mitigate climate change. This underscores the importance of addressing climate change, which should not be overlooked for future development.	Long - term (5 years and beyond)	To enhance workplace safety at production sites and improve the ability to respond to natural disasters, Roo-Hsing/J.D. United has set environmental impact management goals. The company closely monitors the changes in environmental policy at its operational sites, regularly reviews and strengthens disaster prevention facilities in its plants, and increases staff training to enhance knowledge for disaster prevention and response.
Opportunities	N/A	To follow the trend of green product, Roo-Hsing/J.D. United is committed to unceasing innovation for low-carbon products, satisfying the need of mainstream consumers and striving to achieve the company's sustainable development goals.	Medium - term (3~5 Years)	We continuously monitor changes in both domestic and international industries and study the impact of sustainability trends on products and consumers. During the development of low-carbon products, we specifically focus on sustainability issues such as packaging reduction and recycling.

Corporate Governance

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2.1 Governance Framework

Roo-Hsing/J.D. United's highest governing body is the Board of Directors, under which several committees are established, including Corporate Governance, Audit, Audit Committee, and Compensation Committee. These committees assist the Board in implementing its governance over accounting, finance, and auditing, ensuring the integrity and quality of corporate governance, while strengthening the Board's supervisory role. They also evaluate the effectiveness of the internal control system and pay attention to the interests of both internal and external stakeholders.

Under the Chairman, there is the Chairman's Office, responsible for strategic investments and project management, assisting the Chairman in global expansion and ensuring effective and timely responses at global operational sites. Reporting to the General Manager are five governance departments responsible for daily operations. Each year, the Board of Directors and management review departmental performance to enhance Roo-Hsing/J.D. United's ability in sustainable operation.

Composition and Operation of the Board of Directors

As of the end of 2023, Roo-Hsing/J.D. United's Board of Directors consists of 8 directors with professional backgrounds and technical experience, including 3 independent directors. Each director exercises their authority according to the "Corporate Governance Best Practice Principles" and the "Code of Ethical Conduct." The Board holds an annual general shareholders' meeting once a year, and the Board itself meets two to three times per quarter. According to the 2023 annual report, the Board held 17 meetings, with an average attendance rate of 97.06%.

The 17th Board of Directors consists of 8 members (6 men and 2 women), with female directors accounting for 25% and male directors accounting for 75% of total Board members. In addition to Taiwanese directors, the company's Board includes members with Japanese nationality and cultural backgrounds. The current term of the Board runs until September 28, 2025. Roo-Hsing/J.D. United actively promotes Board diversity, with no restrictions on gender, age, nationality, culture, or ethnicity during the election process. The company recruits professional managers with extensive experience in industry, finance, management, international markets, and environmental automation to strengthen the structure of the Board.

Composition of Directors

Age	Directors(including independent directors)		
	Gender	Headcount	%
30 to 49 years old	Male	0	0%
	Female	1	12.5%
50 years old (and above)	Male	6	75%
	Female	1	12.5%

Name list for the 17th Board of Directors

Title	Name	Biography	Gender
Chairman	CHI, Chung-Ming	Partner, Prosperity Global Consulting Limited	Male
Director	CHANG, Shoei-Jiang	Chairman, SAGA Unitek Venture	Male
Director	MA, Jun-Ming	Attorney at Yuan Yi Law Firm, Taiwan	Male
Director	NAKASHIMA, Kenji	Representative of Beijing Sector and Guangzhou Sector, Toyota Motor Corporation	Male
Director	YEH, Shu-Fang	Senior researcher and team leader of National Development Fund, Executive Yuan	Female
Independent Director	KU, Chi-Tung	Lawyer at BN Law Firm	Male
Independent Director	HUNG, PeiChun	Director, Tengri International Law Firm	Female
Independent Director	YANG, Peir-Jye	CEO, Laurels CPA	Male

Board Performance Evaluation

To establish performance objectives and enhance the efficiency of the Board's operations, Roo-Hsing/J.D. United conducts at least one internal performance evaluation of the Board each year and performs an evaluation every three years by an external professional independent organization or expert team. In addition, the Board also conducts self-assessments to review its effectiveness. Individual board members' self-assessment includes 6 major items and 22 indicators, with an overall average achievement rate of 96.59%, the evaluation results were excellent, showing positive feedback on the efficiency and effectiveness of the Board's operations considering each assessment criterion.

The most recent self-assessment was conducted in early 2024. The evaluation covered criteria such as involvement in company operations, improvement of decision-making quality, board composition and structure, director election and continuous education, and internal control. There were 12 assessment items in total, with 9 achieved, resulting in a 75% achievement rate. The evaluation results were good, demonstrating that the overall operation of the Board is sound and in line with corporate governance principles.

Board Compensation Policy

In addition to fixed compensation such as attendance fees, directors may also receive variable compensation in accordance with the company's Articles of Incorporation, including remuneration and bonuses. The procedure for determining variable compensation involves consideration of the actual business performance and is based on the assessment results according to the "Board Performance Evaluation Method." The Compensation Committee determines the compensation amount, which is then submitted to the Board for approval.

The salary for company managers is issued in accordance with the company's payroll regulations and the bonus is based on the performance of each business unit. Bonuses are distributed after being reviewed and assessed by the Compensation Committee and submitted to the Board for approval. Currently, compensation and bonuses are not linked to ESG performance.

■ The 6 Major Items for Individual Directors' Self-assessment



■ Strengthening Corporate Governance

Referring to the "Corporate Governance 3.0 – Sustainable Development Roadmap" promoted by the Financial Supervisory Commission and the corporate governance evaluation indicators, Roo-Hsing/J.D. United has been continuously strengthening its corporate governance. The following corporate governance initiatives have been implemented:

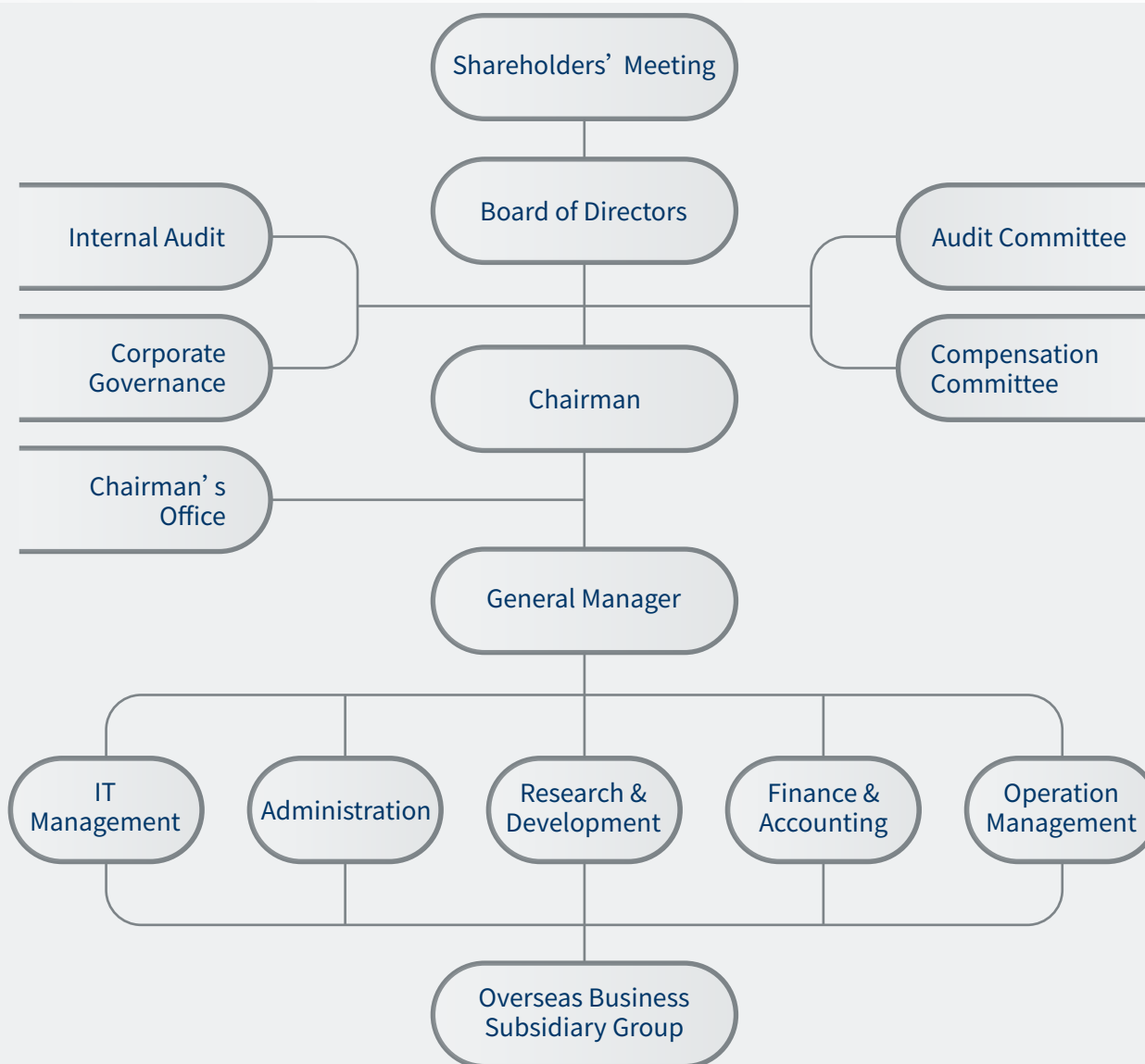
- Planning the appointment of a corporate governance officer in accordance with regulatory timelines.
- Increasing the number of independent directors on the Compensation Committee.
- Reporting stakeholder communication to the Board of Directors.
- Amending the annual report or the disclosure on the company's website, such as stakeholder communication and board diversity.

The Compensation Committee

Roo-Hsing/J.D. United's Compensation Committee is composed of three professionals, all of whom are independent directors. The committee operates in accordance with the "Compensation Committee Charter" and faithfully carries out its responsibilities, including regularly reviewing the performance evaluation and compensation policies, rules, principles, and structures for Roo-Hsing/J.D. United's directors and managers, as well as periodically assessing and determining the compensation for directors and managers. The current term of the Compensation Committee members runs until September 28, 2025. By the end of 2023, the committee had held three meetings, with a 100% attendance rate for both the convener and members.

The Audit Committee

Roo-Hsing/J.D. United's Audit Committee operates in accordance with the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies." The committee is primarily responsible for overseeing the fair presentation of the company's financial statements, ensuring the effective implementation of internal controls, monitoring the compliance with laws and regulations, and managing potential risks. The Audit Committee consists entirely of independent directors, with at least one member possessing accounting or financial expertise.



2.2 Financial Performance

Impact	With the end of the COVID-19, people's lives have returned to normal, and textiles, being a daily necessity, are expected to see sales return to pre-pandemic levels in 2024. Although occasional regional conflicts have caused an increase in shipping cost, Roo-Hsing/J.D. United's globalized production and shipping location effectively minimize the impact of these disruptions.
Policy Committed	Roo-Hsing/J.D. United is committed to continuously upgrading equipment and optimizing production processes, with a strong focus on environmental protection. The company also strives to enhance quality management, strengthen the supervision over its subsidiaries, and actively expand global business territory to meet customer expectations and demands, ensuring stable and steady performance.
Action Taken	Roo-Hsing/J.D. United continually reviews the capacities of each site to optimize the arrangement for manufacturing location and the allocation of human resource. The group also utilizes private equity funds and bank financing to reduce overall production costs and interest expenses, raising the targeted profit year over year. At the same time, the company establishes the objectives for financial risk management, strengthen the financial oversight of its subsidiaries, and control the operation-related financial risk, all while adhering to relevant regulations to achieve zero material losses.
Goal	<p>Short-term Goals</p> <ul style="list-style-type: none"> Roo-Hsing/J.D. United will continue to refine its denim apparel production and sales business in the short term to meet the demands of international brand customers and to grow alongside with key customers. Based on research from various agencies, the denim market is expected to achieve a compound annual growth rate of over 4% from 2024 to 2028. As a result, the company maintains a positive outlook on its 2024 sales, anticipating growth compared to 2023. <p>Medium and Long-term Goals</p> <ul style="list-style-type: none"> In order to reduce carbon emissions and adhere to environmental and ESG requirements, the company is committed to initiatives such as wastewater recycling and the adoption of new dyeing and printing technologies to reduce pollution. Additionally, Roo-Hsing/J.D. United plans to invest in photovoltaic energy storage systems in Tanzania, East Africa, to reduce energy consumption. In terms of quality and product lead times, the company leverages on its various global production sites, anticipating long-term sales stability and cost reduction. The company aims for industrial integration under the premise that it would satisfy the need of its customers, whether through existing brand sales or through newly explored retail channels. Roo-Hsing/J.D. United unceasingly strengthen its competitiveness in the global market, creating greater return for its shareholders.
Assessment Mechanism	Through the refinement of the company's internal control system and operating procedures, Roo-Hsing/J.D. United has established reporting and communication channels across its multiple locations to strengthen the supervision of subsidiaries and the management of sales and procurement activities. Ultimately, these efforts are supported by regular performance evaluation and business review meetings, which drive the achievement of the company's goals.
Performance Results	The revenue decline in 2023 was due to the surge in consumer spending and restocking demand in 2022, following the end of the Covid-19 in various regions, which led to higher revenue in 2022. However, thanks to the efforts of the management team, the company's gross profit margin in 2023 recovered to a normal level of 16%, and the net loss for the year was NT\$557 million, which is significantly lower compared to the previous year. The loss per share was NT\$0.66.
Communication with Stakeholder	The company has a "Stakeholders" section on its official website, where stakeholders can contact relevant representatives based on their responsibility. Additionally, important company information can also be accessed through the "Market Observation Post System" in Taiwan.

The company's consolidated revenue for the fiscal year 2023 amounted to NT\$13,517,416 thousand, with the majority of sales revenue coming from the apparel sector, accounting for approximately 100% of the total sales revenue.

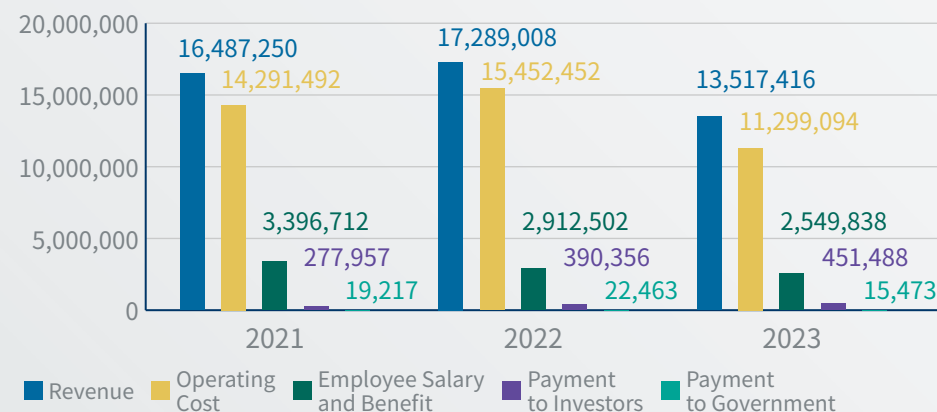
Financial Performance of the Year

Unit: NT\$ thousand

Item	2021	2022	2023
Operating Revenue	16,487,250	17,289,008	13,517,416
Operating Cost	14,291,492	15,452,452	11,299,094
Operating Profit	2,195,758	1,836,556	2,218,322
Operating Expenses	(3,354,664)	(4,278,314)	(2,423,957)
Non-operating income and expenses	(780,676)	(2,134,729)	(358,626)
Net (loss) profit before tax	(1,939,582)	(4,576,487)	(564,261)
Income Tax Benefit (Expense)	29,561	212,360	6,608
Net (loss) profit after tax	(1,910,021)	(4,364,127)	(557,653)

The Direct Economic Value Generated and Distributed by the Organization

Unit: NT\$ thousand



Revenue Proportion of Major Product

Unit: NT\$ thousand

Product	2021		2022		2023	
	Sales revenue	Percentage (%)	Sales revenue	Percentage (%)	Sales revenue	Percentage (%)
Apparel	16,483,130	100%	17,284,888	100%	13,512,470	100%
Others	4,120	-	4,120	-	4,946	-
Total	16,487,250	100%	17,289,008	100%	13,517,416	100%

Investment Strategy

Roo-Hsin/J.D. United's primary investment strategy involves establishing 100% owned overseas sites for processing and manufacturing. Currently, production facilities are located in China, Southeast Asia, and Tanzania. In recent years, the company has also acquired shares in Nanjing USA, a denim service provider in the U.S. market. The company actively leverages globalization to optimize resource allocation. This approach addresses the labor-intensive nature of the apparel industry. At the same time, the company continuously upgrades its automation systems and factory equipment to strengthen cooperation with brand customers.

Government Subsidies

Unit: CN\$ thousand

Site	Year	Item	Amount
Changzhou Tooku Garments Co., Ltd.	2022	Subsidies from the dedicated fund set by the government of Changzhou City	993.7
	2023	Subsidies from the dedicated fund for business development and expanded local employment	372.1
Nanjing Xinao Trading Co.	2023	Subsidies from the dedicated fund for business development and expanded local employment	176.5
Total Subsidy Amount			1,542.3

2.3 Compliance and Integrity

Impact	Roo-Hsing/J.D. United believes that transparent and ethical corporate governance, disclosure of non-financial information, and a clear risk management mechanism are fundamental to strengthening the company's corporate culture and ensuring steady business operations. Domestic and international policy and regulatory changes are closely tied to the company's operations, and therefore ensuring compliance with all applicable laws helps reduce the risks of operational disruptions, reputational damage, or fines that may result from legal violations.
Policy Committed	Roo-Hsing/J.D. United is committed to being a socially responsible enterprise. The legal department tracks and ensures compliance with applicable regulations to prevent material violations, thereby avoiding or mitigating operational impacts caused by regulatory changes.
Action Taken	<ul style="list-style-type: none"> ▪ The legal department monitors and ensures compliance with national and industry-related laws and regulations applicable to the company. ▪ An Integrity Management Team has been established to formulate, promote, implement, and oversee the company's integrity management practices.
Goal	<p>Short-term Goals</p> <ul style="list-style-type: none"> ▪ Zero material violations. ▪ Achieve zero significant incidents of breaches in integrity. <p>Medium-and Long-term Goals</p> <ul style="list-style-type: none"> ▪ Fully comply with national industrial policies and related legal regulations, avoid any material violations. ▪ Continuously improve the quality of information disclosure and strengthen regulatory compliance to enhance international visibility and competitiveness.
Assessment Mechanism	The Integrity Management Team reviews and confirms the implementation of integrity management practices and law compliance, and then reports the results to the Board of Directors.
Performance Results	<ul style="list-style-type: none"> ▪ In 2023, there were no incidents related to breaches of integrity principles. ▪ Roo-Hsing/J.D. United did not experience any material violations of regulations related to "Marketing, Communication, and Advertising," "Environmental," or "Social" issues that resulted in fines.
Communication with Stakeholder	Stakeholders can review the company's implementation of integrity management practices through the annual report issued each year.

Roo-Hsing/J.D. United is committed to transparent operations, safeguarding shareholder rights, and believes that a sound and efficient board is fundamental to corporate governance. The company has established an Integrity Management Team, composed of the corporate governance officer, the General Manager's Office, Administration, and Internal Audit. The Integrity Management Team is responsible for formulating, promoting, implementing, and supervising policies related to integrity management. In addition, the corporate governance officer reports annually to the board about the company's performance on integrity management.

Members of Integrity Management Team	Responsibility	Job Description
Corporate Governance Officer	<ul style="list-style-type: none"> Pushing the responsible parties to carry out the policies for integrity management. 	<ul style="list-style-type: none"> Compile and report on the implementation of integrity management practices. Provide quarterly reports to the board of directors.
The General Manager's Office	<ul style="list-style-type: none"> Supervise and implement the Code of Ethical Conduct and the Procedures and Guidelines for Ethical Business Practices. Assist in integrating integrity and ethical values into the company's business strategies. 	<ul style="list-style-type: none"> Identify the daily business activities that feature higher risks of unethical behavior according to the company's structure; establish mechanism of mutual supervision to mitigate such risks. Monitor, report, track, and oversee improvements related to irregularities in business activities.
Administrative Department	<ul style="list-style-type: none"> Formulate and revise the Code of Ethical Conduct, the Procedures and Guidelines for Ethical Business Practices. Promote the company's integrity and ethical business strategies. Hear the cases when employees are offered direct or indirect benefits by others; provide proper advice accordingly. 	<ul style="list-style-type: none"> Establish concrete anti-corruption measures to ensure ethical business practices in alignment with laws and regulations. Arrange daily training programs related to ethical conduct, including external and internal training sessions, as well as onboard training, to emphasize the importance of integrity in business. Integrate ethical practices into employee performance evaluations and human resource policies, implementing a clear and effective system of rewards, penalties, and grievance procedures. Create a whistleblowing channel on the company's website to allow both internal and external parties to report unethical or improper behavior. Upon receiving reports of employees being offered direct or indirect benefits, promptly suggest actions such as returning the benefit, paying for it, donating it to charity, or other appropriate recommendations, which will be submitted to the chairman for approval and execution.
Internal Audit	<ul style="list-style-type: none"> Handle internal and external whistleblowing reports. Implement internal audit procedures to ensure the effectiveness of internal controls. 	<ul style="list-style-type: none"> Conduct investigations and response to ethical issues in accordance with the procedures and guidelines for ethical business practices. Assist the board of directors and management in reviewing and evaluating the effectiveness of the preventive measures established to uphold ethical business practices; regularly assess compliance with related procedures and compile reports on the results of the assessment.
Other Departments (cooperating with implementing departments)		<ul style="list-style-type: none"> Coordinate with the Integrity Management Team to implement all the policies related to ethical business practices. Accept supervision and auditing to ensure adherence to integrity and ethical standards.

We have established the "Corporate Governance Best Practice Principles," "Code of Ethical Conduct," and "Procedures and Guidelines for Ethical Business Practices" to carry out Roo-Hsing/J.D. United's sustainable management strategy through functional committees like the Board of Directors. In response to stakeholder expectations, we regularly disclose financial reports and annual reports on our official website. We also designate personnel to post major corporate news in real-time to meet shareholder and stakeholder needs.

Ethical governance is the cornerstones of sustainable corporate operations. At Roo-Hsing/J.D. United, "Integrity in Business" serves as our highest guiding principle. We are committed to operational transparency and ethical governance, striving to build and maintain sound corporate governance structures and systems. Key documents include the "Corporate Governance Best Practice Principles," "Code of Ethical Conduct," and "Procedures and Guidelines for Ethical Business Practices," all designed to continually refine our sustainable management policies. Each quarter, we collect reports from various departments on any breaches of ethical and integrity principles, such as improper benefits or bribery. In 2023, no incidents of corruption were recorded.

Upholding transparency and integrity, we regularly disclose financial reports and annual reports on our website. When material changes in business operation occur, designated personnel promptly release these updates to the official website, ensuring the rights of all stakeholders are protected. Internally, through onboard training and corporate sustainability education, we emphasize the importance of integrity. Each department reports on any instances of ethical breaches, establishing a culture of integrity both inside and outside the organization.

In compliance with Paragraph 26, Article 4 of the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities," any single incident where penalties exceed NT\$1 million is deemed a material event. In 2023, Roo-Hsing/J.D. United did not encounter any material legal violations.

Internal Control and Internal Audit

Roo-Hsing/J.D. United’s Internal Audit Department reports directly to the Board of Directors. Appropriate auditors are assigned based on the assessed risks. The primary task of Internal Audit is to assist the Board of Directors and management in identifying internal control deficiencies, evaluating operational efficiency, and providing suggestions for improvement. This function ensures the continuous effective implementation of the internal control system and serves as a basis for reviewing and amending internal control procedures. To manage group-wide risks, the implementation of internal control procedures also extends to the company’s subsidiaries.

In 2023, the Internal Audit Department proposed a total of **four** findings to be improved within the company. Roo-Hsing/J.D. United has achieved a **100** % completion rate for the proposed improvements.

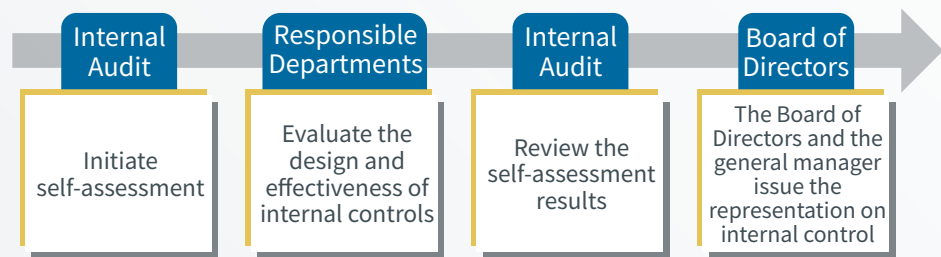
Execution of Internal Audit Plan

Roo-Hsing/J.D. United’s internal auditors conduct a comprehensive risk assessment each year, taking into consideration the concerns of regulatory authorities and the board of directors, audit findings, and resource allocation. Based on the results of the risk assessment, audit scope is decided and an audit plan is developed. This plan is then submitted to the Audit Committee of the Board of Directors for approval. Once approved, the audit plan is carried out, and the audit results are compiled into an audit report. The audit report is ultimately presented to the Audit Committee of the Board for review, with the findings being regularly tracked until the responsible departments have completed the necessary corrections.



Self-Assessment on Internal Control

To implement the company’s self-monitoring mechanism and respond promptly to environmental changes, Roo-Hsing/J.D. United’s Internal Audit Department initiates self-assessment for internal control at the end of each fiscal year. Each department within the company evaluates the design and effectiveness of internal controls based on various operational procedures outlined in the internal control system. The results of these self-assessments are reviewed by the Internal Audit Department. Each department reviews and improves its operations according to the annual self-assessment results, thereby maintaining or enhancing the effectiveness of the internal control system. The process flow for this self-monitoring mechanism is as follows:



Regulatory Compliance

As a leading global denim manufacturer, Roo-Hsing/J.D. United places great emphasis on compliance with regulations and market mechanisms in its business operations. The company regularly monitors both domestic and international policies and laws in its operational locations. By establishing sound management systems, Roo-Hsing/J.D. United ensures that employees’ actions comply with legal requirements. In 2023, there were no significant violations related to “marketing communication and advertising,” “environmental,” or “social” regulations that resulted in fines. In cases of violations or penalties, the company ensures improvements are made within the stipulated timeframe.

2.4 Supply Chain Management

Impact	If ESG (Environmental, Social, and Governance) risks in the supply chain are ignored, it may lead to a strategic misalignment with the company's future development and long-term interests. This misalignment could result in insufficient understanding of transitional risks and physical risks, acute or chronic, and consequently triggers related policy and legal risks, technological risks, market risks, and reputational risks. Such neglect could severely impact the company's governance and integrity, cause environmental pollution, and harm labor rights, ultimately affecting the entire value chain and the company's overall sustainability.
Policy Committed	The company's internal control loop— specifically within the purchase and payment cycle, clearly regulates supplier management to mitigate supply chain risks.
Action Taken	Roo-Hsing/J.D. United subjects all suppliers to a rigorous selection and evaluation process. Every year, we conduct critical supplier assessments, giving priority to those who demonstrate commitment to social and environmental considerations.
Goal	<p>Short-term Goals</p> <ul style="list-style-type: none"> Continue to subject key suppliers to rigorous evaluation. <p>Medium and long-term Goals</p> <ul style="list-style-type: none"> Stay up-to-date with industry trends and continuously include qualified suppliers who pursue sustainability goals.
Assessment Mechanism	Continue the implementation of annual supplier evaluation.
Performance Results	The company has completed the evaluation of key suppliers for 2023, covering 84 suppliers who provide various products such as fabrics, accessories, and machinery materials.
Communication with Stakeholder	Roo-Hsing/J.D. United engages external evaluation agencies to conduct annual assessment on the company's management practices. By continuously addressing key areas of concern and making improvements step by step, the company aims to enhance its sustainable competitiveness and to create a positive cycle.

Roo-Hsing/J.D. United has a solid foundation in the garment manufacturing industry, with decades of experience. Looking ahead, we will focus on vertical integration to provide optimal services for the fashion industry, creating sustainable value and a new future through care, communication, and innovation. We are investing in lean research and development and at the same time expanding our production capacity across multiple countries in Asia, America, and Africa to foster economic growth. Our goal is to continuously create value for the fashion industry through optimized and advanced methods.

Suppliers are essential partners in our journey towards sustainability. We are dedicated to creating added value through vertical integration within the supply chain. We also lay emphasis on establishing stable, long-term cooperative relationships with our supply chain partners. We aim to maintain open communication and mutual trust, encouraging our suppliers to continuously improve in quality, cost, delivery, and research and development, ultimately achieving remarkable performance in the future.

Roo-Hsing/J.D. United's supply chain management policy reflects our commitments to the environment, product quality, and labor and social welfare. This policy applies to fabric manufacturing plants, chemical suppliers, and other outsourced contractors such as embroidery and fabric vendors. Through supplier management, we aim to establish cooperative relationships with suppliers around the world, enhancing our ability to create value for the economy, society, and the environment, while managing our procurement and production processes in a manner that respects the environment and society.

The raw materials that Roo-Hsing/J.D. United purchases are categorized into main materials (various fabrics) and accessories (such as zippers and buttons). Procurement is based on customer demands and style requirements. Fabrics and accessories of all sorts are purchased from the major textile factories in China. Materials are also imported from abroad to produce high-end fashion that are sold in Europe, the Americas, and Canada.

Roo-Hsing/J.D. United places orders for fabrics only with reputable suppliers known for their exceptional quality. In addition to quality considerations, the stability of supply and delivery times are also key factors. For garment-related accessories, such as buttons, interfacing, and labels, which account for a smaller portion of costs, Roo-Hsing/J.D. United remains flexible to switch from one supplier to another, while purchasing based on the economic order quantity, thereby securing the stability of material prices and quantities.

2.4.1 Supply Chain Management for Raw Materials

To mitigate supply chain risks and ensure product quality, Roo-Hsing/J.D. United adheres to a diversified market strategy in its raw material procurement. From the procurement stage, we insist on placing orders only with fabric suppliers known for their exceptional quality and reliability. Our procurement standards include quality, supply stability, and delivery timelines. For certain fabrics and materials, we collaborate with suppliers specifically designated by our customers. Through close cooperation with our supply chain, we aim to achieve mutual growth and advance towards more sustainable business management.

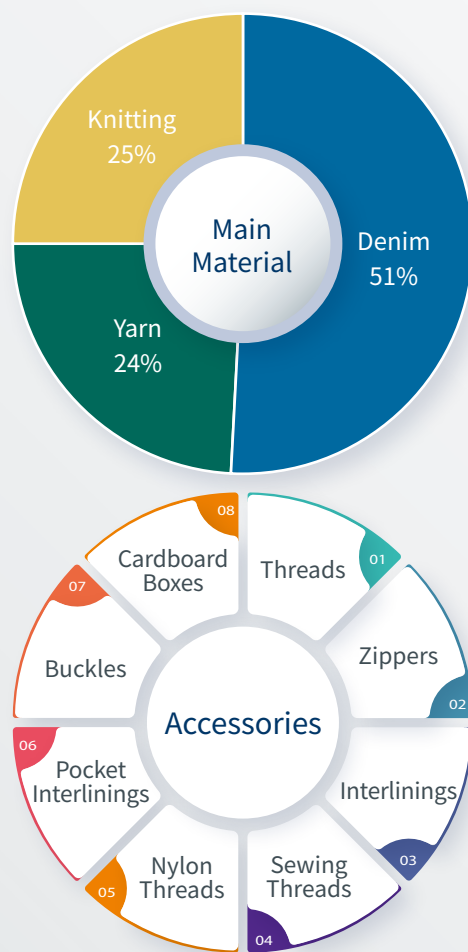
Local Procurement

Roo-Hsing/J.D. United's material and sourcing management aim to balance the percentage and quantity of procurement among suppliers to spread the risks and ensure stability in raw material management. As we gradually expand our manufacturing facilities in Tanzania, Africa, we not only increase the scale of production and reduce the pressure from labor cost, but, in the mid and long-term, also contribute to localized raw material procurement, reducing dependence on international markets. This strategy effectively lowers risks related to global raw material price fluctuations. Additionally, at each production site, production schedules are carefully planned post-procurement, while demand assessed pre-procurement, in order to further minimize raw material waste and enhance the resilience of the supply chain.

Unit: CNY

Region		Subtotal
Taiwan	Amount of Local Procurement	213,120.00
	Amount of Total Procurement	272,483,027.74
	Percentage of Local Management	0.08%
China	Amount of Local Procurement	746,516,699.81
	Amount of Total Procurement	797,475,056.62
	Percentage of Local Management	93.61%
Cambodia	Amount of Local Procurement	11,067,486.77
	Amount of Total Procurement	892,506,146.11
	Percentage of Local Management	1.24%
Japan	Amount of Local Procurement	7,532,817.91
	Amount of Total Procurement	128,981,324.05
	Percentage of Local Management	5.84%
Other Regions	Amount of Local Procurement	20,875,153.83
	Amount of Total Procurement	312,114,184.52
	Percentage of Local Management	6.69%
Total	Amount of Local Procurement	786,205,278.32
	Amount of Total Procurement	2,403,559,739.04
	Percentage of Local Management	32.71%

Roo-Hsing/J.D. United and its subsidiaries primarily purchase two categories of raw materials: main materials and accessories. The main materials consist of various types of fabrics, while accessories include items such as zippers, buttons, sewing threads, and interlinings. The breakdown of the major products we purchase from suppliers are as follows:



Sustainable Material Procurement

As the awareness for sustainability has been continuously raising among international brands, brand customers are laying greater emphasis on their suppliers' performance on various sustainability issue. To maintain strong partnerships with these brands customers and to uphold Roo-Hsing/J.D. United's sustainable business philosophy, we have established a Raw Material Management Team dedicated to researching and developing sustainable materials that meet our quality and safety standards. Going forward, we plan to increase the use of recycled materials, aiming to create sustainable value alongside our upstream and downstream partners in the apparel industry.

From its core business operations, Roo-Hsing/J.D. United actively advocates the use of recycled materials, ensuring that used materials can continue to create value, thereby reducing the amount of final waste produced. In managing material procurement risks, we are committed to using renewable materials in line with sustainable development goals and customer expectations. Cotton, a major raw material in the apparel industry, has significant impact on the environment. Therefore, in 2023, we significantly increased our procurement of organic cotton, reducing the potential negative environmental and social impacts during the production process. Additionally, we have been actively encouraging customers to adopt pre-consumer waste (PCW). PCW refers to the residual textile waste generated throughout the supply chain before products reach consumers. We primarily collaborate with yarn suppliers for the procurement and use of these materials. To accommodate the specific requirements of different brand customers, Roo-Hsing/J.D. United sources materials from various fabric suppliers with different country of origin.

Better Cotton Initiative (BCI)

- Same high-quality standards as traditional cotton
- Completely zero use of pesticides or any synthetic fertilizers
- Restrictions on the use of genetically modified organisms (GMO)



Organic Content Standards (OCS)

- Reduce the environmental impact of cotton production
- Improve the standard of living and economic development in cotton-growing regions
- Increase overall support and utilization of Better Cotton (BCI) throughout the supply chain
- Ensure the credibility and sustainability of Better Cotton



Recycled Claim Standards (RCS)

- RCS is an international voluntary standard that sets requirements for third-party verification of recycled inputs and chain of custody. The goal is to increase the use of recycled materials
- Applicable to any product containing at least 5% recycled materials
- Every stage of production must undergo verification
- Does not address social or environmental issues related to manufacturing, quality, or compliance with regulation



AEO Advanced Certification

Authorized Economic Operator (AEO) certification, promoted by the World Customs Organization, aims to establish a certification system for the safe movement of cross-border goods. This system seeks to build a partnership between customs authorities and enterprises, while achieving the goals of global supply chain security and trade facilitation.

- **External Benefits:**
Certified companies enjoy lower inspection rates, faster customs clearance, and internationally recognized “green channel” clearance.
- **Internal Benefits:**
Certified companies benefit from over 40 joint services offered by customs, banks, and other departments through a one-stop service with preferential treatment.

In the recent years, in addition to the corporate credit reform activities promoted by governments around the world, an increasing number of international companies are requiring their partners to obtain AEO advanced certification for various purposes such as ensuring timely delivery.

To continuously enhance customer satisfaction and the group’s core competitiveness, Roo-Hsing/J.D. United gradually introduced the AEO certification and training system, passing the assessment by Nanjing Customs in late November 2020, becoming an AEO advanced certified company

AEO Certification for >
Changzhou Tooku
Garments Co., Ltd.



2.4.2 Management and Assessment for Supplier Risks

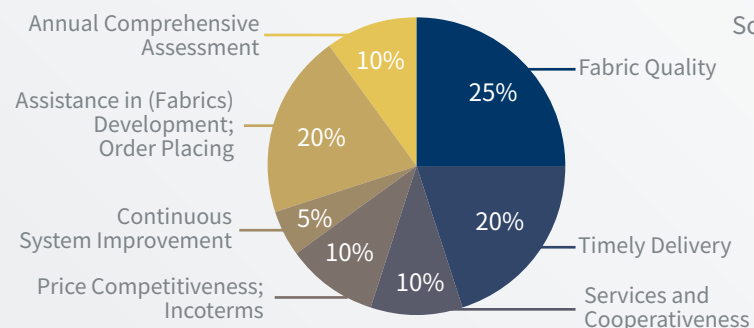
With decades of manufacturing experience and a strong commitment to quality, Roo-Hsing/J.D. United incorporates records of environmental and social impact as part of its assessment criteria when onboarding new suppliers. If any sustainability-related risks are identified within the supply chain, the company immediately initiates communication. In cases of non-compliance, cooperation is terminated without hesitation. Roo-Hsing/J.D. United enforces a strict auditing process, maintaining a zero-tolerance policy toward serious issues arising in suppliers’ production departments. Through close collaboration with its supply chain, Roo-Hsing/J.D. United aims to achieve mutual growth and progress toward more sustainable business management and partnerships.

Roo-Hsing/J.D. United requires suppliers to comply with standards aligned with the company’s corporate philosophy. The company implements stringent internal control to effectively select and manage supply chain partners. These suppliers include textile manufacturers, chemical suppliers, and other subcontractors, such as embroidery and fabric manufacturers. For new or potential suppliers, the company conducts thorough due diligence to ensure transparency and business integrity among its partners.

To maintain a high-quality supply chain and to mitigate risks, Roo-Hsing/J.D. United conducts an annual performance evaluation of non-designated suppliers and accessories suppliers by a cross-departmental supplier evaluation team. This team consists of representatives from the sales, internal control, R&D, procurement, and quality departments. Additionally, at the end of each year, the procurement department holds individual interviews with suppliers to discuss their performance over the past year. The evaluation process covers areas such as quality, delivery management, responsiveness, and cost considerations. Roo-Hsing/J.D. United has also established a supplier database, which maintains comprehensive records of suppliers’ basic information and performance, enabling effective management.

The evaluation consists of seven key areas, each assigned a weight. Based on the evaluation results, suppliers are categorized into four levels, from Grade A to Grade D. Only suppliers rated at Grade C or higher are qualified to continue as partners. The evaluation grades and weights are as follows:

Rating Weight



Rating Scores



Sustainability in Supplier Management

Roo-Hsing/J.D. United has integrated corporate social responsibility (CSR) requirements into its supplier management strategy through the establishment of Supplier Social Responsibility Guidelines. These guidelines ensure that suppliers fully understand the company's commitment to sustainability, while establishing consistent standards across various aspects, including labor rights, human rights, health and safety, environmental protection, and ethical business practices. By creating a responsible supply chain, Roo-Hsing/J.D. United aims to foster collaboration with its partners to create sustainable value within the fashion industry.

To manage potential sustainability risks within the supply chain—such as risks related to labor rights, environment, and health and safety—Roo-Hsing/J.D. United evaluates suppliers not only on general criteria but also on their performance in CSR-related areas. The evaluation covers aspects like labor rights, environmental protections, and standards for health and safety. The CSR team conducts evaluations at different intervals (monthly, quarterly, and annually), with at least one internal CSR audit conducted for all suppliers in 2023.

Roo-Hsing/J.D. United's CSR evaluations for the supply chain are primarily divided into two categories: the IPE audit (Institute of Public and Environmental Affairs) and the internal audit.

IPE Review

The Institute of Public and Environmental Affairs (IPE) is a non-profit environmental organization, known for its public environmental database, commonly referred to as the "Pollution Map" (www.ipe.org.cn). The platform is designed to provide open access to environmental information for all stakeholders. It consolidates data on corporate environmental regulatory records, pollution emissions, regional environmental quality, and regional pollutant discharge information.

Roo-Hsing/J.D. United leverages the IPE platform to conduct reviews of its suppliers, ensuring they comply with environmental standards and regulations. This process helps the company monitor and manage the environmental impact of its supply chain, aligning with its commitment to sustainability and responsible supply chain management.

Responsible Department and Methodology

- The primary objective of Roo-Hsing/J.D. United's IPE review is to strictly examine the environmental performance of all the factories within its supply chain, including fabric and material production factories, as well as other manufacturers of important accessories. Any factory being considered for cooperation must undergo an IPE review before being integrated into the company's production system.
- The CSR (Corporate Social Responsibility) department is responsible for the IPE review, control, and preventive mechanisms, with the Environmental Team coordinating with regional CSR leaders and each factory in the supply chain.
- The Environmental Team follows the "Environmental Factor Investigation Form," conducting on-site visits and investigations (including observation, interviews, and collection of written documents) and performing analysis accordingly. Based on the analysis, the team assesses the environmental performance of each factory in the supply chain, compiling the results into a "List of Key Environmental Factors," which is then submitted to senior CSR representatives for further review.

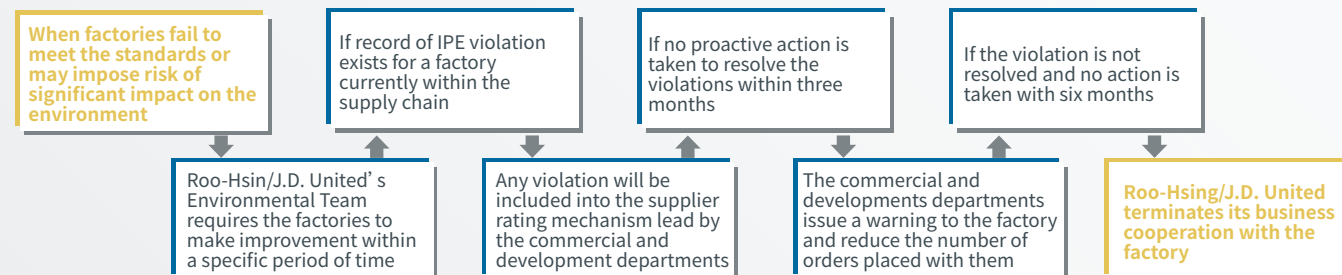
Key points of the Environmental Team's Review

- Regular reviews for factories with significant environmental risks.
- Regular collection of each factory's report on CSR and the results of environmental reviews, with listing of each environmental issue.
- Regular check on the Environmental Protection Bureau's website for each factory's location to verify if any factories in the supply chain have ongoing environmental violation cases.
- Regular log-ons into the IPE website to check the environmental monitoring records of all factories in the supply chain and confirm whether any breaches exist.
- The IPE review results and improvement tracking reports of each factory in the supply chain are compiled quarterly by Roo-Hsing/J.D. United's CSR department. These reports are presented to relevant customers.

Frequency of IPE Review

- Monthly review for factories that has significant impact on the environment.
- Quarterly review for factories that has moderate impact on the environment.
- Annual or semi-annual review for factories that has slight impact on the environment.
- Annual review for factories that are capable of submitting checklist and self-assessment reports regularly.

Tracking and Improvement



Internal Audit

The CSR department employs a standardized Internal Assessment Questionnaire, which is based on 11 major dimensions for evaluation and includes a total of 115 items for assessment. Each location's performance is evaluated at least once a year using this standardized form.

2023 CSR Internal Audit Results

Country	China	Cambodia
Audit Items	<ul style="list-style-type: none"> ▪ Labor Standards: Age, identity, employee records, labor contracts, health examinations ▪ Occupational environment, health, and safety ▪ Management system ▪ Working hours, wages, and benefits ▪ Discrimination, harassment, abuses, and grievance mechanism 	<ul style="list-style-type: none"> ▪ Labor Standards: Age, identity, employee records, labor contracts, health examinations ▪ Occupational environment, health, and safety ▪ Management system ▪ Working hours, wages, and benefits ▪ Discrimination, harassment, abuses, and grievance mechanism ▪ Freedom of association

Country	China	Cambodia
Number of Audit	3 times	11 times
Minimum Age for Recruitment	18 years old	18 years old
Number of Violations in Youth Labor Management	0	0
Number of Violations in Child Labor Management		
Number of Disputes Over Excessive Overtime		
Number of Disputes Over Forced Labor		
Number of Disputes over Sexual Harassment		

Systematic Management

Roo-Hsing/J.D. United has implemented various systematic management tools across its operational locations, integrating its information network with suppliers to manage procurement orders in a more transparent and efficient manner. Once a customer places an order, the relevant data is entered into the information system, which includes organized preliminary data and related procurement plans. This data entry helps the team track real-time processes. To ensure that employees are capable of documenting the complete information relevant to order processing through this commercial platform, Roo-Hsing/J.D. United provides operation manuals for the system and invites team members from both IT and manufacturing departments to train new employees.

Office Automation (OA) System: Introduced in 2018, the OA system enables business processes to operate beyond the office. Electronic forms can be approved in real time via the internet or mobile devices. This system also replaces paper-based documents with digital communications, contributing to a paperless, energy-saving office environment.

Kingdee K3 System: For system integration purpose, in late July 2022, Roo-Hsing/J.D. United transitioned from the Warehouse Management System and SAP systems to fully adopting the stable Kingdee K3 system in 2023. Data is a key asset for the company, and the Kingdee software facilitates the data-centered operation and decision-making process in the manufacturing industry, making business processes more intelligent, decisions more informed, and operations more transparent, continuously supporting the company's innovations in business models and management approaches.

2.5 Customer Relationship Management

Impact	Customer satisfaction is reflected in every aspect of interaction and service at all levels with each customer throughout the entire process—before, during, and after the transaction. If a company fails to provide prompt and positive feedback at the earliest opportunity, it may directly lead to a decline in customer satisfaction, damaging the customer's trust and confidence in the company. This situation could prompt the customer to choose a competitor, resulting in lost orders and business for the company. If customers are dissatisfied with the quality of products or services, both their perception of the company's product quality and their purchasing decisions will be directed affected.	
Policy Committed	Roo-Hsing/J.D. United has always adhered to the philosophy of “Sustainability as our Foundation, Environment first, Proactive Innovation, and Foresight into the Future.” We value the concerns of every customer and actively regulate the process for handling customer complaints. Customers can file complaints through various channels, and Roo-Hsing/J.D. United's customer service representatives will provide proper responses and follow-up until the issues are resolved. Customer feedback and opinions are critical to the company's operations, which is why we are dedicated to optimizing customer relationship management processes. Additionally, regularly holding staff training sessions and focusing on improving the quality and depth of these courses is a long-term goal we strive to achieve.	
Action Taken	Roo-Hsing/J.D. United ensures that customer rights are fully protected and continually improves the quality of customer service and maintains strong relationships through cross-departmental integration and collaboration. For customer complaints, we offer multiple channels for feedback, including phone, email, and social media pages. In terms of staff education and training, Roo-Hsing/J.D. United focuses on enhancing employees' professional skills. Key areas include the latest industry knowledge, sales and communication techniques, and customer complaints handling, all aimed at optimizing the quality of customer service and providing an improved customer experience.	
Goal	Short-Term Goals <ul style="list-style-type: none"> Uphold the principle of prioritizing customer satisfaction, working with apparel brands to create mutually beneficial relationships, and becoming a role model in the industry as a preferred partner for customers. Continuously provide smooth communication channels and excellent service through various ways of communication, such as irregular correspondence, business visits, and supplier meetings. Further enhance standardized and modular processes and production specifications, delivering high-quality products and excellent experiences to customers. Continuously optimize and offer diversified, comprehensive, one-stop services, ranging from market trend analysis, fabric development, new technique development, material procurement, to product manufacturing, providing customers with complete product planning solutions. Monthly internal meetings held by the commercial team to share the trends for process optimization in the apparel industry, as well as customer feedback and requirements. These updates are to ensure timely and effective interaction with customers and useful information sharing. Listen to customer requests and adopt their opinions, devising relevant solutions through collaborative discussions with R&D, manufacturing, and other departments, continuously improving product technology and quality to meet customer expectations. 	Medium and Long-Term Goals <ul style="list-style-type: none"> Maintain and continuously strengthen the achievement of various performance indicators; adhere to the philosophy of “Sustainability as our Foundation, Environment first, Proactive Innovation, and Foresight into the Future.” Uphold a customer-first principle, creating mutually beneficial relationships with apparel brands and becoming an industry role model. Continuously improve customer satisfaction by developing evolving communication methods, ensuring smooth communication channels and excellent services. Standardize processes and manage production cycles, delivering high-quality products and excellent experiences to customers. Enhance market trend analysis, timely capture industry advantages, and improve product competitiveness in multiple areas, including fabric development, new technique development, material procurement, and product manufacturing, providing customers with comprehensive product planning solutions. Continuous learning and development within the commercial team to maintain good and timely interactions with customers and useful information sharing. Continuously improve customer satisfaction with products, meeting and exceeding customer expectations.

Assessment Mechanism	Customer feedback and opinions are crucial to the operations of Roo-Hsing/J.D. United. The company has a comprehensive customer relationship management process, with internal departments working collaboratively to ensure that customer rights are fully protected. To further enhance professional service quality, Roo-Hsing/J.D. United also regularly organizes internal staff training, covering topics such as the latest industry knowledge, sales skills, and customer complaint handling.
Performance Results	In 2023, no incidents related to the infringement of customer privacy or violations of information security regulations occurred.
Communication with Stakeholder	All the customer compensation claims made in 2023 were subsequently resolved through settlements with the relevant stakeholders, with follow-up actions taken until full resolution.

Roo-Hsing/J.D. United's brand customers are spread across the globe, and the company is committed to being the best partner for its clients. Through irregular correspondence, business visits (or alternative methods such as phone or video calls during special circumstances like the Covid-19 control period), and supplier meetings, the company has established smooth communication channels and a comprehensive service system. Roo-Hsing/J.D. United also dedicates significant efforts to standardizing and modularizing its processes and production specifications, ensuring the delivery of high-quality products and excellent experiences to its customers.

Furthermore, the company offers diverse, comprehensive one-stop services, from market trend analysis, fabric development, new technique development, material procurement, to product manufacturing, providing clients with complete product planning solutions. Roo-Hsing/J.D. United is committed to a customer-first principle, collaborating with fashion brands to create mutually beneficial relationships, becoming an industrial role model, and a preferred partner.

The company's professional commercial team holds regular monthly internal meetings to share trends in the apparel industry, as well as customer feedback and requirements, ensuring real-time information sharing. The commercial team also formulates solutions for customer demands through collaborative discussions with R&D and production departments, continuously improving product technology and quality to meet customers' expectations.

With a service-oriented approach, Roo-Hsing/J.D. United has maintained long-term stable partnerships with its multi-national brand customers throughout its 40+ years in the garment manufacturing industry. The company aims to earn high recognition from its brand customers through continuous efforts in improving quality and technical capabilities.

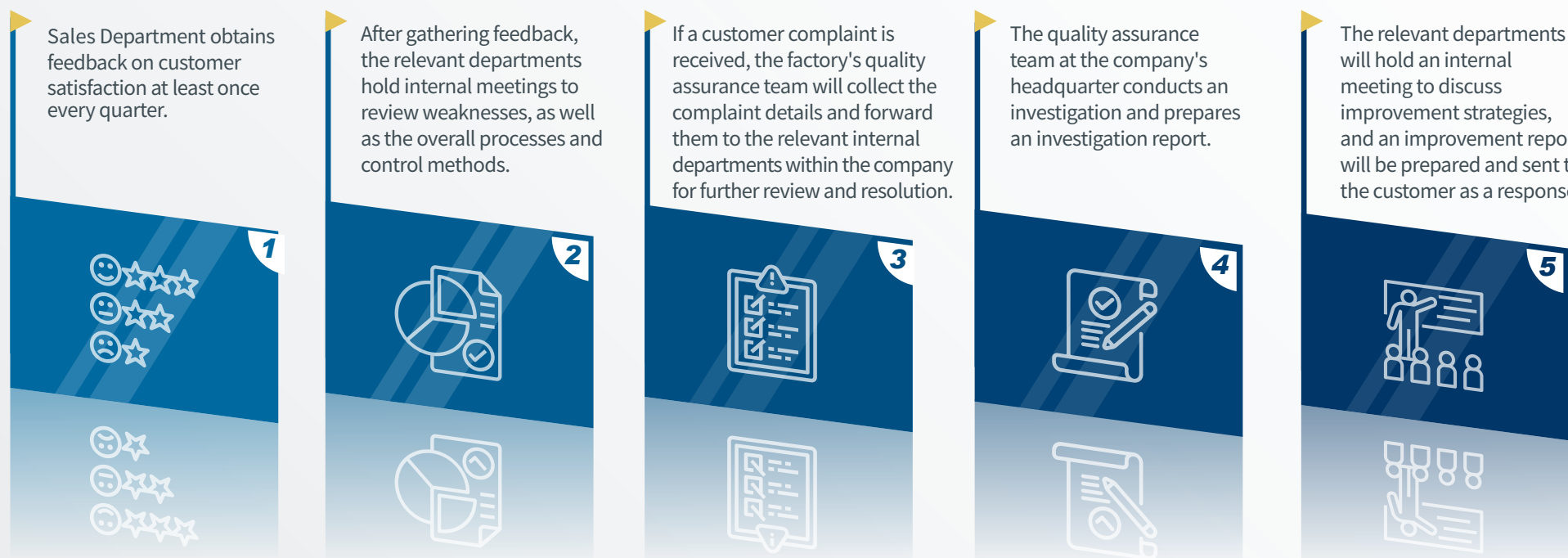
2.5.1 Diverse and Attentive Communication Channels

In addition to maintaining high product quality, we firmly believe that successful customer service management stems from maintaining effective communication channels with customers and gaining a deep understanding of their needs. Therefore, Roo-Hsing/J.D. United proactively incorporates considerations of product design, production quality, pricing, on-time delivery, rapid changes, supplier management, sustainability, and customer demand orientation into an integrated customer service approach. We continuously engage through multiple communication channels to understand customer feedback and opinions, enhancing their trust in Roo-Hsing/J.D. United.

At Roo-Hsing/J.D. United's Changzhou commercial headquarters, 374 employees provide comprehensive services to customers, from quotation, order acceptance, material procurement, production scheduling, to shipment and delivery arrangement. Additionally, the company has commercial contacts in Cambodia, Hong Kong, and the United States to ensure our services are timely and uninterrupted.

Customer feedback and opinions are crucial to Roo-Hsing/J.D. United's operations. The company has a comprehensive customer relationship management process, with relevant internal departments collaborating to ensure that customer rights are fully protected. To enhance the quality of professional services, Roo-Hsing regularly conducts internal staff training, covering topics such as the latest washing techniques, sales skills, and customer complaints handling.

Process for Customer Management in Roo-Hsing/J.D. United



Customer satisfaction is primarily reflected in the customer evaluation data, which includes indicators such as delivery delay rate, B-grade product occurrence rate, and original price calculation rate.

2.5.2 Customer Privacy and Security Management

In terms of customer data protection and information security management, Roo-Hsing/J.D. United has established a comprehensive customer information confidentiality system and information security policy. These policies include management processes for personnel and the protection of information. All employees are required to sign confidentiality agreements upon joining the company and must strictly adhere to customer product design privacy guidelines. Any products involving customer patents or company confidential information are controlled through rigorous, multi-step processes. In 2023, there were no incidents of customer privacy breaches or violations of information security regulations.

2.6 Product Responsibility and Safety

Impact	Inadequate product quality management can lead to a high proportion of defective products and an increase in customer complaints. This not only harms the brand's image but also erodes customer trust in the apparel products.
Policy Committed	Roo-Hsing/J.D. United is committed to delivering exceptional product quality, meeting, and exceeding customer expectations. The company strictly adheres to international environmental and quality standards to ensure that raw materials are safe and non-hazardous, avoiding any negative impact on human health and the environment. This approach provides customers with peace of mind and supports the sustainable environmental development.
Action Taken	Poor product quality management and overly high defect rate may result in end customers rejecting goods, consumer complaints at retail stores, and even claims for compensation. This can lead to a decline in customer satisfaction, affecting the annual or quarterly sales performance of end customers. Consequently, the company's image and market competitiveness may suffer, leading to a decrease in order-taking capacity.
Goal	<p>Short-Term Goals</p> <ul style="list-style-type: none"> Implement strict quality inspection processes to ensure each batch of products meets customer acceptance standards, reducing defect rates and customer complaint rates; respond quickly to customer complaints and make timely improvements to enhance customer satisfaction; through annual quality control KPI assessments, product quality will be reflected in metrics such as defect rates, pass rates, customer complaint rates, and product safety compliance rates. <p>Long-Term Goals</p> <ul style="list-style-type: none"> Establish a comprehensive quality management system, continuously improve production processes, and enhance product durability and comfort, consequently elevating the company's image. These efforts will contribute to achieving sustainable development goals and earning long-term market trust.
Assessment Mechanism	The company's Quality Control Department conducts daily quality inspections, creating a closed-loop control system that continuously accumulates improvements over time, enhancing the quality control process unceasingly.
Performance Results	The annual quality control KPI assessments were all successfully passed, with product quality clearly reflected in the following metrics: a defect rate of 2%, a pass rate of 98%, a customer complaint rate of 0%, and a product safety compliance rate of 100%.
Communication with Stakeholder	Customers provide feedback on product quality concerns through customer complaint mechanisms.

Roo-Hsing/J.D. United has a professional quality management team that ensures product quality at every stage of production. The company focuses on managing quality from the early stages of product manufacturing, including centralized inspection of raw materials at designated fabric inspection facilities before dispatching to global production sites. This approach ensures that all production processes undergo thorough quality checks. Roo-Hsing/J.D. United's strict quality control standards and mechanisms not only guarantee product quality and protect the company's reputation but also demonstrate the company's commitment to product safety, gradually building long-term trust with customers and enhancing overall competitiveness. Despite the challenging economic and industry conditions in 2023, Roo-Hsing/J.D. United's multi-department collaboration allowed the company to secure high-demand, strict-standard orders, which reflects customer trust and acknowledgement toward Roo-Hsing/J.D. United's capabilities. Furthermore, in 2023, there were no violations of marketing, communication, or product and service health and safety regulations.

The quality management team sets monthly KPIs considering four dimensions: defect rate, pass rate, customer complaint rate, and product safety compliance rate. Below is the performance for the past two years and the goals for the upcoming year.

Quality Management KPI	2021		2022		2023		2024
	Goal	Performance	Goal	Performance	Goal	Performance	Goal
Defect Rate	3%	2.9%	3%	2.8%	3%	2%	3%
Passing Rate	97%	97.5%	97%	97.5%	97%	98%	97%
Customer Complaint Rate	0%	0.01%	0%	0.01%	0%	0%	0%
Product Safety Compliance Rate	100%	100%	100%	100%	100%	100%	100%

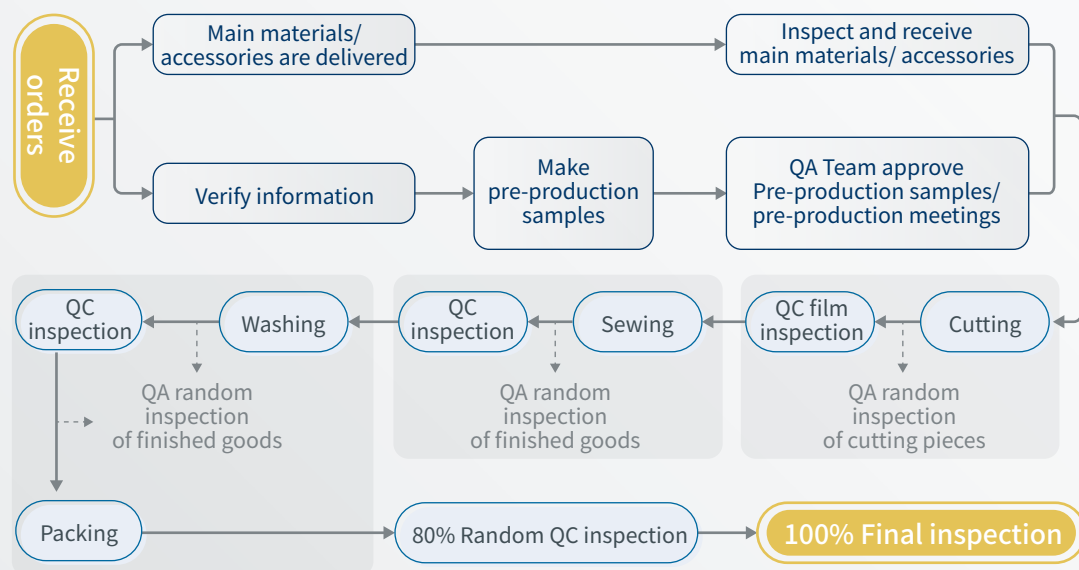
In addition to managing the four main KPIs (defect rate, pass rate, customer complaint rate, and product safety compliance rate), Roo-Hsing/J.D. United's production sites establish specific quality assessment standards tailored to different departments. The 2023 management performance is as follows:

Department	Control Qualification Rate	Defect Rate (less than%)	2023 Performance
Fabric Warehouse	97%	3%	99%
Accessory Warehouse	99%	1%	99%
Cutting	97%	3%	99%
Production	95%	5%	96%
Washing	95%	5%	96%
Packing	90%	10%	90%
Final Inspection	95%	5%	98%

Roo-Hsing/J.D. United has implemented quality management systems across its major production sites based on ISO 9001 standards. The Changzhou factory officially obtained ISO 9001 certification from the Beijing Daluhangxing Quality Certification Center in 2020. Roo-Hsing/J.D. United continuously enhances its capability in quality management.

■ Process Quality Control

To ensure that all products meet consistent quality standards, all products undergo quality inspections during the production process to ensure that they do not pose any risks to customers' health and safety. Roo-Hsing/J.D. United has established quality control procedures and inspection standards at each site for all personnel to follow. Roo-Hsing/J.D. United's factories in China have implemented standardized quality control SOPs to ensure process standardization. For example, the management flowchart for garment manufacturing is as follows:



Additionally, adhering to its commitment to quality, Roo-Hsing/J.D. United also implements mid-process inspections, final inspections, and assessments to concretely reinforce quality training requirements for both production outputs and team members throughout the process.

Phase	The significance to Roo-Hsing/J.D. United	Actions taken
Mid-Process Inspections	Semi-Finished Product Inspection	A mid-process inspection is designed within the middle section of the sewing hanging system to check whether semi-finished products meet technical requirements.
Final Inspections	Finished Product Inspection	Finished products are inspected for appearance, craftsmanship, size, and materials to ensure they meet the customer's specifications and quality standards.
Assessments	Enhance Employees' Professional Skills	Quality control (QC) members are gathered for weekly and monthly training sessions, where key requirements for each production stage are reiterated before daily operations. Management regularly conducts inspections to ensure compliance with these requirements. QC members who fail to meet standards will undergo retraining or be reassigned as needed.

Regarding the inspection methods for work-in-progress products, the team primarily conducts quality control through three key aspects: appearance inspection, size inspection, and safety performance inspection.

Appearance Inspection

Inspectors will conduct a 100% comprehensive inspection of the product's appearance based on the technical requirements of the product.

Size Inspection

Inspectors will conduct a 100% comprehensive measurements of the product's key dimensions in accordance with the product's technical requirements.

Safety performance inspection

Inspectors will subject 100% of the products to a needle detector to check for any metal foreign objects.

Additionally, 100% of all installed accessories on the products will undergo tensile strength and durability tests using tensile testing equipment.

Equipment will be randomly inspected every two hours with tensile testing devices, and records will be maintained accordingly.

If defects are discovered during production, the team will report to the quality control supervisor and notify the production department. Detailed information such as the defect rate and issue descriptions will be recorded, and the production department will collaborate to formulate and document a solution, with the corrective action timeframe clearly defined. Progress of improvement will be tracked, and the final results will be reported to the headquarters' management. QA personnel will be required to conduct regular inspections to prevent recurrence of the issue. In the event of defects found during a customer inspection, immediate coordination will be made between the production and commercial departments to quickly implement corrective actions. A Corrective Action Plan (CAP) will be completed as per the customer's request and feedback will be provided accordingly.

Inspection on Raw Materials

Roo-Hsing/J.D. United implements stringent quality control from the raw materials stage of the products' life cycle, tailored to the specific requirements of each customer. In addition to having the commercial department send materials for inspection to third-party organizations or inspection authorities in mainland China to obtain inspection reports, the quality control process for raw materials primarily includes visual inspections and safety performance sampling. For brands with designated supplier lists, Roo-Hsing/J.D. United also ensures material consistency through unified inspection standards, as outlined below:

- Materials are sent to inspection authorities or third-party testing organizations as per customer requirements.
- Laboratories are established for the sites in Mainland China. In these laboratories, raw materials are cross-checked with supplier reports and inspected considering relevant indicators.
- For customer-supplied materials, inspections are conducted in the company's laboratory or sent to third-party organizations as required by the customer.
- Visual Inspection:
Upon receiving raw materials, factories conduct visual inspections:
 - Fabrics are inspected using the Four-Point Inspection System.
 - Accessories are sampled and inspected proportionately according to Acceptable Quality Levels (AQL) standards.
- Safety Performance Inspection:
Upon receiving accessories, inspectors follow AQL sampling proportions to inspect product performance, metal content, and printing quality.
- For fabric orders over 5,000 yards, 30% are sampled for inspection; for orders below 5,000 yards, 100% are inspected, regardless of fabric type.

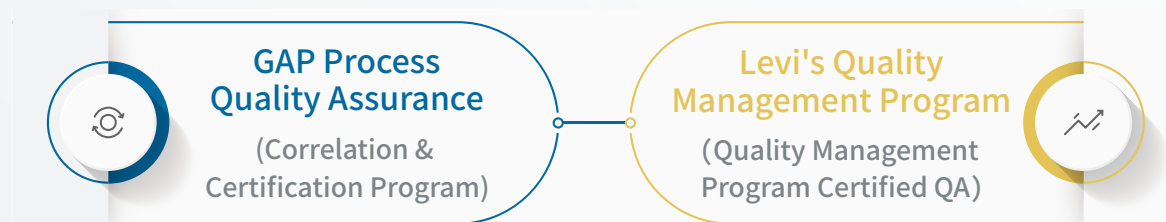
Four-Point Inspection System



Roo-Hsing/J.D. United conducts an annual evaluation of fabric suppliers, with the commercial team, development team, and sales management center jointly assessing the suppliers. The evaluation includes factors such as supplier cooperativeness and the stability of bulk production. Any problematic suppliers will be revealed and removed from Roo-Hsing/J.D. United's supply chain.

Quality Management Mechanisms

To further enhance our quality management system, Roo-Hsing/J.D. United continued the implementation of the following quality control mechanisms in 2023, building on last year's efforts:

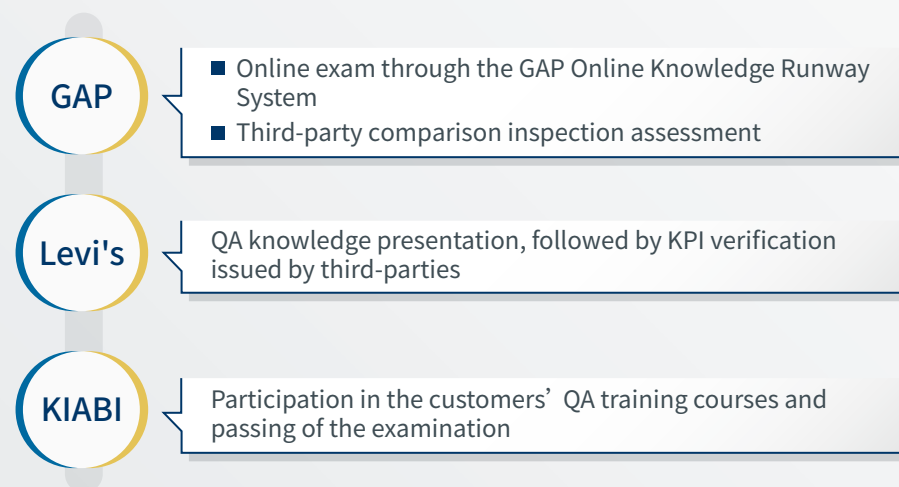


To meet the stringent quality requirements of brand customers, some members of Roo-Hsing/J.D. United's quality management team have undergone rigorous training and assessments from brand partners. These employees have been certified by customers to become authorized quality control specialists, ensuring strict oversight of product quality according to specific customer needs. In 2023, a total of 15 team members received certification as brand-approved inspectors.

■ Number of Employees Certified as Brand-approved Inspectors in 2023

Brand	Number of employees participated in the assessment	Passing rate of factory personnel
Gap (DA)	11	100%
Levis (CA)	3	100%
KIABI	1	100%
Total	15	100%

■ Assessment Process of Key Brand Customers



From supplier quality verification to mass production, Roo-Hsing/J.D. United ensures and strengthens quality management through a rigorous quality management system, including conducting educational training, setting preventive measures, and establishing robust internal controls.

2.7 Sustainable Innovation and R&D

Roo-Hsing/J.D. United takes product sustainability and reducing environmental impact as its core R&D concepts. We continuously seek new materials and technologies with the aim of reducing environmental and social impact during the production process. We actively collaborate with major brands and have consistently invested in lean research and development in recent years, while paying attention to new technological trends. We aim to combine diverse production methods, such as the introduction of automation processes, automated warehousing, centralized logistics management, and ERP system implementation. In 2023, we made significant progress in technological innovation. Through the introduction of advanced technology and independent research and development, we are gradually transitioning from traditional textile manufacturing to high-tech textile production. Technologies such as 3D printing and smart manufacturing are already being widely applied in our design process. Additionally, by leveraging consulting firms and participating in professional platforms like the spring and autumn fabric exhibitions, we keep track of market demands in real-time and design products that align with customer aesthetics, enhancing customer satisfaction. We also place greater emphasis on sustainable development by using eco-friendly materials to minimize environmental impact. Roo-Hsing/J.D. United aspires to lead the fashion industry toward a more sustainable and responsible business model, aiming to become the world's most sustainable denim manufacturer.

Core Development Team

Roo-Hsing/J.D. United has a core design and R&D center in Changzhou, China. Our innovative R&D team is composed of multinational professionals who integrate design, R&D, manufacturing, and supply chain services to provide a full range of production line services for all types of woven and knitted garments. In addition to actively investing in the research and development of trendy and functional materials and product design technologies in recent years, in 2023 we also offered PPE-related training and testing courses in response to the demand for personal protective equipment. Additionally, new training courses on 3D garment design software were introduced, enabling team members to acquire professional knowledge and skills in this field. Roo-Hsing/J.D. United's R&D team includes talent specializing in fabric development, professional design, wash development, and garment manufacturing.

Investment in Innovation and R&D

In 2023, Roo-Hsing/J.D. United invested a total of NT\$7,536 thousand in R&D for manufacturing and product development.

Responses to Future Challenges

Looking ahead, the domestic textile industry faces challenges such as shrinking external demand, pressure on profitability recovery, and intensified international competition, testing the industry's resilience and ability to withstand downward risks. We are at a critical stage where traditional growth drivers speedily transit to new ones, facilitating the development of high-quality products. This era presents tremendous opportunities. Roo-Hsing/J.D. United will continue to invest in innovation and R&D technologies, strengthen partnerships with suppliers, and promote collaborative innovation across the textile supply chain to enhance efficiency for all. As environmental awareness grows, we aim to achieve green development by promoting eco-friendly fabrics and optimizing production processes.

We are also transforming into a smart factory to reduce labor costs and increase efficiency. Moreover, with the changing clothing habits and fashion trends influenced by the pandemic and broader environmental factors, one of the key challenges Roo-Hsing/J.D. United must address is how to develop more sustainable and lightweight fabrics that are both inspiring to customers and aligned with current business demands.

Regarding the expansion of our PPE business, Roo-Hsing/J.D. United's production sites in Africa hold an unparalleled geographical advantage for the American market. By using our existing equipment to produce simpler protective accessories, such as patient transfer sheets and crutches, we hope to increase the share of PPE manufacturing in our overall business in the future.

Challenges	Strategies Adopted by Roo Hsing/J.D. United
Fluctuations and Increases in Raw Material Costs	<ul style="list-style-type: none"> Continue collaboration with key suppliers to obtain stable and cost-effective procurement prices.
Continuous Increase in Labor Costs	<ul style="list-style-type: none"> Introduce more automation equipment for production to reduce labor costs, such as cold transfer printing machines, laser cutting machines, and ultrasonic machines.
Personal Protective Equipment (PPE) standard testing and costs	<ul style="list-style-type: none"> Establish a dedicated R&D team for PPE business and closely collaborate with testing laboratories in China, Taiwan, and the United States to achieve certifications like FDA, NOISH, and 510(K). Refine manufacturing processes from a research and design perspective.



Sustainable Products and Processes

Roo-Hsing/J.D. United leverages its advantage in production scale and vertical integration to create strong large-scale manufacturing capabilities through a vertically integrated production model and horizontal collaboration systems across operational units. This approach offers flexibility in manufacturing planning and improvements, enabling us to respond to the apparel industry's trend of shorter lead times and small, diverse orders. From the upstream yarn production stage, we work closely with key suppliers and strategic partners from various countries, integrating information and advanced technologies to develop fabrics from different materials. The product is then designed within Roo-Hsing/J.D. United, and customers are provided with comprehensive services, including conceptualization, packaging, logistics, and shelf display. We continuously create value for the fashion industry through optimized and advanced methods.

In terms of product innovation, recent investments have focused on areas such as ribbon fabrics, green waterless fabric products, and the development of “next-generation waterless denim.” The goal is to integrate key functions of fabrics with innovative concepts that meet consumer demands while reducing the environmental and ecological impact of the products. In 2023, our investment focuses around the following areas:

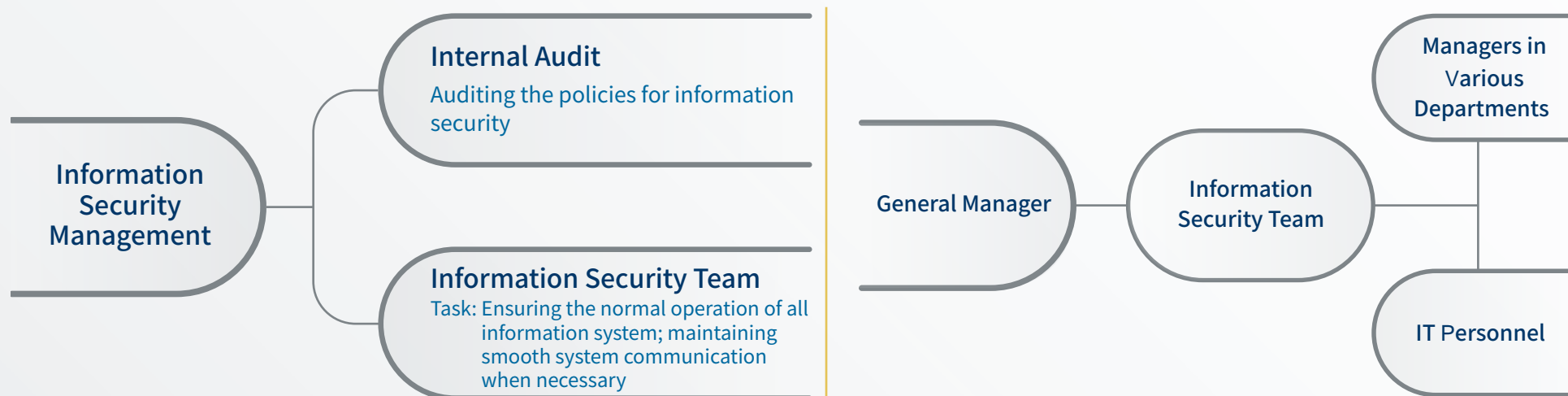
Project ments	Description	Expected Benefits	Achieve-
Fabric/Cloth Innovation	Innovation focused on functionality, comfort, and sustainability.	We look forward to combining the key functions of fabrics with innovative ideas, such as water-repellent, water-free, stain-resistant, creating sustainable fabrics.	We adopt environmentally friendly materials and processes, including recycled cotton, TENCEL, organic cotton, recycled polyester, recycled yarn, coffee yarn, and vegetable dyeing technology.
Process / Lean Innovation	Innovation focused on research and development of technologies that are more sustainable and that can create more added value for the enterprises.	Our professional team members cooperate with the world's well-known brand customers to achieve process innovation through the introduction of laser, ozone, E-Flow techniques and the most advanced washing machines and dryers.	Through Cooltrans technology, we reduce the consumption of a lot of energy and chemicals, and through the display and promotion of Cooltrans samples, we have won the recognition of many international brands.
Personal Protective Equipment (PPE) Business Development	Expansion and development of the PPE market.	We continue to develop coated fabrics, collaborating multiple times with factories to test coating effects. Together with our designer team, we are dedicated to the R&D and manufacturing of PPE products, including the production of whole-set package and labels for isolation gowns, masks, and shoe covers. We are deepening our efforts in the development of medical-related products and obtaining various professional certifications.	Through the efforts of our core R&D team in research and testing, we have successfully passed Level 3 protection testing for surgical gowns.
3D Clothing Design and Simulation Display	Related software technology mainly used for product design and sample displays.	Through 3D simulation, the design process can be streamlined, allowing for more precise use of fabric and reducing the need for physical samples. This not only supports sustainability and carbon reduction efforts but also saves significant transportation and waste costs, creating maximum added value for the company.	We are ready to begin trial implementation of 3D design and product simulation displays.

2.8 Information Security

Impact	Enterprises should prioritize information security management to prevent potential security vulnerabilities that could lead to incidents such as cyberattacks. These attacks can result in the leakage of company secrets and customer privacy data, infringe on stakeholder rights, and pose a risk of business disruption for the company.
Policy Committed	Roo-Hsing/J.D. United is committed to strengthening information security management to ensure smooth business operations and protect core business-related information assets (including data, systems, equipment, and software licenses). We aim to prevent security incidents that could compromise the confidentiality, integrity, and availability of information and systems during their use, ensuring that our company's information processing is secure and efficient.
Action Taken	We have established an Information Security Team to implement security control mechanisms for company systems, computer assets, and cybersecurity. Additionally, we continuously enhance personnel training to strengthen information security awareness and practices.
Goal	<p>Short-Term Goals</p> <ul style="list-style-type: none"> ▪ Zero material information security incident. <p>Long-Term Goals</p> <ul style="list-style-type: none"> ▪ Zero material information security incident.
Assessment Mechanism	The performance is assessed by the Information Security Team.
Performance Results	<ul style="list-style-type: none"> ▪ Roo-Hsing/J.D. United offers training courses related to information security and personal data protection, and every new employee has completed the "Information Security Awareness" training. ▪ In 2023, no material information security incidents occurred.
Communication with Stakeholder	The company's information security management policy is published on the official website and in the annual report.

To ensure normal business operations and protect core business-related information assets (including data, systems, and equipment), Roo-Hsing/J.D. United has established an Information Security Team, with the Information Office Manager serving as the chief convener. Following the "Information Security Policy," the team is responsible for handling security incidents to prevent issues that could compromise the confidentiality, integrity, and availability of information and systems during their use. Additionally, a "Disaster Recovery Plan and Testing Procedures" is in place to promptly address major system disasters, with disaster recovery drills conducted every six months. In 2023, no major information security incidents occurred. Recently, the company also purchased next-generation firewalls to strengthen information security protection.

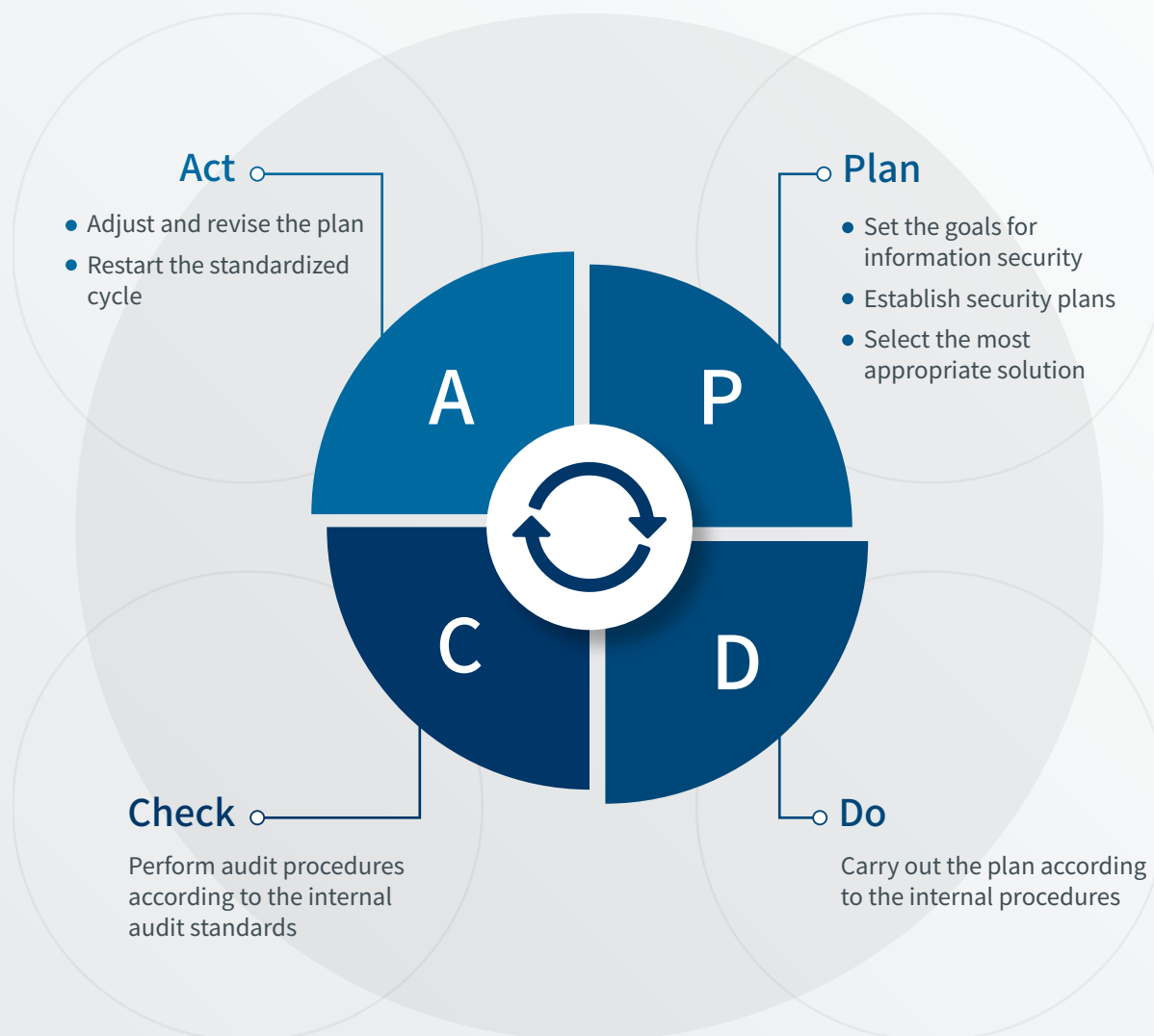
■ Organizational Structure for Information Security Management



■ Implementation of Information Security Policies

Items	Description
Security Management Related to Personnel	Regularly conduct information security education and training for employees to ensure they understand the importance of information security. Training includes: information security policies, legal regulations on information security, and operational procedures for information security.
Security Management Related to Computer Systems	Establish procedures and responsibilities for computer system operations, and implement preventive and protective measures for the company's host equipment and network environment, including the prevention and detection of computer viruses and other malicious software intrusions.
Cybersecurity Management	Plan for network security measures to prevent unauthorized access, tampering, destruction, or deletion of data. If a network security incident occurs, it is immediately reported to the Computer Security Emergency Response Team.
System Access Control	Define system access policies and clearly specify access permissions for personnel at all levels. Employees and users are informed of their relevant authority and responsibilities via written, electronic, or other means.
Security for Usage of System Files	Grant users of application systems access to data and system functionalities that match their business needs, according to information access regulations.
Security Management for Information Assets	Create an register of information system assets, defining Roo-Hsing/J.D. United's information assets, including asset types and ownership.

■ Security Management Mechanism



2.9 Tax

Roo-Hsing/J.D. United Group recognizes the importance of establishing tax policies and has planned to set up a dedicated management unit for the group's tax strategy and governance. Each of the group's operational sites consistently complies with the tax regulations of their respective countries, ensuring that transactions between affiliated companies follow the arm's length principle.

As currently all operational sites are focused on restoring past successes, the group will consider the operational performance and, when the situation allows, establish a tax management policy in accordance with international tax governance trends in the future.

The Group CFO and the financial supervisors of subsidiaries are responsible for the governance, decision-making and oversight of tax-related matters. Major transactions and decisions undergo tax risk assessments, with the assistance of external experts to ensure compliance with tax laws. The group is committed to complying with all tax regulations and their legislative intent in the countries where it operates, ensuring timely filing and payment of taxes and adherence to the arm's length principle in transactions between affiliated companies. To mitigate risks from changes in tax laws across different countries, the group employs dedicated personnel and consults with external experts to ensure that subsidiaries' tax filings comply with relevant regulations. The group identifies and evaluates tax risks in compliance with laws, avoids any false transaction arrangements, and assigns dedicated personnel to handle potential whistleblowing cases.

Social Responsibility

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3.1 Talent Attraction and Retention

Impact	If the company's employee benefits or salary are not competitive with industry standards, it may struggle to attract top talent and increase employee retention. This could result in the loss of skilled personnel, negatively impacting employee morale, company performance, and corporate reputation, and may even directly affect the company's profitability and operational stability.
Policy Committed	The company provides employees with competitive compensation, a benefits system that exceeds legal requirements, and a safe and healthy working environment.
Action Taken	<ul style="list-style-type: none"> The company has established an Employee Welfare Committee in accordance with the law and actively promotes employee welfare. A performance-based compensation incentive program is designed, with various rewards and bonuses distributed based on employee performance.
Goal	<ul style="list-style-type: none"> Reduce employee turnover rate. Increase the proportion of female managers.
Assessment Mechanism	The performance is assessed by the Human Resource units.
Performance Results	The proportion of female managers has been increased.
Communication with Stakeholder	Recruitment information are posted on the company's official website and job recruitment platforms to attract top talent.

2023 Global Employee Distribution

Taiwan Headquarter	China	Cambodia	Myanmar	Tanzania	Nicaragua	El Salvador	The United States
16 HCs	909 HCs	10,091 HCs	1,043 HCs	3,609 HCs	2 HCs	1 HCs	30 HCs
0.10%	5.79%	64.27%	6.64%	22.99%	0.01%	0.01%	0.19%

Strategy Planning for Risks related to Human Resource

As a multinational company, Roo-Hsing/J.D. United strictly adheres to local regulations at each of its operational sites. The company actively collaborates with local governments, communities, customers, and non-profit organizations, organizing various activities and programs with these stakeholders, so as to strengthen its human resource risk management, reduce the likelihood of violations, improve the quality of life for local residents, enhance overall competitiveness, and create shared value.

Roo-Hsing/J.D. United adopts a diverse and comprehensive human resource risk management strategy, encompassing regulation compliance, a solid education and training system, expanded recruitment channels, and strengthened internal communication mechanisms. These efforts enhance human resource management and reduce identified risks, while preventive measures are deployed in advance to promote employees' physical, mental, and career development, ensuring the company's advantage in human capital and talent composition in all operational locations. In addition to expanding workforce diversity, fostering a sense of belonging and cohesion among employees is a key focus. The company provides reasonable compensation and generous rewards, while also emphasizing interactive training programs and health care activities to help employees develop their full range of skills. For detailed information, please refer to "3.2 Talent Cultivation and Development" and "3.3 Occupational Safety and Health." The strategy for human resource risk management is as follows:

Human Resource Risk	Roo Hsing/ J.D. United 's Risk Control Strategy
Compliance Risk	<ul style="list-style-type: none"> Identify and update the regulatory compliance records for local laws, labor conditions, labor safety regulations, and social security laws in each operational location. Maintain open communication channels and mechanisms with the governments of each operational location.
Rising Statutory Wages in Each Operational Location	<ul style="list-style-type: none"> Develop a comprehensive employment and training system to ensure that employees' capabilities are reflected in their corresponding salary and compensation.
Labor Supply	<ul style="list-style-type: none"> Expand diverse recruitment channels, such as collaborating with local schools to offer internships, campus recruitment events, external recruitment agencies, and headhunting services.
Talent Turnover	<ul style="list-style-type: none"> Offer competitive salary and benefits packages. Ensure open internal communication channels. Strengthen talent development and training systems.
COVID-19 Prevention Measures to Avoid Repeated Infections Among Employees	<ul style="list-style-type: none"> Improve communication with employees, providing timely updates on the company's responsive measures and relevant rules regarding pandemic control, ensuring that employees receive accurate and comprehensive information. Strengthen the promotion of personal hygiene and workplace sanitation management among employees. Implement a flexible leave policy, understanding the increased need for employees to care for family members at home, and reduce the anxiety and fear brought about by the pandemic.

3.1.1 Workforce Structure

Roo-Hsing/J.D. United's management team and Human Resources Department are committed to establishing a solid workforce structure to support the company's vision for international development. A solid workforce enables quick responses to market changes and industry competition, effectively integrating new technologies and meeting the challenges of innovative product development. The company's workforce is composed of international professionals, which enhances internal team communication, skill comprehensiveness, and adaptability. In addition to collaborating with local educational institutions, Roo-Hsing/J.D. United works with local governments and non-profit organizations to recruit talent through diverse channels, fostering talent for the essential roles of junior managers and technical staff.

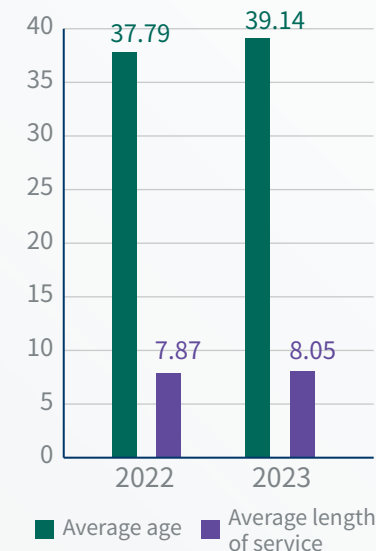
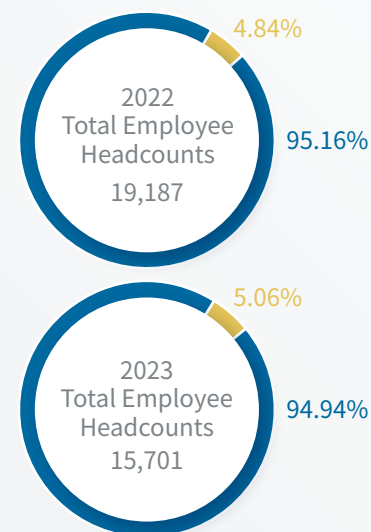
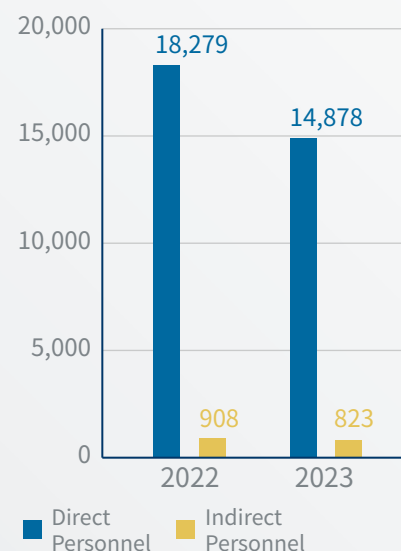
Diverse Talent Recruitment

Roo-Hsing/J.D. United respects the diversity in culture, religion, and local customs of different regions. The company's talent selection, development, appointment, and retention policies do not discriminate based on race, nationality, marital status, or gender. Our goal is to place employees in suitable positions where they can thrive and grow. The company fosters a people-centered culture, actively nurturing young talent and managers to ensure continuous improvement and create win-win outcomes for both the company and its employees.

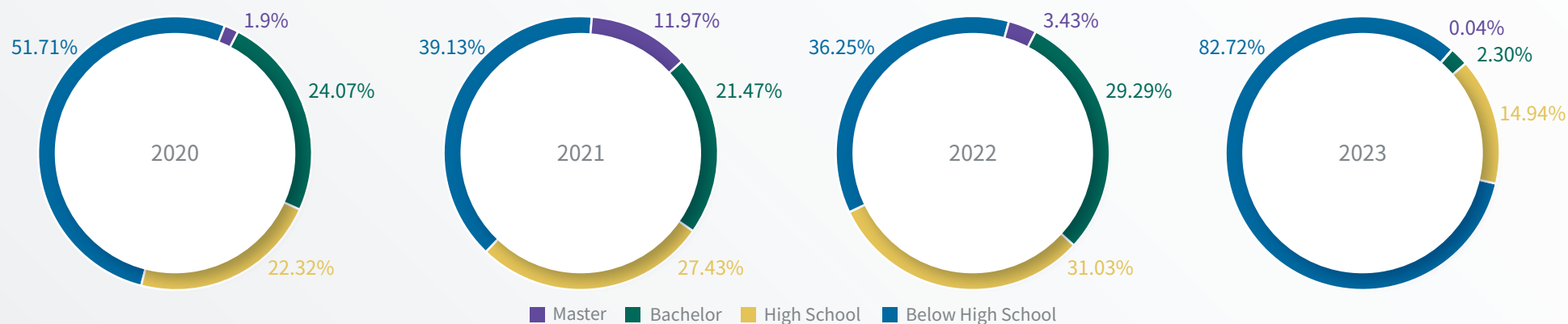
Roo-Hsing/J.D. United Workforce Composition

As shown in the table, the company's workforce composition reflects the nature of the apparel and textile industry, with a high demand for young talent across operational sites. As a result, the average age remains relatively young. Despite a slight increase in turnover rate compared to last year, the company's average length of service has significantly increased, indicating a trend toward stabilization in human resource policies. As of the end of 2023, the company employed a total of 15,701 individuals, with an average age of approximately 39.14 years and an average length of service of around 8.05 years (excluding U.S. employees). Additionally, due to the nature of the apparel and textile industry, direct personnel accounted for approximately 94.76% of the workforce, while indirect personnel made up about 5.24%. All employees are full-time (100%).

Employee Composition



Employee Education Level



Employee Gender and Age by Operational Location

Region	Taiwan	China	Cambodia	Myanmar	Tanzania	Nicaragua	El Salvador	The United States	Subtotal
Male	7	201	5,356	91	992	0	0	16	6,663
Female	9	708	4,735	952	2,617	2	1	14	9,038
Total	16	909	10,091	1,043	3,609	2	1	30	15,701

Number of Employees																		
Categories	Taiwan		China		Cambodia		Myanmar		Tanzania		Nicaragua		El Salvador		The United States		Subtotal	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
< 30 Years old	0	1	7	34	2,024	3,332	71	781	736	1,564	0	0	0	0	2	1	2,480	5,713
30-49 Years old	3	5	117	528	1,879	965	18	166	253	1,034	0	1	0	1	8	7	2,278	2,707
> 50 Years old	4	3	77	146	1,453	438	2	5	3	19	0	1	0	0	6	6	1,545	618
Total	7	9	201	708	5,356	4,735	91	952	992	2,617	0	2	0	1	16	14	6,663	9,038

Number of Employees																		
Categories	Taiwan		China		Cambodia		Myanmar		Tanzania		Nicaragua		El Salvador		The United States		Subtotal	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Direct Personnel	0	0	101	443	5,269	4,665	82	876	888	2,554	0	0	0	0	0	0	6,340	8,538
Indirect Personnel	7	9	100	265	87	70	9	76	104	63	0	2	0	1	16	14	323	500
Total	7	9	201	708	5,356	4,735	91	952	992	2,617	0	2	0	1	16	14	6,663	9,038

Number of Employees																		
Categories	Taiwan		China		Cambodia		Myanmar		Tanzania		Nicaragua		El Salvador		The United States		Subtotal	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Permanent Employees	7	9	151	392	5	7	91	952	0	0	0	2	0	1	16	14	270	1,377
Temporary Employees	0	0	50	316	5,351	4,728	0	0	992	2,617	0	0	0	0	0	0	6,393	7,661
Total	7	9	201	708	5,356	4,735	91	952	992	2,617	0	2	0	1	16	14	6,663	9,038

Note 1: Permanent employees are those who have signed indefinite (i.e., open-ended) contracts, whether full-time or part-time.

Note 2: Temporary employees are those who have signed fixed-term contracts. These contracts expire at a specified time or conclude upon the completion of a specific task or event with a set evaluation schedule (e.g., the completion of a project or the return of an employee for a position being temporarily filled).

Annual Total Compensation Ratio

Average Basic Salary Ratio of Women to Men (Female: Male)			
Categories	Taiwan	China	Cambodia
Direct Personnel	N/A	1 : 1.54	1 : 1.03
Indirect Personnel	1 : 2.00	1 : 1.41	1 : 1.15

Average Compensation Ratio of Women to Men (Female: Male)			
Categories	Taiwan	China	Cambodia
Direct Personnel	N/A	1 : 1.47	1 : 1.04
Indirect Personnel	1 : 2.04	1 : 1.41	1 : 1.19

Note 1: Basic salary refers to the minimum fixed amount paid to employees for fulfilling their responsibilities (excluding any additional compensation such as overtime pay or bonuses).

Note 2: Compensation includes the basic salary plus any additional amounts paid to employees. These additional amounts may include seniority allowances, bonuses (including cash and equity, such as stocks and shares), benefits, overtime pay, compensatory leave, and any other subsidies (such as transportation allowances, living allowances, and childcare subsidies).

3.1.2 Employee Turnover

Roo-Hsing/J.D. United actively clarifies the reasons for employee departures, evaluates potential issues, and maintains an understanding approach to support departing employees in seeking more suitable career development. The company has already begun planning and implementing courses and activities aimed at strengthening corporate culture, with the goal of enhancing overall cohesion. The table below shows the hiring and turnover statistics across Roo-Hsing/J.D. United's various operational sites.

■ New Employees and Departing Employees

Number of New Employees																		
Categories	Taiwan		China		Cambodia		Myanmar		Tanzania		Nicaragua		El Salvador		The United States		Subtotal	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
< 30 Years old	0	2	6	25	798	713	20	820	518	499	0	0	0	0	0	0	1,342	2,059
30-49 Years o	0	0	47	169	617	568	14	341	125	190	0	1	0	0	4	0	807	1,269
> 50 Years old	1	0	13	87	397	139	0	3	0	1	0	0	0	0	0	0	411	230
Total	1	2	66	281	1,812	1,420	34	1,164	643	690	0	1	0	0	0	0	2,560	3,558

Number of Departing Employees																		
Categories	Taiwan		China		Cambodia		Myanmar		Tanzania		Nicaragua		El Salvador		The United States		Subtotal	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
< 30 Years old	0	0	20	48	2,261	1,149	75	1,050	295	376	0	0	0	0	0	0	2,651	2,623
30-49 Years o	2	5	115	497	893	834	2	189	256	440	9	2	1	0	9	0	1,287	1,967
> 50 Years old	3	3	60	209	198	169	1	1	210	221	0	1	0	0	0	0	472	604
Total	5	8	195	754	3,352	2,152	78	1,240	761	1,037	9	3	1	0	9	0	4,410	5194

Regulations on the Minimum Notice Period for Layoffs

■ Taiwan

According to Article 16 of the Labor Standards Act, the minimum notice period for terminating an employment contract, as specified in working rules, is as follows:

- For employees who have worked more than three months but less than one year, a ten-day notice is required.
- For employees who have worked more than one year but less than three years, a twenty-day notice is required.
- For employees who have worked more than three years, a thirty-day notice is required.

■ China

In accordance with the Labour Law of the People's Republic of China, written notice must be given to employees 30 days prior to termination of employment. This regulation has been incorporated into the internal management documents of each operational site.

■ Cambodia

According to the Cambodia Garment Industry Labor Law Guidelines, if an employer does not wish to renew an employee's contract after its expiration, the employer must notify the employee before the contract ends. The required notice period is as follows:

- No notice is required for employees with less than six months of service.
- For employees with six months to one year of service, a ten-day notice is required.
- For employees with more than one year of service, a fifteen-day notice is required.

■ Nicaragua and El Salvador

According to labor laws, employees are entitled to one month of severance pay per year of service. There is no specified notice period requirement.

3.1.3 Compensation and Welfare

Roo-Hsing/J.D. United has designed a fair, reasonable, and competitive compensation system to attract talented individuals. Starting salaries for new employees are higher than the legal minimum wage. The company also offers a comprehensive performance evaluation system and incentive-based compensation, including year-end bonuses based on performance.

Regular free health checks are arranged for all employees, with special health checks (including gastroscopy, colonoscopy, lung cancer screening, and cardiology exams) provided for senior managers and specific personnel (such as drivers). The company aims to protect the health of employees at all levels through these medical checks. In the future, we are planning to organize physical and mental wellness activities for employees, such as company sports days and athletic competitions, to maintain a healthy workforce that drives the company's progress and shared prosperity.

The company's Articles of Association stipulate that, when annual profits remain after covering accumulated losses, 4% to 5% of the remaining profit should be allocated as employee compensation, which can be distributed in cash or shares.

Compensation and Benefits

Roo-Hsing/J.D. United has established an Employee Welfare Committee responsible for planning and organizing various employee benefits, holding activities that provide employees with opportunities to relax and rejuvenate while working for the company. The Employee Welfare Committee also serves as a bridge to boost morale and strengthen labor-management relationships. The company strives to create a friendly workplace and support all employees through challenging times. The company's welfare system is outlined as follows:

Items	Relevant Procedures
Employee Profit Sharing	The company has an employee profit-sharing system based on company earnings.
Employee Benefits	<ul style="list-style-type: none"> ▪ The company gives out cash gifts for the Lunar New Year, Mid-Summer Festival, and Mid-Autumn Festival, along with an annual travel fund to encourage employees to engage in leisure activities for relaxation and well-being. ▪ The company provides subsidies for weddings, funerals, and celebrations: including birthday gifts, wedding gifts, birth gifts, and condolence money. ▪ The company distributes red envelopes upon resuming work after the Lunar New Year. ▪ Vendor discounts are granted occasionally and food tasting events are organized from time to time.
Health Management	<ul style="list-style-type: none"> ▪ The company regularly provides free health checks and health check leave, offering better-than-statutory health packages with varying subsidy amounts based on job level. Employees can customize their health check plans according to their needs. The company aims to protect the health of employees at all levels. ▪ Roo-Hsing/J.D. United also cares for workers at its Cambodia facility and is committed to ensure the health protection of garment workers via the National Social Security Fund (NSSF).
Group Medical Insurance	<ul style="list-style-type: none"> ▪ To protect employee's standard of living and enhance employee welfare, in the event of an accidental injury, group accident insurance provides a maximum medical reimbursement of NT\$30,000 per incident. In the case of disability or death, the insurance offers a maximum payout of NT\$7 million.
Other Special Benefits	<ul style="list-style-type: none"> ▪ The company advocates a breastfeeding-friendly workplace by providing fully equipped nursing rooms. These rooms include small refrigerators, sterilizers, alcohol, emergency buttons, and other necessary facilities, with designated personnel responsible for regular maintenance of the environment.

Pension Plan

The group's pension plan is established in accordance with the Labor Standards Act and the Labor Pension Act. The operation in Taiwan follows the Labor Standards Act, and since July 1, 2005, for new employees and those who opt for the new pension plan, 6% of their monthly salary is contributed to their individual pension accounts at the Bureau of Labor Insurance. For employees who remain under the old plan, their seniority is preserved, and appropriate retirement reserve funds are deposited into a designated bank account based on the original contribution standards. As of 2023, the old retirement reserve fund amount is NT\$3,302,379, and the new retirement reserve fund amount is NT\$1,285,269. For employees reassigned to affiliated companies within the group, their years of service are carried forward, providing greater security and enhancing talent mobility within the group. Subsidiaries located overseas also establish pension plans in accordance with local labor laws.

Freedom of Association

Roo-Hsing/J.D. United respects the freedom of all employees to assemble and form associations. In compliance with local laws, the company has established labor unions and maintains positive labor-management interactions. Employees are encouraged to express their opinions, fostering a harmonious relationship between labor and management. Labor unions have been established at the Cambodia and Changzhou factories, where regular labor-management meetings are held to continuously improve employee welfare and work towards becoming a company where all employees work happily and feel satisfied.

3.2 Talent Cultivation and Development

Talent is the foundation of Roo-Hsing/J.D. United's business. We are committed to creating a friendly and healthy workplace by providing employees with a high-quality work environment, a diverse talent development system, comprehensive health care and benefits, all-round support, and transparent communication channels. Our goal is to become the most reliable and attractive employer. Through proper human resource management, we aim to unlock individual potential and provide internal employees with extensive training and diverse rotational opportunities. Our transparent internal promotion system focuses on developing management talent from within, ensuring that employees are in roles that best fit their skills, allowing their potential to be fully realized.

By adopting a learning organization model, Roo-Hsing/J.D. United continuously enhances employee competitiveness. Employees feel more satisfied when they realize their personal value, and the organizational performance is improved at the same time. The company aims to foster a more competitive corporate culture that attracts talent and strengthens employee loyalty. In terms of human rights, the company supports and implements internationally recognized human rights standards and has established the "Roo-Hsing Human Rights Policy" to protect employee rights, build a safe and healthy workplace, and support mutual growth between employees and the company.

From the moment employees join the group, their learning, development, and their ability for personal and organizational management are closely linked to the company's operational stability. In the long term, there is a strong positive correlation between these factors. Therefore, our focus on employee well-being is reflected not only in health, safety, and workplace maintenance but also in concrete plans for employee career development. All talent training and development programs are closely aligned with the group's new 3C (Care, Communication, and Creativity) values, with the aim of integrating these values into training courses to establish a deeply rooted corporate culture.

Employee Training and Education

In response to the rapid growth and expansion of operations in recent years, Roo-Hsing/J.D. United provides diverse internal and external education and training opportunities. We focus on developing and enhancing employees' professional abilities, job-specific skills, and management capacities. As Roo-Hsing/J.D. United operates in a labor-intensive industry, significant resources and budgets are allocated to talent development and training to improve employee capabilities and work efficiency.

Topics	Features
Training for New Employees	<ul style="list-style-type: none"> To help new employees quickly integrate into the team and company culture, the Human Resource Department conducts onboard training covering organizational structure and culture, workflows, databases, company environment, and industry knowledge. Supervisors arrange on-job training tailored to the new hire's role, with senior employees providing guidance and daily work instruction. Psychological assistance is also provided to help new employees quickly adapt to the company environment and acquire the necessary skills.
Training of Professional Skills	<ul style="list-style-type: none"> Based on analysis and identification for training requirements, professional training courses are provided for specific job functions. For example, production line managers receive training on process optimization, while employees in washing plants receive training related to equipment and formula to support their professional development.
Specialized Training for Specific Personnel	<ul style="list-style-type: none"> Each year, specialized training is arranged for directors, finance and accounting supervisors and their deputies, auditors, and other specialized personnel. This training strengthens knowledge in corporate governance, regulatory compliance, finance, and internal controls, enhancing the group's human capital and professional expertise.
Comprehensive Education	<ul style="list-style-type: none"> To ensure that employees at all levels fully utilize their competencies within the organization, Roo-Hsing/J.D. United has established the "Training and Education Management Regulations," which includes guidance for both internal and external training. The company provides full financial support for external training, encouraging employees to pursue further education to enhance their skills and technical knowledge. Annual training courses are planned at the end of each year for the following year, and employee training is implemented monthly according to the plan. Diverse and engaging courses are designed to boost employee engagement. In 2023, courses such as "Integrity Management Guidelines and Case Sharing" and "Information Security and Personal Data Protection Management" were offered.

External Training and Education

Audit	Finance and Accounting	Management
<ul style="list-style-type: none"> Advanced Excel Functions for Financial and Audit Purposes. Hands-on Data Organization Workshops. Practical Analysis on How Companies Build Risk Management Development Blueprints through Corporate Governance 3.0. 	<ul style="list-style-type: none"> Regulations and Practices related to Shareholders' Meetings for Public Companies. Continuing Education for Accounting Supervisors. Education on Corporate Governance for Governance Officers. 	<ul style="list-style-type: none"> Salary Structure Design, Adjustments, and Practical Tax Handling. Salary Structure Design and Application from the Perspective of Job Evaluation. Analysis and Practical Study of Labor Dispute Law.

Policy on Employee Compensation

According to the annual “Compensation Information for Full-Time Employees Not in Supervisory Positions,” the defined total compensation refers to the employee compensation attributable to the year in question, based on the accrual accounting principle. It includes regular salary (base salary and fixed monthly allowances), overtime pay (whether taxable or tax-exempt), and non-regular salary (such as non-monthly payments for retirement income, bonuses, and welfare funds).

The ratio of the total annual compensation of the highest-paid individual to the median of total annual compensation of other employees in the organization (excluding the highest-paid individual)			
	Taiwan	China	Cambodia
2021	14.43	18.40	4.88
2022	7.19	19.16	3.83
2023	7.86	20.79	4.10

Note 1: Taiwan annual total compensation: Based on data from indirect personnel.

Note 2: China annual total compensation: Based on data from indirect personnel, including monthly salary + year-end bonus.

Note 3: Cambodia annual total compensation: Based on data from indirect personnel (non-Cambodian), including monthly salary + year-end bonus.

Internal Training and Education

Course Categories	Course Topics	Number of Participants	Number of Classes	Total hours
Training for New Employees	Onboard Training (Introduction to company environment, corporate culture, compensation and benefit, various rules and regulations)	1	1	4
Comprehensive Education	The Origin of Roo-Hsing/J.D. United and the Rise and Fall of Denim Jeans	16	1	32
	The Journey from Denim Fabric to the Birth of Jeans	15	1	30
	Types of Denim Washing and Business Order Process	15	1	30
	Integrity Management Guidelines and Case Sharing	13	1	15
	Information Security and Personal Data Protection Management	10	1	10
	Introduction to AI Tools - ChatGPT	13	1	13

Annual Total Compensation Change Rate			
Categories	Taiwan	China	Cambodia
Percentage increase (decrease) in total annual compensation for the highest-paid individual (A)	5.15%	0.00%	0.00%
Percentage increase in the medium total annual compensation for all employees* (excluding the highest-paid individual) (B)	15.93%	8.81%	(6.00%)
Annual total compensation ratio (A/B)	0.32	0.00	0.00

Note: Indirect personnel only.

3.3 Occupational Safety and Health

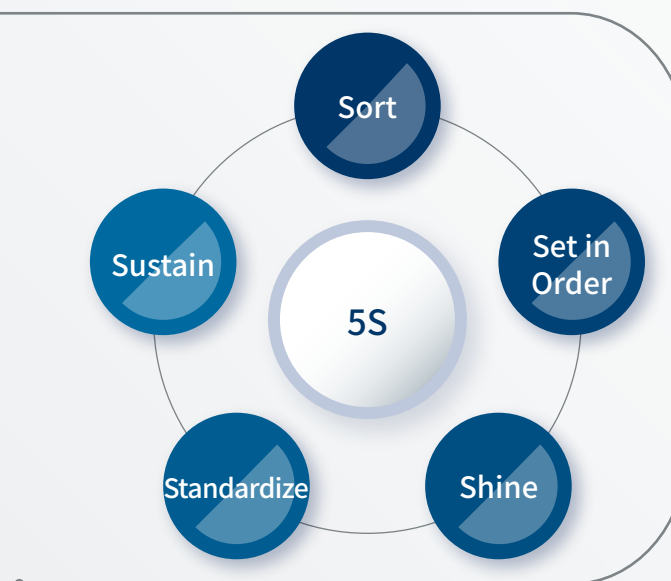
Impact	<ul style="list-style-type: none"> Employees are the most important asset of a company. Inadequate safety and health management and failure to provide employees with a healthy and safe working environment may lead to health and physical hazards for employees, resulting in reduced productivity. The company could also face legal liabilities and fines, which would negatively impact business operations and lead to a decline in the company's brand reputation.
Policy Committed	Roo-Hsing/J.D. United is committed to providing a safe and fair working environment at all operational sites, ensuring that every employee is treated with respect and dignity. The company maintains open communication channels to strengthen the relationship between labor and management.
Action Taken	To protect workers' right, Roo-Hsing/J.D. United's company policies and factory regulations strictly prohibit forced labor. The company provides communication channels between labor and management and continuously enhances employee health care services to create a friendly occupational environment.
Goal	<p>Short-Term Goals</p> <ul style="list-style-type: none"> Hold labor-management meetings and forums regularly, providing transparent and pressure-free communication channels. Conduct anti-discrimination, anti-sexual harassment, and anti-bullying compliance campaigns through internal networks, announcements, or training, ensuring a workplace that protects human rights. Establish an internal company complaint mailbox and hotline, allowing employees to directly express opinions to senior management; the company website also has a specific area for external whistleblowing. The WOVO labor-management communication platform at the Cambodia site has reached a 100% download rate, facilitating transparent communication of human resource policies. In accordance with the "Roo-Hsing/J.D. United Human Rights Policy," employees are treated equally, with zero human rights violations reported. Comply with local operational regulations on child labor age restrictions, ensuring zero incidents of child labor misuse or violations of youth employment laws. Facilitate Roo-Hsing/J.D. United's workplace health care project to establish a healthy and friendly working environment. <p>Medium and Long-Term Goals</p> <ul style="list-style-type: none"> Continue the regular labor-management meetings to encourage communication and interaction between employees and the management. Maintain a 100% download rate for the WOVO labor-management communication platform to ensure transparent communication of human resource policies. Enhance employee health management and ensure the health of garment workers through the National Social Security Fund (NSSF). Treat employees equally in accordance with the "Roo-Hsing/J.D. United Human Rights Policy," maintaining zero incidents of human rights violations. Comply with age restriction regulations on child labor at all operational sites, ensuring zero misuse of child labor or violations of youth employment laws. Continue to strengthen Roo-Hsing/J.D. United's workplace health care project through its four key programs, integrating workforce in Taiwan and Mainland China, and implementing a human resource budget management system.

Assessment Mechanism	Assessment may be conducted via a labor-management communication platform, along with internal and external complaint and whistleblowing area on the company's website.
Performance Results	In 2023, there were no material occupational accidents or human rights violations.
Communication with Stakeholder	<p>Internally</p> <ul style="list-style-type: none"> Communication may be done via internal complaint hotline and the WOVO labor-management communication platform <p>Externally</p> <ul style="list-style-type: none"> There is an area on the company's website specifically dedicated to external whistleblowing.

Implementing Safety and Hygiene Management; Establishing the Healthiest Workplace

5S Workplace Management

Roo-Hsing/J.D. United adopts Japan's 5S Management Principles, which include Seiri (Sort), Seiton (Set in Order), Seiso (Shine), Seiketsu (Standardize), and Shitsuke (Sustain). The goal is to ensure that each department and employee is well-organized and adheres to factory health and safety regulations, reducing workplace injuries and accidents. A 5S Committee evaluates the performance of each department in implementing the 5S principles, offering further guidance and suggestions. To encourage all employees to apply the 5S process in their daily work, departments or employees demonstrating exceptional performance are rewarded.



At Roo-Hsing/J.D. United, each factory implements workplace safety and health management systems under the supervision of the Labor Health and Safety Committee and according to the 5S Management Principles. The company utilizes the PDCA module (Plan-Do-Check-Act) for quality management to execute compliance inspections, health and safety awareness training, and to monitor improvements and preventive measures. All operational sites actively cooperate with local governments for routine workplace inspections and maintain close communication and collaboration with the government to introduce various health and safety measures. We prioritize the safety and well-being of our employees, striving to protect their fundamental rights. Roo-Hsing/J.D. United fully understands the responsibility it holds for occupational health and safety. As such, all production line personnel must undergo rigorous training and management before operating on the line to minimize the possibility of workplace injuries.

■ Roo-Hsing Occupational Safety Incident Statistics

Employees	Taiwan		China	
	Number	Ratio (200,000 working hours per person)	Number	Ratio (200,000 working hours per person)
Number and Rate of Fatalities Due to Occupational Injuries	-	-	0	-
Number and rate of Serious Occupational Injuries (Excluding Fatalities)	-	-	0	-
Number and rate of Recordable Occupational Injuries	-	-	5	0.50
Main Types of Occupational Injuries	NA		Production safety accidents, traffic accidents (not primarily responsible), accidental incidents (within the factory)	
Total Working Hours	NA		1,986,794	

Note 1: Total lost workdays from the injury date onward, excluding the day of injury and the day of returning to work but including weekends, holidays, or plant shutdown days, as well as any additional days missed due to the injury after returning to work.

Note 2: Rate of Serious Occupational Injuries = [(Number of serious occupational injuries, excluding fatalities) × 200,000 working hours] / Total working hours.

Non-Employee	Taiwan		China	
	Number	Ratio (200,000 working hours per person)	Number	Ratio (200,000 working hours per person)
Number and Rate of Fatalities Due to Occupational Injuries	-	-	-	-
Number and rate of Serious Occupational Injuries (Excluding Fatalities)	-	-	-	-
Number and rate of Recordable Occupational Injuries	-	-	-	-
Main Types of Occupational Injuries	NA		NA	
Total Working Hours	--		-	

Note 3: Rate of Recordable Occupational Injuries = (Number of recordable occupational injuries × 200,000 working hours) / Total working hours.

Note 4: Rate of Fatalities Due to Occupational Injuries = (Number of fatalities due to occupational injuries × 200,000 working hours) / Total working hours.

Note 5: No cases of occupational illness were recorded this year.

The determination of hazards type is based on the conditions for workplace injuries outlined in the “ Regulations on Occupational Injury Management, ” which helps identify the type of injury.

In the event of an employee injury, prompt medical care should be arranged to ensure that the employee receives treatment as soon as possible. Additionally, education on production safety for factory managers and workers should be strengthened to effectively reduce the workplace injury rate.

■ Absenteeism

Region	Taiwan			China		
	2021	2022	2023	2021	2022	2023
Male	0.99%	0.42%	0.23%	0.01%	0.02%	0.02%
Female	0.05%	0.15%	0.66%	0.05%	0.05%	0.02%

Note 1: Absenteeism Rate (AR) = (Total days of absenteeism / Total working days) × 100%.

Note 2: Days of absenteeism include sick leave and occupational injury leave but do not include pre-approved leave such as study leave or maternity leave.

Healthcare in the Workplace

To protect the physical and mental health of Roo-Hsing/J.D. United's employees and ensure the workplace safety, in 2023 we actively complied with the Occupational Safety and Health Act and other regulations to establish and promote the Roo-Hsing Workplace Health Care Project. The company has stationed contracted medical personnel at headquarters to assist in planning and implementing four key protection programs: Abnormal Workload Prevention Program, Ergonomic Hazard Prevention Program, Workplace Maternity Protection Program, and Prevention of Unlawful Workplace Harassment Program. To help employees understand their health status, we manage health check reports by classifying them into different attention levels. Professional nurses and physicians evaluate risks and provide relevant guidance and health education, fostering a healthy and friendly workplace.

■ Roo-Hsing/J.D. United's Healthcare Programs

Abnormal Workload Prevention Program	To implement the prevention of unlawful workplace harassment, we have established the Abnormal Workload Prevention Program, aiming to prevent illnesses caused by excessive workload, such as long working hours. Through health surveys on abnormal workloads, face-to-face medical consultations with physicians, and health guidance, the program ensures the mental and physical well-being of employees, preventing cardiovascular and cerebrovascular diseases triggered by work-related stress and overload, effectively safeguarding against overwork and enhancing stress management.
Human Factor Hazard Prevention Program	In accordance with the Ministry of Labor's guidelines on abnormal workload, Roo-Hsing/J.D. United implements the Ergonomic Hazard Prevention Program. A survey is conducted among employees across various units, and those identified as potentially at risk are provided with health education, consultations, and evaluations by physicians or nurses. Based on their recommendations, improvement measures are implemented to prevent musculoskeletal injuries or diseases that may arise from prolonged exposure to poor work posture, unfavorable environments, or improper work time management.
Workplace Maternity Protection Program	For female employees engaged in tasks where there are concerns about maternal health risks, Roo-Hsing/J.D. United provides health consultations with professional medical personnel. The company initiates hazard assessment and control, physician consultations, risk classification management, appropriate job adjustments, and other relevant measures. These actions are taken to ensure that female employees maintain their physical and mental health during pregnancy, postpartum, and breastfeeding periods, achieving the goal of protecting maternal health.
Prevention of Unlawful Workplace Harassment Program	To prevent Roo-Hsing/J.D. United's employees from experiencing physical or psychological harm while performing their duties, we provide professional counseling for those affected by such incidents. We are committed to creating an environment free from workplace violence, safeguarding employees from unlawful harm.

■ Caring for Physical and Mental Health

In Taiwan, in accordance with Article 16 of the Act of Gender Equality in Employment, Roo-Hsing/J.D. United's work regulations stipulate that employees who have been employed for six months may apply for parental leave without pay until their child reaches the age of three, but for no more than two years. For employees with two or more children, the duration of parental leave without pay is combined, with a maximum limit of two years for the youngest child under care.

Categories	Taiwan	
	Male	Female
Number of employees eligible for parental leave in 2023	0	0
Number of employees who actually took parental leave in 2023	0	0
Number of employees expected to return to work after parental leave in 2023	0	0
Number of employees who actually returned to work after parental leave in 2023	0	0

Categories	Taiwan	
	Male	Female
Number of employees who returned to work after parental leave in 2022	0	0
Number of employees who stayed employed for one year after returning in 2022	0	0
Reinstatement Rate	0	0
Retention Rate	0	0

Training on Workplace Safety

Workplace safety has always been a top priority for Roo-Hsing/J.D. United in its operations, and it is also a key concern for the public and stakeholders. As an important player in the textile industry, Roo-Hsin/J.D. United dedicates significant manpower and resources to occupational safety and health training, aiming to mitigate potential risks. The company enforces strict controls and audits on production processes and environments, positioning itself as a leader in driving the optimization of industry standards and promoting overall workplace safety.

To ensure zero incidents and provide a healthy and safe working environment for all employees, Roo-Hsing/J.D. United has developed comprehensive training programs. Our four main training areas are: Basic Occupational Health and Safety Training, Chemical Storage and Management, Personal Protective Equipment (PPE) Training, and Environmental Hygiene Management. The key training objectives for each program are as follows:



2023 Workplace Safety Training Programs and Achievement

Training Categories	Focus and Implementation	Total Participants	Total Training Hours
Basic Occupational Health and Safety Training	6 sessions in Cambodia, 3 sessions in Tanzania, 2 sessions in China	5,500	39,407
Chemical Storage and Management	2 sessions in Tanzania, 2 sessions in China	80	177
Personal Protective Equipment (PPE) Training	6 sessions in Cambodia, 3 sessions in Tanzania, 2 sessions in China	5,500	20,100
Environmental Hygiene Management	2 sessions in Tanzania, 2 sessions in China	520	1,003
BFC Training	6-day training in Cambodia	29	1,390
PICC Training	2 sessions in Cambodia	120	722
Fire Protection Training	2 sessions per year	5,500	10,090

Note 1: Training was conducted at sites in China, Cambodia, and Tanzania.

Note 2: BFC stands for the “ Better Factory Cambodia ” program aimed at optimizing factory operations in Cambodia; PICC stands for the “ Performance Improvement Consultative Committee.”

Note 3: Total participants and training hours are estimates.

Course for Cambodia BFC (Better Factory Cambodia) Collaborative Training Module

In 2023, the following module courses were conducted in collaboration with BFC:



3.4 Human Rights Protection

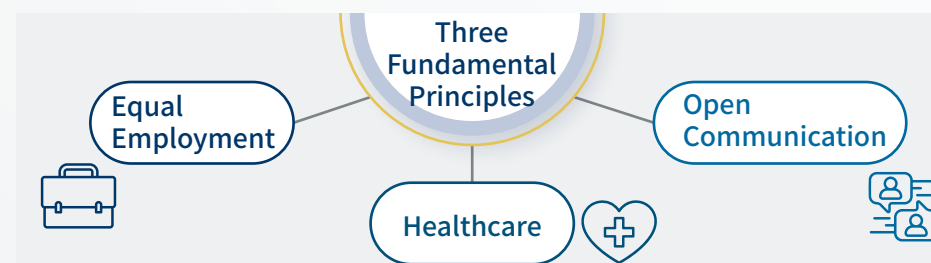
Roo-Hsing/J.D. United places great importance on labor rights and human rights, and as such, we have established a Code of Conduct and a Human Rights Policy for all employees. The Code of Conduct outlines basic requirements related to every stage of business operations to ensure the effectiveness of our policies concerning human rights, the environment, and business ethics. We are committed to providing a safe and fair working environment at all our operational sites, where every employee is treated with respect and dignity. In 2023, in accordance with the Roo-Hsing/J.D. United's Human Rights Policy, all employees, contractors, and temporary workers were treated with dignity and respect. There were no incidents of human rights violations, such as slavery or forced labor.

Roo-Hsing/J.D. United respects and supports internationally recognized human rights norms and principles, including the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We comply with the laws of the regions where we operate and have developed a human rights policy based on the United Nations Guiding Principles on Business and Human Rights. This policy applies to Roo-Hsing/J.D. United and all its subsidiaries, aiming to protect and respect human rights across our employees, suppliers, partners, and the communities where we operate. Through these efforts, we strive to reduce human rights risks and, when necessary, mitigate the impact of human rights incidents through remedial measures.

Human Rights Policy and Commitment

Roo-Hsing/J.D. United has outlined its commitment to human rights in the company's human rights policy. We thoroughly review every aspect of our operations to ensure human rights are considered, and we provide stakeholders with open communication channels. We firmly believe that respecting and protecting human rights is a critical foundation for sustainable business operations. To implement respect for workplace human rights, the group adheres not only to the Labor Standards Act and the Gender Equality in Employment Act but also sets management principles concerning significant human rights issues, which is helpful to subsequent audits and follow-ups. The human rights management principles include the following:

- Prohibiting all forms of discrimination and ensuring workplace diversity
- Banning forced labor and child labor
- Providing fair and reasonable compensation and working conditions
- Establishing a safe, sanitary, and healthy working environment
- Respecting employees' freedom of assembly and association
- Promoting diversity and equal opportunities
- Establishing communication channels and holding regular labor-management meetings
- Regularly reviewing and assessing human rights systems and practices



Given that the majority of the group's employees are based in China, Cambodia, and Myanmar, Roo-Hsing/J.D. United ensures that employment decisions are not influenced by race, gender, age, marital status, language, or other factors. We value every talented person that is willing to join Roo-Hsing/J.D. United group. For current employees, we ensure proper job placements based on annual health checks, and we promote work-life balance through various activities and programs. We also maintain diverse and open communication channels to gather employee feedback and needs, adopting a proactive approach to address and follow up on workplace-related issues. These efforts enable employees to focus on their job, manage their time efficiently, and thus developing the skills and potential that are beneficial for their personal career, while at the same time continuously fueling innovation for the company, achieving mutual growth with Roo-Hsing/J.D. United Group.

Human Rights Due Diligence

Roo-Hsing/J.D. United has conducted preliminary identification and assessment of human rights risks. In the future, we will carry out comprehensive human rights due diligence in accordance with various international human rights conventions, such as the United Nations Guiding Principles on Business and Human Rights. The process will follow the below steps:



Human Rights Risk Identification and Assessment

Roo-Hsing/J.D. United refers to relevant international human rights guidelines, domestic laws and regulations, and human rights reports from benchmark companies to compile a list of issues concerning human rights risks. The company then assesses potential human rights risk issues that may occur in the value chain, incorporating them into the Human Rights Risk Assessment Questionnaire. The questionnaire evaluates each human rights risk issue based on “Probability of Occurrence” and “Severity of Impact.” Probability of Occurrence is scored as: 0 points = Will not occur, 1 point = Low probability (1% - 30%), 2 points = Moderate probability (31% - 60%), 3 points = High probability (above 61%), Severity of Impact is scored as: 0 points = No impact, 1 point = Not serious, 2 points = Serious, 3 points = Very serious, Based on the assessment results, a Human Rights Risk Matrix is produced, and human rights risks are categorized into three levels based on the following criteria:

High Risk: Probability higher than 1 point and severity higher than 2 points.

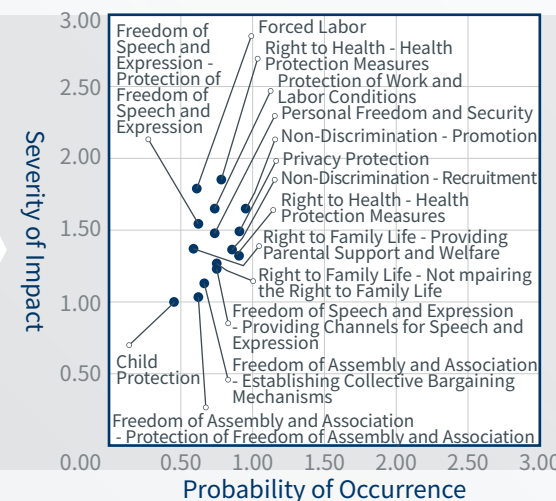
Moderate Risk: Probability higher than 1 point and severity less than 2 points.

Low Risk: Probability less than 1 point.

The assessment results based on the questionnaire is as follows:

Employee Human Rights Risks

	Points		Points
Personal Freedom and Security	1.56	Right to Family Life - Not Impairing the Right to Family Life	0.94
Right to Health - Providing Education and Training on Operational Safety	1.44	Freedom of Speech and Expression - Providing Channels for Speech and Expression	0.92
Privacy Protection	1.35	Right to Family Life - Providing Parental Support and Welfare	0.80
Protection of Work and Labor Conditions	1.21	Freedom of Assembly and Association - Establishing Collective Bargaining Mechanisms	0.74
Right to Health - Health Protection Measures	1.19	Freedom of Assembly and Association - Protection of Freedom of Assembly and Association	0.64
Non-Discrimination - Recruitment	1.16	Child Protection	0.45
Non-Discrimination - Promotion	1.09		
Forced Labor	1.08		
Freedom of Speech and Expression - Protection of Freedom of Speech and Expression	0.95		



The results of this year's survey indicate that employee human rights issues are all low-risk. Roo-Hsing/J.D. United will continue to assess risks related to human rights issues moving forward.

Roo-Hsing/J.D. United ' s Internal Grievance Mechanism

The company fulfills its responsibility to protect human rights by managing human rights issues and ensuring that grievance channels are clear, accessible, and open. In cases of labor rights violations, Roo-Hsing/J.D. United provides an effective and appropriate grievance mechanism to ensure equality and transparency throughout the process. Employee grievances are promptly addressed to prevent further harm, and preventive measures are planned to safeguard the future welfare of all employees.

Additionally, Roo-Hsing/J.D. United has established an Anti-Discrimination and Anti-Retaliation Policy to ensure that employees are fully protected during recruitment, promotion, and training. Employers are prohibited from retaliating (through dismissal, demotion, harassment, etc.) against those involved in anti-discrimination efforts, whether as complainants or issue handlers. This policy encourages employees to use the grievance system to collectively uphold workplace equality and safety.

Gender-Friendly Commitment

We have updated our Sexual Harassment Policy and Procedures to strengthen women ' s awareness of self-protection and promote gender equality. Sexual harassment prevention is a key component of the J.R.H. (JDU & Roo Hsing Health) Project, emphasizing the company ' s zero-tolerance policy on sexual harassment and creating a healthy and safe workplace.

To carry out the J.R.H. project, sexual harassment prevention training courses were conducted at our factories in Cambodia, Changzhou, and Henan. These courses covered the definition of sexual harassment, common workplace harassment behaviors, responsive measures, and the company ' s procedures for handling such issues. We also collaborated with GAP for in-depth Gender-Based Violence (GBV) training, educating employees and management on the definition of workplace sexual harassment, 10 common forms of workplace harassment behaviors, and the company ' s procedures for handling such issues as well as relative responsive mechanisms. A post-training survey was conducted to assess employees ' understanding of sexual harassment, grievance channels, and related topics. This survey laid the groundwork for deeper training sessions, with the goal of reaching more employees and fostering a healthy corporate culture. For more details on sexual harassment prevention education and training, refer to the “ [3.2 Talent Cultivation and Development](#) ” section.

Child Labor Prohibition Policy

Roo-Hsing/J.D. United respects, protects, and advocates fundamental human rights and strictly adheres to the International Labour Organization conventions and laws concerning child labor and forced labor. Employee recruitment complies with local regulations regarding the minimum age for child labor. In China, the age limit is 16 years old, and in Cambodia, it is 15 years old. We implement strict controls during the recruitment process and liaise with local civil authorities to prevent the misuse of child labor. Additionally, in compliance with customer requirements, we generally set the minimum recruitment age at 18, but in certain locations, youth workers (aged 15-18) may be employed under legal and compliant conditions. We strictly follow local regulations when it comes to youth workers ' job roles and working hours, ensuring our youth workers are free from any hazardous working environments

All underage employees receive special care, including annual health checks provided by Roo-Hsing/J.D. United, with job assignments based on their health status. In 2023, there were no incidents of child labor misuse or violations in the management of youth workers. We maintain a strict approach to uphold the highest standards.

Zero Tolerance Policy - Complete Prohibition of Forced Labor and Harassment

We prohibit any form of forced labor and harassment. In managing our operational sites, Roo-Hsing/J.D. United follows international human rights and labor standards, as well as customer requirements, to formulate policies and factory regulations that strictly prohibit forced labor and all forms of harassment. Additionally, each human resources and management team has an emergency reporting mechanism in place. Once reported, incidents must be identified and addressed within 30 days. We do not condone or allow any form of sexual harassment, whether involving colleagues, supervisors, customers, or other non-employees with whom we do business. To ensure compliance, all factory employees receive regular training and exams to prevent behaviors that could be considered harassment. Employees are encouraged to report any incidents immediately. The grievance hotline is as follows:

■ Phone: (02) 27513111, Roo-Hsing/J.D. United HR Department

■ Fax: (02) 23118011

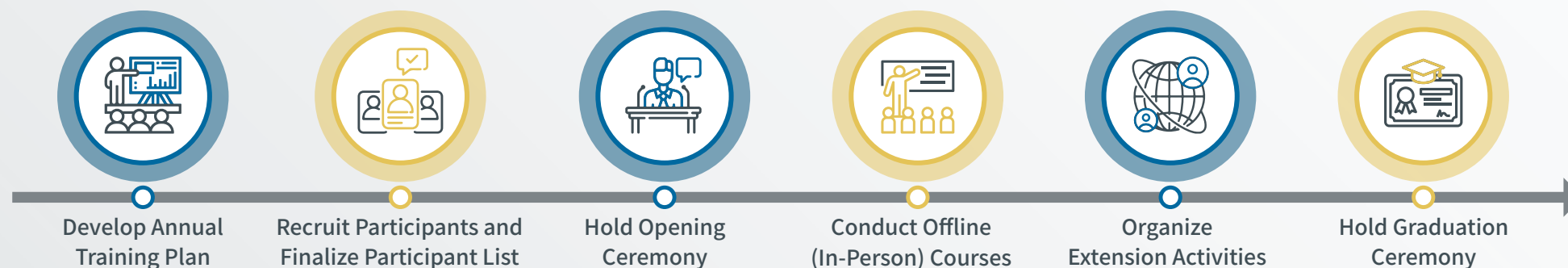
■ Email: hr4414@tw.roohsing.com

P.A.C.E. (Personal Advancement and Career Enhancement) Project

Roo-Hsing/J.D. United collaborates with GAP on the P.A.C.E. (Personal Advancement and Career Enhancement) education program. In the apparel manufacturing industry, women make up about 70% to 80% of the workforce. Many of them have limited educational backgrounds and face the dual pressures of work and family life. To help female production line employees gain personal advancement and career development opportunities, Roo-Hsing/J.D. United offers various types of trainings in self-management, effective communication, and other skills that are essential both in life and in the workplace.

The main purpose of this program is to enhance the knowledge and skills of female employees, improving both their work and personal lives. Course topics include communication skills, problem-solving and decision-making, clean water and sanitation facilities, time and stress management, and financial management concepts. Through interactive and diverse courses, participants are empowered to improve communication with family, colleagues, and supervisors, leading to better relationships. The program benefits not only their work but also extends into their families and daily lives, helping them achieve personal goals and creating a positive cycle.

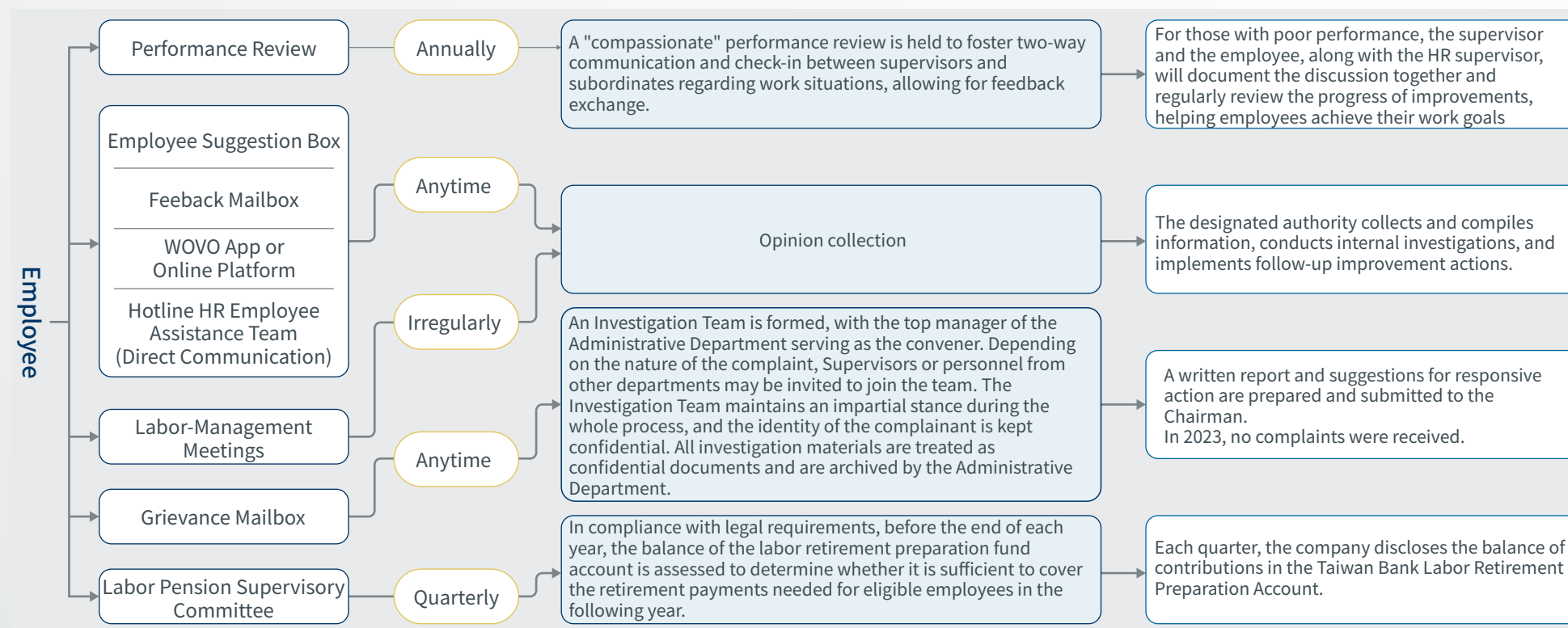
■ Execution Process



Diversified Communication Channels

To fully implement the group's core human resources management philosophy of being people-oriented, Roo-Hsing/J.D. United has established a comprehensive communication framework for employees. This framework provides diverse and accessible communication channels, allowing employees to express their needs, raise opinions and concerns, file complaints, or seek problem resolution. We promptly gather and address issues and feedback, taking employee needs seriously, and openly accepting input to reassess the appropriateness of company policies. This approach demonstrates the group's commitment to valuing its employees.

The Human Resource Departments at each operational site regularly compile employee feedback and notify relevant departments and management teams. The responsible units respond promptly to the issues and opinions raised and propose improvement measures and plans. The union and Human Resource Department jointly investigate and supervise the fulfillment of these duties. Labor-management communication on significant matters is also handled through mechanisms such as labor-management meetings or unions, where decisions on important issues are made. In 2023, there were no significant labor-management disputes. Below are the communication channels and incident handling processes:



3.5 Social Prosperity

Roo-Hsing/J.D. United firmly believes that the foundation of sustainable operations lies in establishing stronger connections with society, and social participation is the best way to practice this commitment. As such, Roo-Hsing/J.D. United actively fulfills its commitment to environmental friendliness and social responsibility. By focusing on sustainability and innovation, we aim to create a positive impact on the environment, promote social welfare, and generate long-term value for our stakeholders. At Roo-Hsing/J.D. United, we take pride in sustainability, integrating it into our corporate culture and strategic decision-making. We recognize that a prosperous company is built on a strong foundation of environmental protection and social responsibility. Therefore, we remain committed to advancing sustainable practices, fostering innovation, and continuously seeking new ways to increase our positive impact on society and the planet.

In 2023, Roo-Hsing collaborated with local governments and donated 160 pairs of its own brand of jeans to the Fuxing District Office in Taoyuan City. Going forward, the company will continue to plan and participate in charitable activities related to its core business, with the aim of expanding its social impact and establishing strong relationships with society and the local community.



Environment

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Material Topics: Waste Management/Chemical Substance Management

Impact	Roo Hsing/ J.D. United adheres to its commitment to the environment and continues to pay attention to climate change, environmental protection, and energy conservation trends. It hopes to reduce the impact of its operations, production processes and products on the environment through a sound green management strategy. The chemicals used in the manufacturing process are not only liable to potentially affect the work safety of workers, but also cause harm to the environment around the production site if they are not properly handled. In addition, as the garment manufacturing industry is a water-intensive industry, we also check the efficiency of water use and the effectiveness of water conservation from time to time.		
Assessment Mechanism	<ul style="list-style-type: none">Continue to explore new washing technologies, strive to reduce the use of water, electricity and chemical raw materials, and save costs on the premise of ensuring product quality.Promote chemical suppliers to third parties recognized by customers to conduct product risk assessments and analyze the content of hazardous substances in chemical products.Carry out several energy and resource conservation measures. In the future, various water-saving projects will be introduced one after another, hoping to effectively achieve the water-saving goal.	Policy Committed	Pay attention to the sustainable trend of the garment industry, cooperate with our international well-known brand clients, gradually adopt environmentally friendly chemicals, use water and electricity saving machinery and equipment, strengthen the classification and treatment of waste, and continuously improve energy management and chemical management, and pollution management measures and other environmentally friendly actions, and gradually move towards green management.
Short-Term Goals	<ul style="list-style-type: none">Reduce the cost of chemical raw materials, steam costs, water costs, machine material consumption, maintenance and other items by 10% in each plant area.Make full use of local resources and continuously improve the utilization rate of solar photovoltaic.Waste water and waste gas are 100% treated and discharged in compliance.	<ul style="list-style-type: none">100% of hazardous wastes are cleared, transported and recycled by qualified manufacturers.The chemical substances used in the process are all in line with the relevant national standards; ZDHC auxiliary chemicals reach 80%.The wastewater recycling rate of the Nagapeace Water Washing Plant in the Cambodia factory reaches 60%, and that of the Hung Hsing Water Washing Plant reaches 50%.	
Mid-Term & Long-Term Goals	<ul style="list-style-type: none">Introduce innovative energy-saving equipment to reduce the emission of environmental pollution, and gradually phase out old technologies, expecting to achieve energy-saving and carbon-reduction performance by adopting new technologies and new materials.Make full use of local resources and continue to increase the utilization rate of solar photovoltaics; purchase steam from thermal power plants, eliminate existing boilers and move towards the goal of replacing more than 50% of factories with electric boilers to reduce unnecessary energy consumption and environmental impact.Actively adopt new technologies, new processes, and new products, and it is expected to continue to promote the detection and analysis of hazardous substances.	<ul style="list-style-type: none">The usage rate of cleaning (environmental protection) chemicals reaches over 80% (except for large chemicals), and the production waste output rate is reduced by over 20%.ZDHC additives chemical up to 100%.Gradually promote Screened Chemistry (SC) and ZDHC to each plant and comply with local laws and regulations.The wastewater recovery rate of each washing plant in Cambodia is 65%.Combined with the CO₂ emission reduction target, the utilization rate of recycled raw and auxiliary materials can reach more than 30%.	
Action Taken	<ul style="list-style-type: none">The factory completely bids farewell to traditional coal-fired boilers and purchases steam to reduce the use of non-renewable resources.The temperature of the washing workshop can be cooled by the water curtain cooling water wall, which can reduce the electricity by up to 50% and increase the air circulation.In addition to replacing the lighting fixtures with LED energy-saving light bulbs, in the production process, the natural air-drying method is used to dry the wet clothes first, and then use the tumbler for drying.Cambodia Roo Hsing water Washing Plant is treated first through rain and sewage separation equipment, and industrial wastewater is treated by sewage treatment plant for secondary treatment.The Technical Representative (TR) of all factories will inspect the warehouse every week in accordance with the chemical management requirements. If there is any non-compliance, the relevant personnel will immediately correct it and record the inspection.Conduct online video training for all factory TRs, so that TRs have a clearer understanding of the requirements of each chemical management project and the requirements of on-site chemical management.Introduce the wastewater treatment and recycling mechanism, and strictly abide by the wastewater discharge standards of local regulations. Only after receiving the permit issued by the local government where each factory is located, can the discharge be carried out.		

4.1 Response to climate change

Climate-related Financial Disclosures (TCFD)

Roo-Hsing/J.D. United understands the challenges that climate change poses to the environment, economy, and society, and regards addressing climate change as a core mission for sustainable business operations. Since 2023, Roo-Hsing/J.D. United has been adhering to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations issued by the Financial Stability Board. Through this framework, Roo-Hsing/J.D. United has conducted climate impact assessments, identified related risks and opportunities, and taken measures to mitigate and manage the effects of climate change on its operations.

● Governance

Roo-Hsing/J.D. United is committed to managing climate-related risks and opportunities as part of its responsibility to society, the environment, and all stakeholders. The company has established a Corporate Social Responsibility (CSR) Committee, chaired by the General Manager, to oversee and promote sustainable development initiatives. Under the CSR Committee, there are three subcommittees: the Sustainable Environment Subcommittee, the Human Rights Subcommittee, and the Social Engagement Subcommittee. The CSR Director is responsible for formulating sustainable development strategies and policies, establishing systems, and designing and implementing related management guidelines. The CSR and EHS (Environment, Health, and Safety) departments coordinate regionally based on their functional nature. The CSR department primarily handles carbon emission assessments and improvements across regions, while the EHS department focuses on production safety, occupational health, and energy conservation and waste reduction. The company reports its annual business performance to the Board of Directors each year.

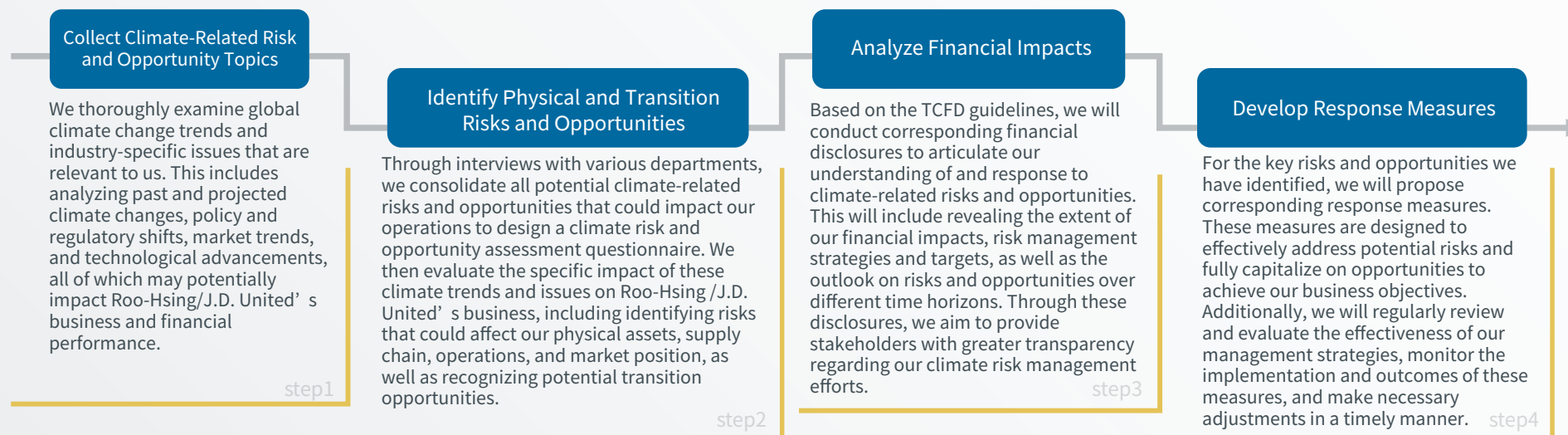
● Strategy

The primary role of the CSR Committee at Roo-Hsing/J.D. United is to initially gather relevant information on internal risks and opportunities, considering transition risks (including policy and legal, market, technological, and reputational risks) as well as physical risks (both chronic and acute). For potential events, the Committee provides a risk description that includes the degree of financial impact, impact timeframe (short-term, medium-term, long-term), affected areas in the value chain, and the likelihood of risk occurrence, along with corresponding response plans. We are committed to enhancing the company's adaptive capacity to climate risks to ensure that the organization can effectively respond to the challenges posed by climate change.



Through the TCFD framework, Roo-Hsing/J.D. United analyzes climate-related international trends and industry concerns, identifying both physical and transition-related climate risks and opportunities. The company's TCFD process includes the following four key steps: (1) collecting information on climate risks and opportunities, (2) identifying significant climate risks, (3) analyzing financial impacts, and (4) developing response measures, as detailed below:

■ Risk and Opportunity Assessment Process



Degree of Financial Impact	Likelihood of Risks and Opportunities				
	Almost Certain (5)	Highly Likely (4)	Possible (3)	Unlikely (2)	Rare (1)
	Certain to Occur	Likely to Occur Multiple Times Within 10 Years	Likely to Occur More Than Once Within 10 Years	Has Not Occurred in the Last 10 Years	Has Never Occurred
High (5)					
Medium-High (4)		2 5			
Medium (3)		1			
Medium-Low (2)			4 6		
Low (1)			3		

● 15~25: Significant Risk/Opportunity (Blue)

● 6~14: Moderate Risk/Opportunity (Yellow)

● 1~5: Low Risk/Opportunity (Green)

Key Climate Risks and Response Measures

Category	Climate Risk Item	Risk Description	Time Horizon	Impact Severity	Potential Financial Impact	Response Measures
1 Transition Risk	Policy and Regulation	The draft of Taiwan's Climate Change Response Act is expected to impose a carbon fee progressively based on the size of the enterprise, starting with larger companies. This could introduce a new operational cost, "carbon fee," for Roo-Hsing in the future. Additionally, the EU Carbon Border Adjustment Mechanism (CBAM) is set to fully implement CBAM on January 1, 2026. Importers will need to surrender CBAM certificates purchased from the authorities, after deducting the fees already paid in the country of export and the free emission allowances received. Under CBAM, importers must pay for the direct carbon emissions of their imported products.	Short to Medium Term	Medium	Operational Costs	Although Roo-Hsing is not included in the initial scope of CBAM, the company has already implemented a greenhouse gas inventory and continues to assess the impact and challenges of domestic and international carbon tax and carbon fee regulations. By promoting this data inventory initiative, Roo-Hsing aims to gain a better understanding of its greenhouse gas emissions and energy usage, thereby improving the energy efficiency of its products.
2 Transition Risk	Market	Roo-Hsing's product formulations primarily rely on natural ingredients, making the company dependent on natural resources to a certain extent. However, climate change has a significant impact on agricultural resources, which could lead to issues such as fluctuations in product quality, reduced production volumes, and increased raw material prices.	Medium Term	Medium-High	Operational Costs	We will strengthen research and development capabilities and diversify our product offerings to reduce dependency on single raw materials. Additionally, for high-risk raw materials, we will enter into long-term contracts with suppliers to establish stable supply sources.
3 Transition Risk	Technology	In response to the low-carbon transition, there will be a need to replace existing equipment with energy-saving or green energy technologies. Additionally, new technologies may be required for product processes and preservation to meet low-carbon requirements.	Medium to Long Term	Low	Capital Expenditures	Roo-Hsing will upgrade its current energy equipment, such as replacing with high-efficiency energy-saving devices or adopting renewable energy systems. At the same time, the company will evaluate the implementation of new technologies and innovative approaches to reduce carbon emissions and enhance energy efficiency.
4 Transition Risk	Reputation	Investors are increasingly focused on ESG (Environmental, Social, and Governance) performance, and financial institutions are linking loan interest rates to ESG indicators. As a result, multinational companies must continuously improve their sustainability performance to attract investors.	Medium Term	Medium-Low	Financing Costs	The company needs to focus on its ESG performance and continuously improve to meet investor expectations. Through ongoing sustainability efforts, Roo-Hsing can enhance its attractiveness, increasing investor trust and recognition.
5 Physical Risk	Water Scarcity	Climate change is expected to cause extreme weather effects on rainfall patterns worldwide, leading to more severe fluctuations between wet and dry seasons. These extreme rainfall and drought conditions will negatively impact water quality stability, potentially disrupting production processes and resulting in revenue decline.	Short Term	Medium-High	Operational Costs, Capital Expenditures, Other Losses	Implement water resource management and water conservation programs to improve water use efficiency.
6 Physical Risk	Increased Severity and Frequency of Extreme Weather Events	Extreme weather events may increase the risk of raw material supply disruptions, requiring additional sources of raw materials and longer product storage periods. Such events could also lead to damage to plant facilities, water and power outages, or increased transportation difficulties, all of which would affect product manufacturing.	Long Term	Medium-Low	Operational Costs, Capital Expenditures, Other Losses	Conduct risk assessments for drought and flood hazards at plant sites and develop corresponding adaptation strategies, including diversifying production sources, increasing inventory levels, and enhancing supply chain resilience. The goal is to ensure production stability and minimize potential impacts in the face of risks such as floods or droughts.

Risk Management

To strengthen corporate governance and establish an effective risk management mechanism, we will assess and monitor risk tolerance and risk management status. In 2023, Roo-Hsing's Board of Directors established a dedicated unit for sustainable business development and formed a cross-functional Sustainability Task Force, which serves as the highest guiding principle for risk management. The task force is responsible for integrating and managing various strategic, operational, financial, and hazard risks that could impact the company's business and profitability, including but not limited to climate change, regulatory compliance, and market competition. The task force also proactively takes appropriate measures for potential risks to ensure business continuity in case of incidents. Furthermore, it aims to build a continuously improving risk management mechanism, enabling us to respond wisely to climate-related risks and to prepare for long-term business operations and sustainable development.

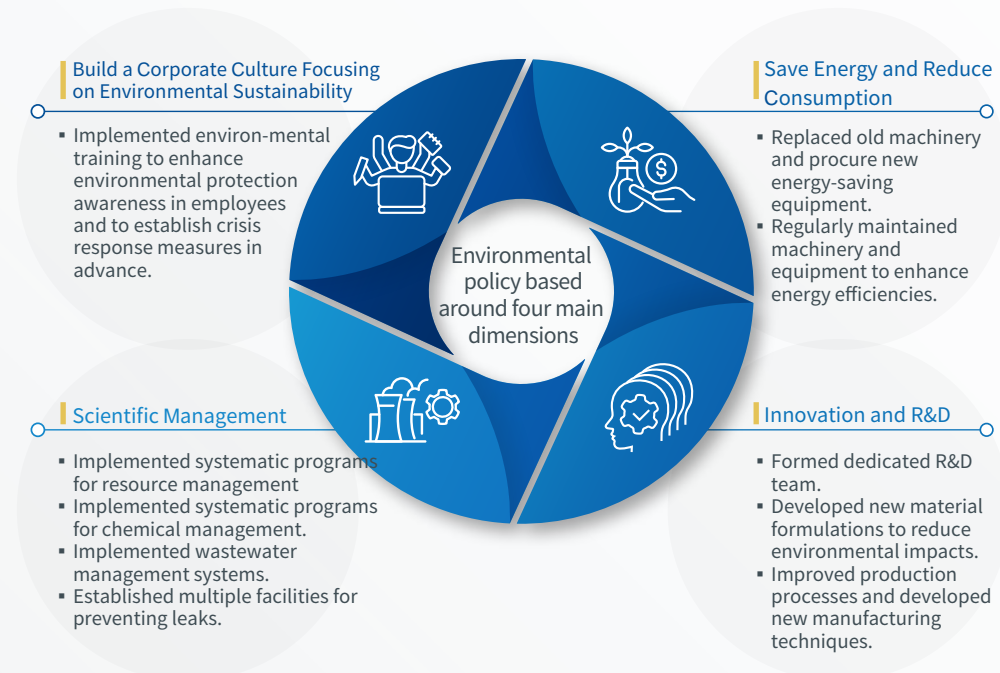
Risk Management Policies and Procedures



Metrics and Targets

Roo-Hsing has implemented the ISO 14064-1 standard for greenhouse gas inventory to comprehensively understand and manage the organization's carbon emissions. Looking ahead, we will incorporate Environmental, Social, and Governance (ESG) factors into the evaluation and performance metrics during the selection and collaboration process with new suppliers, with a focus on assessing their performance in carbon reduction and energy management. The company is committed to providing green and low-carbon products while continuously improving product design and manufacturing processes. In terms of information disclosure, we will strive to increase transparency by providing detailed disclosures on risks and opportunities, including their potential financial impacts on operations, revenue, or expenditures. This effort will help investors and other stakeholders gain a more comprehensive understanding of the risks and opportunities the company faces and their potential impact on the company's financial condition.

Environmental Management Policy



Implementation of ISO 14001 Environmental Management Systems in combination with our corporate vision of "Seeing Sustainability as Basis, Environment as Doctrine, Proactively Innovating and Predicting the Future" helped us formulate an environmental policy based around four main dimensions. We built a corporate culture of sustainability by implementing measures to save energy and reduce consumption, utilizing scientific management procedures, and constantly innovating R&D and innovative technologies to maintain our corporate sustainability and competitiveness while protecting the environment.

We establish management objectives and policies for various environmental management categories each year, then uses these objectives as a basis for formulating management processes and measures which are incorporated into our organizational operation plans. Dedicated units are responsible for overseeing these management procedures through regular review, tracking, and continued improvement to ensure that we meet our policy goals for environmental management. In recent years, in response to the carbon reduction requirements of brands and line with the fashion industry climate action charter, we have cooperated with upstream suppliers and are expected to reduce carbon emissions by more than 30% by 2030 (with 2016 as the base year).

2023 Roo Hsing/J.D. United Environmental Management Objective and Action

Category	Goals	Management Procedures
Energy Management and Conservation	Reduce 3% water and electricity expenses	<ul style="list-style-type: none"> Water/ electricity management systems. Implement energy management training to enhance energy conservation and environmental protection awareness in employees. Gradual replacement of energy-consuming equipment with energy-saving equipment. Regular inspections and maintenance for electrical equipment, water valves, and pipelines. Strengthen supervision of production processes.
Environmental Safety	Zero environmental and safety incidents	<ul style="list-style-type: none"> Establish comprehensive corporate energy-saving and carbon-reducing environmental policies. Provide employees with comprehensive environmental safety training. Conduct incident drills for safety and environment associated accidents. Invite regular guidance from EIA companies. Prepare sufficient fire safety equipment and undergo periodic inspections. Improve chemical management systems.
Wastewater Management	100% achieve effluent standards	<ul style="list-style-type: none"> Strictly comply with sewage discharge regulations. Improve wastewater and sewage treatment systems. Regular inspections of discharged water. Recording and filing of wastewater and sewage management system data. Third-party inspections of wastewater and sewage.
Waste Management	100% of general waste disposal is in compliance with regulations	<ul style="list-style-type: none"> Collecting and sorting solid waste, followed by recycling and disposal based on categories. Implement routine waste sorting inspections in production and operation areas.
	100% of hazardous waste disposal is in compliance with regulations	<ul style="list-style-type: none"> Implement independent handling, storage, and disposal of hazardous waste in accordance with laws and regulations. Strict implementation of storage warehouse registration, recording, and filing. Only cooperate with qualified service providers.
Emissions Management	100% achieve emissions standard	<ul style="list-style-type: none"> Ensure normal operations of emissions equipment and record and archive associated data. Undergo regular third-party emissions testing.
Noise Management	100% achieve local regulations	<ul style="list-style-type: none"> Invest in and install equipment for controlling and adsorbing noise.

4.2 Greenhouse Gas Emissions and Air Pollution Control

In response to the challenges posed by global climate change, businesses must continuously reduce greenhouse gas emissions from their operations to mitigate negative impacts on the climate. To ensure comprehensive understanding of the sources and volumes of greenhouse gas emissions at the Cambodia plant, Roo-Hsing has been conducting greenhouse gas inventories since 2021. We are committed to contributing to the realization of the 1.5° C target set by the Paris Agreement through our efforts in reducing emissions within our scope. Achieving this goal will require collective action from all parties worldwide, guided by the principles of sustainable development, to ensure a more stable and sustainable environment for future generations. We will continue to monitor and improve our operational practices to achieve our greenhouse gas reduction targets and actively explore more innovative solutions to address the challenges brought by climate change.

2023 Taipei Office Greenhouse Gas Emissions

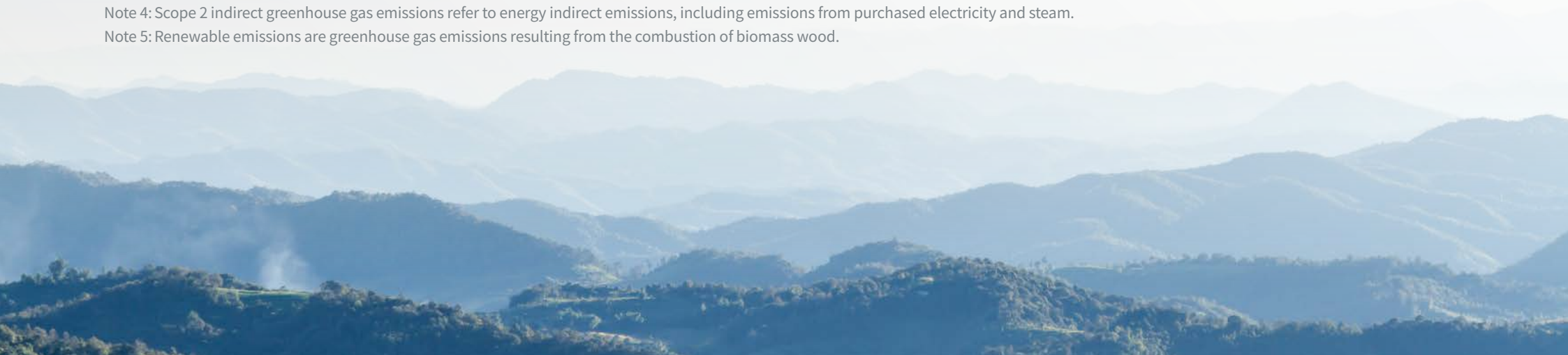
Scope 1	Scope 2
-	46 metric tons CO ₂ e

Note 1: Scope 2 indirect greenhouse gas emissions refer to energy indirect emissions, including emissions from purchased electricity.

2023 Cambodia Plant Greenhouse Gas Emissions

Scope 1	Scope 2	Renewable Emissions
344 metric tons CO ₂ e	259 metric tons CO ₂ e	269 metric tons CO ₂ e

- Note 1: The calculation method used is absolute carbon emission reduction.
- Note 2: The statistics include the following plants in Cambodia: GDM, Great Union, Morning Glory, T&K (Eagle-Galaxy), Hung Hsing Sewing, Hung Hsing Laundry, JD & Toyoshima, Nagapeace, Splendid Chance, and Zhen Tai factories.
- Note 3: Scope 1 direct greenhouse gas emissions refer to direct emissions from sources such as diesel, gasoline, liquefied petroleum gas (LPG), and natural gas.
- Note 4: Scope 2 indirect greenhouse gas emissions refer to energy indirect emissions, including emissions from purchased electricity and steam.
- Note 5: Renewable emissions are greenhouse gas emissions resulting from the combustion of biomass wood.



4.3 Water Resource Management

The production of a single pair of jeans can consume nearly 7,500 liters of water during the dyeing and washing processes, equivalent to an average person's drinking water consumption over seven years. As a garment manufacturer, we place great importance on water resource management. In 2019, we established a dedicated water-washing development and control team at our washing plant to focus on and actively implement water resource management systems, introduce new machinery and equipment, and adopt water-saving measures in the production process. Additionally, we develop new techniques and chemical raw materials to enhance our sustainable environmental impact through vertical supply chain integration, striving to achieve green operations while pursuing business growth.

We are mindful of the impact on water bodies resulting from our operations and continuously monitor water resource data, regularly reviewing water usage efficiency and water-saving effectiveness. Roo-Hsing's production and operation sites in Cambodia and Changzhou, China, mainly source water from local water supply plants. The 2023 water withdrawal statistics are shown in the table below:

Water Withdrawal Statistics at China and Cambodia Plants from 2021 to 2023

Unit: Cubic meters

Year	2021				2022				2023		
Water Source	China	Cambodia Water Washing Plant			China	Cambodia Water Washing Plant			China	Cambodia Water Washing Plant	
		Nagapeace	Hung Hsing	Roo Hsing		Nagapeace	Hung Hsing	Roo Hsing		Nagapeace	Hung Hsing
Tap water withdrawal	52,300	1,707,303			54,009	2,300,568			48,045	2,145,675	
Groundwater withdrawal	689	0			1,098	0			890	0	
Total water withdrawal	52,989	1,707,303			55,107	2,300,568			48,935	2,145,675	
The total amount of recycled water	0	566,667	223,197	30,540	0	1,380,341			0	1,286,356	
The proportion of recycled water to total water withdrawal	0%	58%	49.4%	5%	0%	60%			0%	61%	

Notes 1: Our Changzhou plant in China is small and conditions are not ideal for installation of water recovery equipment, so no water was recovered for reuse.

Notes 2: The recycled water data for the Cambodian washing plant in 2022 is estimated.

Notes 3: The Roo-Hsing washing plant ceased operations in 2022.

4.3.1 Water-saving Process

After the establishment of the Roo-Hsing washing team, the washing plant designated the plant manager as the overall responsible person, while the supervisor in charge of the jeans production line took on the role of team supervisor and manager. Skilled workers in the plant were tasked with executing improvements in washing techniques. In 2023, we continued to introduce various water-saving solutions at key production sites. These include installing new Turkish washing machines to save water during processes, optimizing washing techniques and workflows, and implementing automated washing systems. Our goal is not only to increase production capacity but also to develop methods that save chemical materials, reduce washing time per batch, minimize water usage, and decrease chemical inputs, ultimately advancing the washing process towards energy efficiency and environmental sustainability.

In order to save water fundamentally, Hung Hsing Water Washing Plant has completed a water resource audit project with a European consultant company to conduct water resource source data and on-site audits.

Replaced Old Machinery and Used New Raw Materials

We procured Turkish energy-saving and eco-friendly washing machines to replace our old energy-consuming washing machines, saving around 50% of water consumption. We also developed new washing formulas suited for energy-saving and eco-friendly washing machines and adjusted our material ratios, water consumption, and washing times to increase liquor ratios, reduce washing costs per tank, and increase washing efficiency. We will continue to develop green and eco-friendly chemical materials that meet our production needs and the quality requirements of our clients.

■ Cambodian Washing Plant Develops Water-Saving Raw Materials

Plant	Method	Implementation	Benefits
Nagapeace	Developing water-saving raw materials	Washing team researched new processes and materials, increased the number of garments washed per batch, and improved equipment utilization, achieving higher bath ratio	Saves approximately 50% of water consumption
Hung Hsing			
Roo Hsing			

Automation of Washing Systems

Our Cambodia factory increased production capacities by 50% through procurement of new Turkish washing machines which maximized the benefits from every drop of water.

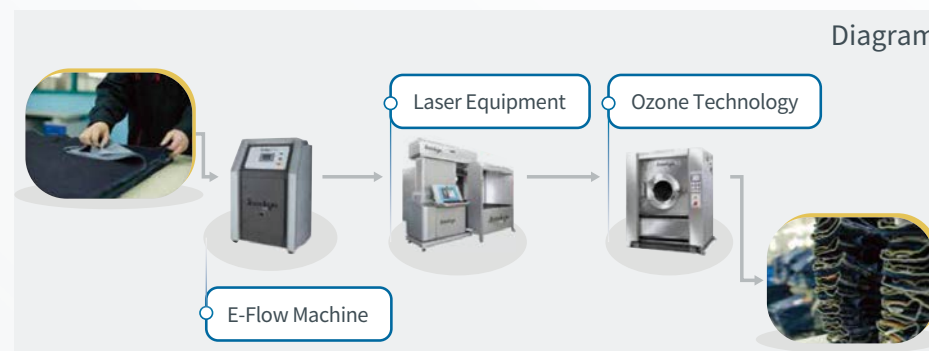
■ Number of Automated Washing Systems in Cambodia’s Washing Plant

Plant	Number of machines in 2023	Benefits
Nagapeace	46	50% increase in production capacity, more energy-efficient equipment, and improved machine utilization efficiency.
Hung Hsing	36	

One Glass, One Garment

We reduced water usage by 95%, electricity usage by 40%, and chemical usage by 90% through our One Glass, One Garment manufacturing processes. We continue to improve our advantages in production efficiency by procuring eco-friendly and energy-saving equipment and technologies, including E-Flow nanobubble washing machines, laser denim pattern machines, and G2 ozone machines, replacing traditional manufacturing processes which required 70 liters of water with a process that only required one glass of water to achieve old-style brushing, wear, and washing effects.

We installed a total of 32 laser machines, 5 ozone machines, and 5 E-Flow washing machines at our Hung Hsing, Nagapeace Water Washing Plant in Cambodia to reduce labor costs and increase production volumes, achieving significant water savings of up to 95%.



4.3.2 Process Water Reuse

In order to respond to stakeholder expectations, comply with government regulations, and implement our sustainable business philosophies to achieve our goal of “reducing water resource usage by 3%,” we installed water treatment and recycling equipment at our three water washing plants in Cambodia to reuse treated wastewater in our dyeing processes. We estimate that we recover 300 to 400 tons of water each day. Our system uses tap water to dilute circulating water, and activated carbon to filter and decolorize water. We estimate that we recover 10,000 tons of wastewater each day by mixing 800 tons of tap water with 400 tons of recycled water, thereby achieving our sustainable development targets.

The Cambodian plant continues to increase its efforts in recovered water. Recovered water is reused within the factory for various purposes, such as watering plants, washing clothes, cleaning floors, cleaning windows, and washing vehicles. These small steps collectively contribute to water-saving goals.

■ The Target of Recovered Water in the Cambodia Factory

Unit: Cubic meters

Water Washing Plants	Recoverd water in 2021	Recoverd water in 2022	Recoverd water in 2023	Recoverd water in 2024
	Actual usage	Actual usage	Actual usage	Target usage rate
Nagapeace	566,667	1,380,341	1,286,356	60%
Hung Hsing	223,197			50%
Roo Hsing	30,540	*	*	*
Total usage	820,404	1,380,341	1,286,356	-

* Note 1: Roo Hsing Water Washing Plant in Cambodia is to close in 2022.

Note 2: The 2022 recycled water data for the Cambodia washing plant is an estimated figure.

In the future, we plan to further expand our storage facilities for recovered water and increase actual production volumes of recovered water in our factories to achieve our mid-term goal of recovering 60% of the water used at our water washing plants and our long-term goal of recovering 65% of the water used at our water washing plants. Additionally, we also optimize our water washing techniques and processes to reduce water consumption for each garment while ensuring that our washing effects meet client requirements as we seek to find the optimal balance between product quality and environmental needs.

4.3.3 Wastewater Management

We implemented a wastewater treatment and recycling mechanism which strictly abides by local wastewater discharge standards; only plants that have received permits issued by local governments can discharge wastewater. To facilitate real-time monitoring of sewage treatment conditions, we not only commission third-party institutes to conduct comprehensive sewage inspections every April and October but also conduct daily tests in our factory laboratories while also requiring our upstream wet treatment fabric suppliers to conduct regular sewage inspections. ZDHC sewage monitoring procedures include a list of 11 key hazardous chemicals. Roo Hsing/J.D. United prohibited use of the first 3 items on the list and communicates with clients on washing procedures to ensure compliance with client controls and requirements; we request our upstream suppliers to comply with the same requirements.

■ ZDHC 11 Key Hazardous Chemical Substances



In the process of wastewater treatment, all washing plants in Cambodia use rain and sewage separation equipment to dispose of it first, rainwater is discharged from the sewer, and industrial wastewater is discharged to the waters near the factory after secondary treatment through the sewage treatment plant; The wastewater treatment process of Changzhou plant is as follows:

1

The factory conducts preliminary coagulation and sedimentation of sludge by adding flocculant

2

Discharge the sewage to the Changzhou River

3

Government-managed sewage treatment plants for unified treatment

In 2023, sewage discharge at all our production sites underwent inspections by environmental departments of local governments. Our sewage treatment plants and equipment operations all adhered to local discharge standards.

Wastewater Discharge Situation in China and Cambodia in 2023

Treatment method/ Water quality	Cambodia	
	Nagapeacce	Hung Hsing
Biological and Chemical Wastewater Treatment / Industrial sewage	1,564,831	580,844
Government Sewage Treatment Plant Treatment/ Domestic Sewage	N/A	N/A
Total Water Discharged by Each Plant Area	610,284	226,529
Total Water Discharge	836,813	

2023 Wastewater Local Discharge Requirements

Items	China	Cambodia
PH scale	6.0-9.0	5.0-9.0
Total Suspended Solids, TSS	-	< 120 mg/L
Biochemical Oxygen Demand, BOD	-	< 80 mg/L
Chemical Oxygen Demand, COD	< 200 mg/L	< 100 mg/L
Oil & Grease	-	< 15 mg/L
NH3	< 20 mg/L	< 7.0 mg/L

Sewage Treatment Plan for Africa Plant

We established a sewage treatment plant at our production site in Africa to treat an estimated 1,500 tons of sewage a day using chemical and biological treatment techniques, achieving recycled water utilization rates of 26%. We originally planned to establish a second sewage treatment plant to enhance sewage treatment capabilities. However, following adjustments in production schedules by our management team, wastewater discharge was reduced to 650 tons and washing volumes increased to 30,000 garments a day from 1,500 tons of discharge and washing volumes of 20,000 garments a day, reducing the need to construct a new sewage treatment plant.

We advocate avoidance of excessive water and chemical usage during production of fabrics and garments and strive to improve resource utilization

STWI is an initiative jointly initiated by Swedish textile and leather brands in tandem with the Stockholm International Water Research Institute. The initiative aims to solve the arduous water resources problems faced by the garment and fabric industries, and to assist companies in finding appropriate mechanisms to cope with water shortage challenges while pursuing development and environmental goals.

We implemented STWI projects in combination with rigorous policies and brand standards, and learned about relevant cases, methods, and results through participation in these projects for continued improvement of corporate water recycling measures.

Key Implementation Projects in 2023 Were as Follows:

- Environmental Impact Measuring (EIM) system applications: We obtained certification for various washing formulas through EIM environmental systems.
- Promotion of green chemical screening: The chemical material suppliers for our various plants undergo proactive certification processes. All the chemical substances used at our Cambodia sites passed Screened Chemistry (SC), ZDHC, and Bluesign certification

4.4 Waste and Chemical Management

Impact	Roo-Hsing/ J.D. United remains committed to its environmental responsibilities by continually focusing on climate change, environmental protection, and energy-saving trends. We strive to mitigate the impact of our operations, production processes, and products on the environment through comprehensive green management strategies. The chemical agents used in the manufacturing process can pose potential risks to workers' safety and, if not properly managed, can harm the surrounding environment of our production sites. Additionally, as the garment manufacturing industry is a high water-consuming sector, we regularly review water usage efficiency and water-saving effectiveness.	
Policy Committed	We closely monitor sustainability trends in the garment industry and collaborate with our internationally renowned brand clients to gradually adopt environmentally friendly chemicals, utilize energy- and water-efficient machinery, and strengthen waste segregation and treatment. We continually enhance our energy management, chemical management, and pollution control measures, taking steady steps towards green operations.	
Action Taken	<ul style="list-style-type: none"> ▪ All plants have completely phased out traditional coal-fired boilers and switched to purchasing steam to reduce the use of non-renewable resources. ▪ By using water-curtain cooling walls to lower the temperature in the washing workshop, we can reduce electricity consumption by up to 50% and enhance air circulation. ▪ In addition to replacing traditional lighting with energy-efficient LED bulbs, we use natural air-drying methods in the production process. Wet garments are first air-dried and then further dried using tumble dryers. ▪ Roo-Hsing's Cambodia washing plant separates rainwater and wastewater for initial treatment, while industrial wastewater undergoes secondary treatment at a sewage treatment plant. ▪ All factory Technical Representatives (TRs) conduct weekly inspections of warehouses in accordance with chemical management requirements. Any non-compliance issues are immediately rectified by relevant personnel, and inspection records are properly maintained. ▪ Online video training sessions are provided for all TRs to ensure they fully understand the requirements of each chemical management project and the on-site chemical management protocols. ▪ A wastewater treatment and recycling mechanism has been implemented, and we strictly adhere to local wastewater discharge standards. Discharge is only permitted after receiving a permit issued by the local government where each plant is located. 	
Goal	Short-Term Goals <ul style="list-style-type: none"> ▪ Reduce costs related to chemical raw materials, steam, water, machinery, and maintenance by 10% across all plants. ▪ Fully utilize local resources and continuously increase the utilization rate of solar photovoltaics. ▪ Ensure 100% compliance in wastewater and exhaust gas treatment and discharge. ▪ Ensure 100% of hazardous waste is collected and recycled by qualified vendors. ▪ Ensure all chemicals used in the production process comply with national standards, with 80% compliance for ZDHC chemical substances. ▪ Achieve a 60% wastewater recycling rate at the Nagapeace washing plant and a 50% wastewater reuse rate at the Hung Hsing washing plant in Cambodia. 	Medium- and Long-Term Goals <ul style="list-style-type: none"> ▪ Introduce innovative energy-saving equipment to reduce environmental pollution emissions and gradually phase out outdated technologies. The aim is to achieve energy-saving and carbon-reduction performance through the adoption of new technologies and materials. ▪ Fully utilize local resources and continuously increase the utilization rate of solar photovoltaics. Purchase steam from cogeneration plants, eliminate existing boilers, and aim for over 50% of plants to switch to electric boilers to reduce unnecessary energy consumption and environmental impact. ▪ Actively adopt new technologies, processes, and products, and continue to promote hazardous substance testing and analysis. ▪ Achieve a usage rate of over 80% for clean (environmentally friendly) chemicals (excluding major chemical substances), and reduce production waste generation by over 20%. ▪ Achieve 100% compliance with ZDHC chemical substances. ▪ Gradually apply Screened Chemistry (SC) and ZDHC across all plants and ensure compliance with local regulations. ▪ Achieve a 65% wastewater recycling rate at all washing plants in Cambodia. ▪ Integrate CO₂ reduction targets and achieve a recycling rate of over 30% for circular raw and auxiliary materials.

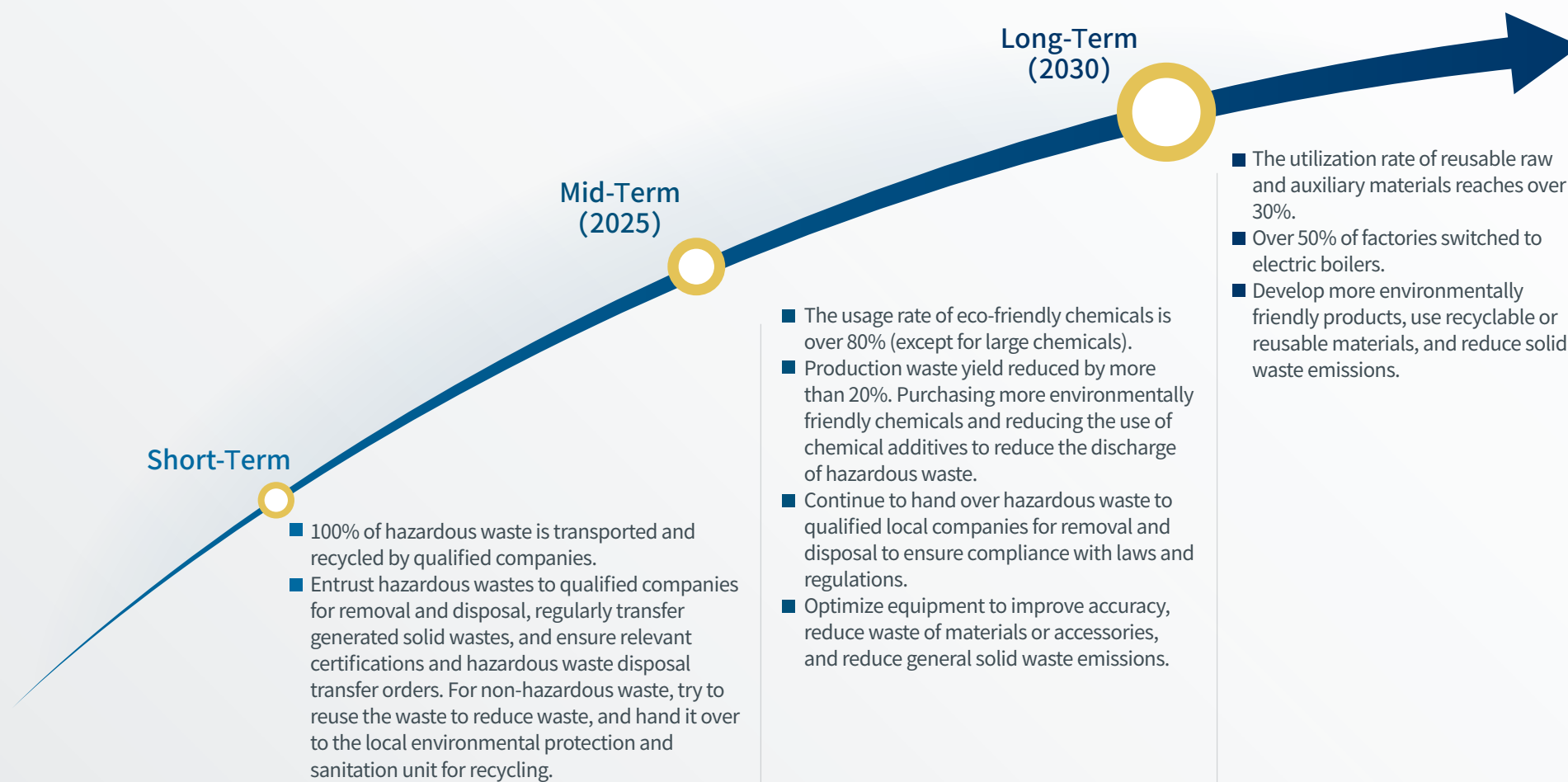
Assessment Mechanism	We continuously explore new washing technologies to reduce water, electricity, and chemical usage while ensuring product quality and cost savings. We encourage chemical suppliers to conduct risk assessments of their products with customer-approved third parties to analyze the hazardous substance content in chemical products. Additionally, we are implementing various energy-saving measures and will gradually introduce a range of water-saving projects to effectively achieve our water conservation goals.
Performance Results	We will continue to implement water and energy-saving facilities and ensure 100% compliant disposal of waste.
Communication with Stakeholder	We provide timely explanations and communication during various meetings as needed. The company's website has a dedicated stakeholder communication section to gather feedback from all parties.

Roo-Hsing/ J.D. United continuously promotes the implementation of a waste management mechanism within its plants through green process design. In addition to providing training courses for relevant personnel, we actively advocate for the implementation of waste sorting systems at each site, categorizing and storing waste according to its characteristics. Each factory designates dedicated personnel to inspect temporary waste storage areas, ensuring that all sites comply 100% with local waste management regulations. Waste items such as sludge and used chemical packaging materials are handled by qualified vendors for proper disposal. In recent years, the company has actively worked to reduce waste generation and plans to further expand the scope of its waste management efforts in the future.

2023 Waste Management Approach and Implementation Plan

Management methods and policies	<ul style="list-style-type: none"> 100% of waste is recycled according to regulations. <ul style="list-style-type: none"> Collect and classify solid waste, and undergo subsequent categorization, recycling, and handling. Implement routine waste classification inspections in production and operation areas. 	<ul style="list-style-type: none"> 100% hazardous waste recycled according to regulations. <ul style="list-style-type: none"> Implement independent handling, storage, and disposal of hazardous waste in accordance with laws and regulations. Strict implementation of storage warehouse registration, recording, and filing. Only cooperate with qualified service providers.
Process and collection methods	<ul style="list-style-type: none"> Reduction of waste at source. Sorting by waste characteristics. Set up a special area for the temporary storage of waste and manage it in different areas. 	<ul style="list-style-type: none"> Non-hazardous waste: uniformly stored in the specified area and recycled by designated personnel from each factory every morning. Hazardous waste: waste/chemical empty drums are recycled by the original manufacturer, and other hazardous wastes are entrusted to qualified companies for disposal and transportation.
Outsourced manufacturer control and cooperation	<ul style="list-style-type: none"> Strictly review the qualifications of waste treatment companies. Unscheduled spot checks on the status of waste removal, transportation, and disposal. Hazardous waste/chemical empty drums are recycled by the original manufacturer, and other hazardous wastes are entrusted to qualified companies for disposal and transportation. 	

Roo Hsing/ J.D. United Waste Treatment Short-Term, Mid-Term, and Long-Term Policy Goals



In 2023, the solid waste of Roo Hsing/ J.D. United's factories will be divided into non-hazardous waste and hazardous waste. Non-hazardous waste is mainly waste yarn, waste cloth, cotton wool, waste paper, and coal combustion bottom ash. General waste will be divided into recyclable and non-recyclable, recyclable waste is collected by local qualified recycling companies. The sources of hazardous waste are mainly sludge generated after wastewater treatment, waste light tubes, and chemical-related wastes (empty chemical drums). Unified recycling and disposal by local qualified third-party units.

Waste treatment volume in China and Cambodia in 2023

Unit: metric tons

Non-hazardous waste					
Processing methods	Type of waste	China		Cambodia	
		Onsite	Offsite	Onsite	Offsite
Incineration (with energy recovery)	Waste Plastic Bags	-	-	-	4.6
	Waste Plastic Bottles	-	-	-	7.5
	Beverage Cans	-	-	-	4.5
	Waste Paper, Waste Cardboard	-	-	-	13.3
	Waste Yarn, Waste Cloth, Cotton Wool	-	-	40.0	-
	Coal Bottom Ash	-	-	15.7	-
	Scrap Iron	-	-	-	10.2
	Leaves and Other Sundries	-	1.5	-	-
Incineration (without energy recovery)	Sludge	3.0	13.5	-	-
Landfilling	Sludge	-	145.0	-	613.7
Total onsite and offsite waste		3.0	160.0	55.7	653.8
Total non-hazardous waste		163.0		709.5	

Unit: metric tons

Hazardous waste					
Processing methods	Type of waste	China		Cambodia	
		Onsite	Offsite	Onsite	Offsite
Entrust Local Qualified Third Party Units to Handle Unified Processing	Plastic Barrels, Metal Barrels, Waste Oil	-	-	-	4.6
	Nylon bag, PP bag	-	-	-	6.8
	Electronic Equipment	-	-	-	1.3
Chemical Supplier Recycling	Chemical Waste	-	-	-	3.6
Total onsite and offsite waste		-	-	-	16.3
Total hazardous waste		--		16.3	

Notes 1: “onsite” means within the physical boundary or administrative control of the reporting organization, and “offsite” means outside the physical boundary or administrative control of the reporting organization.

Notes 2: Calculation method of waste disposal volume: non-hazardous waste is estimated by the daily disposal volume; hazardous waste is estimated by multiplying the number of recycled empty drums by the weight of a single empty drum.

Hazardous Substance Management

During the dyeing process of jeans, chemicals such as sodium hypochlorite and potassium permanganate (PP) are used to bleach the indigo dye on denim fabric, creating various styles and products. In addition to continuously developing new technologies, Roo-Hsing/ J.D. United has implemented chemical management systems in all factories, establishing stringent chemical management procedures and usage processes. We have installed leak prevention facilities and provided training on the handling and storage of chemicals to relevant personnel, enhancing their awareness of emergency response to prevent the negative impact of hazardous chemicals on human health and the environment. Roo-Hsing/ J.D. United has successfully achieved the goal of “zero toxicity in the production process” and has passed third-party certifications recognized by clients such as Levi’s in Screened Chemistry (SC) and ZDHC. The washing plants are also gradually adopting alternative processes to replace traditional PP with non-hazardous substitutes, ensuring green and sustainable practices from the source of washing. In the future, we aim for all chemical materials used at production sites to be 100% certified.

Established RSL/MRSL Substances Management List

We adhere to the regulations and requirements of Levi's Restricted Substances List (RSL) and ZDHC's Manufacturing Restricted Substances List (MRSL) and have established chemical management lists, Material Safety Data Sheets (MSDS), and Technical Data Sheets which adhere to local laws and regulations. These lists are updated at least once a year based on risk assessment results.

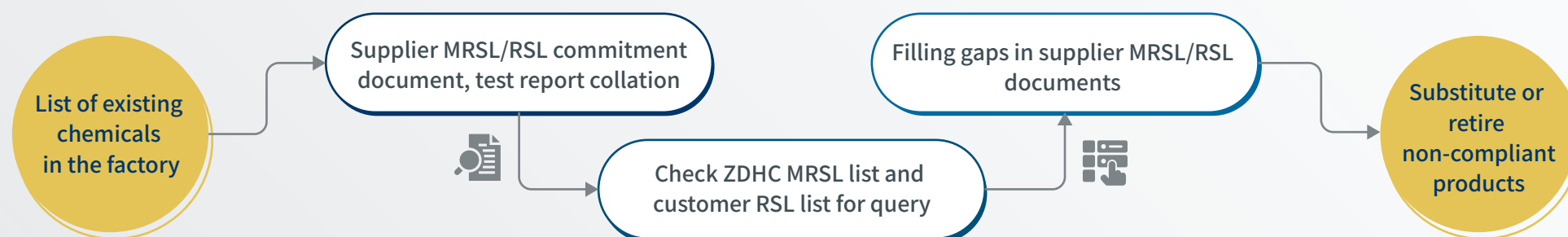
Responsible units not only file and control MSDS information according to ZDHC MRSL Chemical Abstracts Service (CAS) and Color Index (CI) numbers but also design corresponding labels based on MSDS information and ensure that these are placed conspicuously on chemical containers.

Rigorous Inspection and Assessment

To effectively manage chemical products and minimize potential risks from hazardous chemical substances, we established internal self-assessment questionnaires for inventory and review of chemical management procedures, storage environments, labeling, personnel safety, and training courses. We also inspect the washing formulas of different product styles each quarter, with inspection items differing according to differences in washing procedures. Our products are delivered only after verification by third-party inspections, thereby ensuring that the chemicals used in our production processes all adhere to client standards.

In response to client requirements relating to raw material suppliers, we require our suppliers to send all bulk chemical products (apart from some highly dangerous bulk chemicals which cannot be delivered or products which are restricted by local transportation regulations in Cambodia) to NimkarTek in India for analysis and inspection of hazardous substances. Our Changzhou plant sent four bulk chemical products to India for inspection, namely sodium thiosulfate, sodium carbonate, sodium sulfate, and sodium metabisulfite. Additionally, our procurement departments require suppliers to provide MSDS information and ZDHC MRSL declarations for approval by responsible units before undergoing purchasing procedures. We also conduct rigorous compliance audits on chemical suppliers each year and proactively seek out suppliers who offer better-quality chemical materials.

Supplier MRSL/RSL Management Process



Chemical Management Procedures and Measures

We have established comprehensive chemical management procedures which adhere to local laws and regulations, and strictly control chemical storage and personnel usage amounts. We not only require our suppliers to provide relevant chemical information, declarations, and client-approved certifications, but also organize regular organizational training relating to chemical hazards, safety precautions, emergency response measures for leakages, and emergency equipment.

■ Roo Hsing/J.D. United Chemical Management Measures

Category	Management Measures
Scientific management	<ul style="list-style-type: none"> Management of all routinely used chemical substances adhere to chemical management systems.
Personnel training	<ul style="list-style-type: none"> All technicians are required to undergo comprehensive training and pass qualification exams before they can be made officially responsible for management of chemical substances. Hosted chemical safety training courses covering emergency measures, appropriate and adequate chemical labeling, PPE instructions, chemical safety checklists, and responses for chemical spillages.
Environmental safety	<ul style="list-style-type: none"> Installed anti-leakage fans to ensure ventilation conditions in work environments.
Regular inspections	<ul style="list-style-type: none"> Technical representatives keep records of chemical management and inspect warehouses every week. Any regulatory violations are immediately corrected and adjusted by relevant personnel.

Higg Index FEM Verification

The Higg Index FEM (Facility Environment Module) launched by the Sustainable Apparel Coalition (SAC) analyzes and improves the environmental performance of factories through seven evaluation indicators including environmental management system, energy, water, wastewater, waste gas, waste, and chemicals. 9 garment and water washing factories including Hung Hsing and Nagapeace in Cambodia will use Higg Facility Environmental Module to conduct self-assessment for the factories, and more than half of the factories had ask third-party assessment agencies to conduct self-assessment. After verification, we actively invest in analyzing various environmental indicators of the factory to strengthen improvement.

■ Chemical Material Picking Process Diagram

Workshop Chemical Requisition

Fill out a purchase order and submit it in accordance with the company's procedures.

Purchase approval and notification to the customer-certified supplier for shipment.

Many of our additives have already received Levi's Screened Chemistry certification.

Stored in the designated chemical warehouse in accordance with the storage regulations.

If materials need to be picked, they must be approved by the workshop supervisor before picking materials according to the picking list.

Warehouse personnel conduct inventory checks for quantity and item names

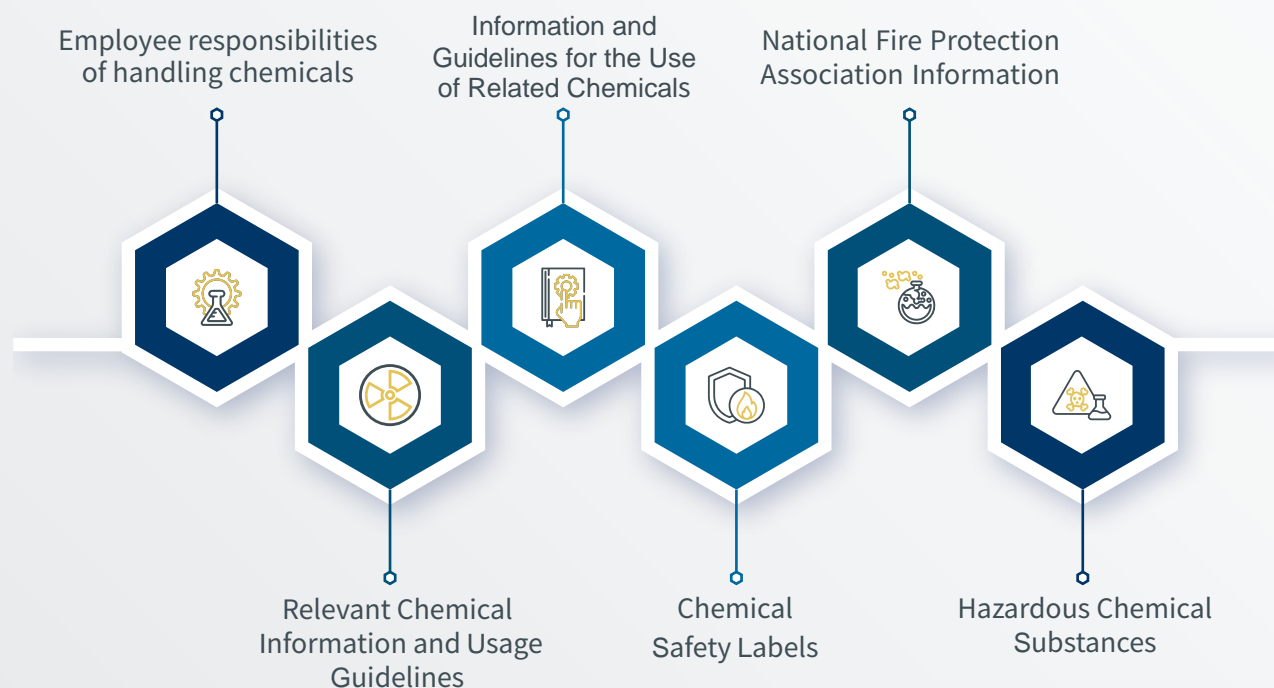
Warehouse personnel check the picking list and arrange picking

Employee Safety Training and Protection

In order to ensure the safety and response capabilities of our employees when handling chemicals, we provide PPE and regular training courses and stipulate that only employees who have passed chemical safety training can handle chemical substances. We strengthen chemical management knowledge and safety awareness in our colleagues through online video training for factory technician representatives, and also simulate complete chemical management processes through on-site drills to help technician representatives better understand operational procedures and respond to critical situations.

Chemical Safety Training

■ Awareness Building



■ Action and Procedures



4.5 Energy Management

Roo Hsing/ J.D. United regularly analyzes and reviews the energy consumption of each production site to improve energy efficiency and continuously reduce energy consumption and carbon emissions in the manufacturing process.

At our production sites in China, we have reduced greenhouse gas emissions through equipment replacement and waste heat recovery. All plants have phased out traditional coal-fired boilers and switched to purchasing steam to reduce the use of non-renewable resources. Additionally, by recycling heat generated from machinery to warm bleach water and cold water used in the dyeing process, and by utilizing hot steam recovered from dryers, we can effectively reduce carbon emissions during production processes. In 2023, the Hung Hsing and Nagapeace washing plants in Cambodia underwent renovation and maintenance of steam pipelines and equipment, with routine inspections conducted monthly. These improvements enhance steam utilization efficiency and gradually reduce energy intensity, aiming to mitigate global climate change.

■ 2023 Energy Consumption for Cambodia Plants and Taipei Office

Unit: Gigajoules (GJ)

Energy Type	Taiwan	China			Cambodia		
	2023	2021	2022	2023	2021	2022	2023
Diesel	-	842.30	812.11	794.12	9,849.91	9,132.94	8,856.69
Gasoline	-	115.78	92.11	91.10	1,247.97	985.26	974.49
Purchased Electricity	337.04	8,134.00	7,935.00	6,189.00	87,552.00	75,780.00	66,312.00
Solar Energy	-	-	-	-	1,306.80	4,194.00	4,302.00
Total	337.04	9,092.08	8,839.22	7,074.22	99,956.68	90,092.20	80,445.18

Notes 1: Sources are based on meter readings or purchase volumes.

Notes 2: Conversion factors are derived from the “Table of Unit Heat Values of Energy Products” published by the Bureau of Energy, Ministry of Economic Affairs.

Energy Management Practice

① Water Curtain

To effectively increase energy utilization rate during production processes, we used water curtain cooling walls to lower temperatures in washing production lines by around 3-12 degrees. The water curtains not only reduce up to 50% of electricity usage but also increase air circulation to improve stifling conditions in plant environments and provide our colleagues with comfortable and safe working environments. The usage of water curtains was adopted at all Roo Hsing/J.D. United plants in 2023.

② Optimization of Energy-Saving Lights and Processes

To prevent energy wastage, we not only replaced traditional light fixtures with energy-saving LED lightbulbs but also adopted natural air-drying procedures during manufacturing processes. We air-dried wet garments before drying them in tumble drying machines, greatly reduce energy consumption from the operation of drying machines.

③ Gradually Introduce Solar Photovoltaic Power Generation

To mitigate global warming and increased climate change risks from GHG generation triggered by combustion of fossil fuels, and to increase environmental sustainability of production processes, our Hung Hsing Water Washing plant and JD & Toyoshima plant using solar photovoltaic power generation successively from August 2021. The installation of this solar photovoltaic power generation will reduce local electricity purchases by 30%, further reducing carbon emissions; other production sites are gradually conducting feasibility studies on solar photovoltaic power generation, and plan to install solar photovoltaic power generation systems in the next few years to cover more of our operating plants. In the future, we plan to adopt proactive energy management measures. In addition to setting up a dedicated energy management team composed of personnel from various production sites, we will also formulate specific energy targets and regularly review energy data at our plants to enhance our energy efficiency performance and make strides in managing and monitoring our energy usage targets and ideals.

4.6 Green Products and Circular Economy

Denim is an evergreen must-have item that can be found in every person's wardrobe. Surveys indicate that, on average, each individual owns 8 pairs of jeans, and nearly 60% of women possess more than 10 pairs. However, the production of denim jeans is associated with significant pollution and resource consumption. According to research by the United Nations Environment Programme, the fashion industry, in catering to the consumption of 5 million people, annually consumes about 93 billion cubic meters of water, with nearly 20% of the world's wastewater resulting from fabric dyeing and discharge.

In consideration of the environmental impacts of the fast fashion industry, we continue to maintain our commitment to the environment and stay constantly attentive to issues relating to natural environments and resources to mitigate our environmental impacts and disruptions during corporate operations. We take advantage of our globally distributed operating sites and vertically integrated supply chains to establish environmental management targets and actions.

We utilize our R&D and innovative capabilities to develop new materials and techniques that reduce wastewater discharge, waste materials, and usage of hazardous substances to expand our influence on sustainability practices as we balance environmental and fashion demands so that consumers can dress in Green Jeans that fashionable, eye-catching, and environmentally sustainable.



Appendix

GRI Standards Index

Statement of Use	Roo Hsing CO., LTD reported the content for the period from January 1, 2022, to December 31, 2022, in accordance with the GRI guidelines.
GRI Standard Used GRI 1	GRI 1: Foundation 2021
Applicable GRI Sector Guidelines	No applicable GRI sector guidelines.

GRI Standards	GRI Items	Reference	Page/URL
GRI 2: General Disclosures 2021			
The organization and its reporting practices			
GRI 2: General Disclosures 2021	2-1 Organizational details	1.1 About Roo Hsing/ J.D. United	6
	2-2 Entities included in the organization's sustainability reporting	About this report	2
	2-3 Reporting period, frequency and contact point	About this report	2
	2-4 Restatements of information	NA	N/A
	2-5 External assurance	Auditor's Assurance Report	96
Activities and workers			
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	1.1 About Roo Hsing/ J.D. United 2.4 Supply Chain Management	6 28
	2-7 Employees	3.1 Talent Attraction and Retention	48
	2-8 Workers who are not employees	3.1 Talent Attraction and Retention	48
Governance			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	1.2 Sustainability Strategy and Governance	7
	2-10 Nomination and selection of the highest governance body	2.1 Governance framework	20
	2-11 Chair of the highest governance body	2.1 Governance framework	20

GRI Standards	GRI Items	Reference	Page/URL
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	1.2 Sustainability Strategy and Governance	7
	2-13 Delegation of responsibility for managing impacts	1.2 Sustainability Strategy and Governance	7
	2-14 Role of the highest governance body in sustainability reporting	1.2 Sustainability Strategy and Governance	7
	2-15 Conflicts of interest	2.1 Governance framework	20
	2-16 Communication of critical concerns	2.3 Compliance and Integrity	25
	2-17 Collective knowledge of the highest governance body	1.2 Sustainability Strategy and Governance	7
	2-18 Evaluation of the performance of the highest governance body	2.1 Governance framework	20
	2-19 Remuneration policies	2.1 Governance framework	20
	2-20 Process to determine remuneration	2.1 Governance framework	20
	2-21 Annual total compensation ratio	3.2 Talent Cultivation and Development	56
Strategy, policies and practices			
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Message from Chairman	3
	2-23 Policy commitments	3.4 Human Rights	63
	2-24 Embedding policy commitments	3.4 Human Rights	63
	2-25 Processes to remediate negative impacts	1.5 Risk Management Framework	17
	2-26 Mechanisms for seeking advice and raising concerns	1.3 Stakeholder identification and negotiation	12
	2-27 Compliance with laws and regulations	2.3 Compliance and Integrity	25
	2-28 Membership associations	Changzhou Overseas Chinese Enterperneurs Associaion : Vice Director Chashan Chamber of Commerce in Tianning District, Changzhou City : Vice Director Jiangsu Textile Association : Director	N/A
Stakeholder engagement			
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	1.3 Stakeholder identification and negotiation	12
	2-30 Collective bargaining agreements	3.1 Talent Attraction and Retention	48

GRI Standards	GRI Items	Reference	Page/URL
GRI 3:Material Topics 2021	3-1 Process to determine material topics	1.4 Material topics identification	15
	3-2 List of material topics	1.4 Material topics identification	15
Compliance and Integrity			
GRI 3:Material Topics 2021	3-3 Management of material topics	1.2 Sustainability Strategy and Governance	7
		1.4 Material topics identification	15
		1.5 Risk Management Framework	17
		2.3 Compliance and Integrity	25
GRI 205:Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	2.3 Compliance and Integrity	25
	205-2 Communication and training about anti-corruption policies and procedures		
	205-3 Confirmed incidents of corruption and actions taken		
Financial Performance			
GRI 3:Material Topics 2021	3-3 Management of material topics	2.2 Financial Performance	23
GRI 201:Economic Performance 2016	201-1 Direct economic value generated and distributed		
Customer Relationship Management			
GRI 3:Material Topics 2021	3-3 Management of material topics	2.5 Customer Relationship Management	34
Information Security			
GRI 3:Material Topics 2021	3-3 Management of material topics	2.8 Information Security	44
GRI 418:Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer		
Response to Climate change			
GRI 3:Material Topics 2021	3-3 Management of material topics	1.5 Risk Management Framework	17
GRI 201:Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change		
Occupational Health and Safety			
GRI 3:Material Topics 2021	3-3 Management of material topics	3.3 Occupational Safety and Health	58

GRI Standards	GRI Items	Reference	Page/URL
GRI 403:Occupational Health and Safety 2018	403-1 Occupational health and safety management system	3.3 Occupational Safety and Health	58
	403-2 Hazard identification, risk assessment, and incident investigation		
	403-3 Occupational health services		
	403-4 Worker participation, consultation, and communication on occupational health and safety		
	403-5 Worker training on occupational health and safety		
	403-6 Promotion of worker health		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8 Workers covered by an occupational health and safety management system		
	403-9 Work-related injuries		
	403-10 Work-related ill health		
Waste management			
GRI 3:Material Topics 2021	3-3 Management of material topics	4.4 Waste and chemical management	82
GRI 306:Waste 2020	306-1 Waste generation and significant waste-related impacts		
	306-2 Management of significant waste-related impacts		
	306-3 Waste generated		
	306-4 Waste diverted from disposal		
	306-5 Waste directed to disposal		
Chemical management			
GRI 3:Material Topics 2021	3-3 Management of material topics	4.4 Waste and chemical management	82

SASB Standards

TOPIC	CODE	ACCOUNTING METRIC	Reference	Page
Management of Chemicals in Products	CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	4.4 Waste and chemical management	82
	CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	4.4 Waste and chemical management	82
Environmental Impacts in the Supply Chain	CG-AA-430a.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement ²	Roo Hsing/ J.D. United has not conducted an inventory of this data on suppliers at present, and efforts will be made in the future to strengthen the disclosure of information in this regard	N/A
	CG-AA-430a.2	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition 's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Roo Hsing/ J.D. United has not conducted an inventory of this data on suppliers at present, and efforts will be made in the future to strengthen the disclosure of information in this regard	N/A
Labor Conditions in the Supply Chain	CG-AA-430b.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	Roo Hsing/ J.D. United has not conducted an inventory of this data on suppliers at present, and efforts will be made in the future to strengthen the disclosure of information in this regard	N/A
	CG-AA-430b.2	Priority non-conformance rate and associated corrective action rate for suppliers ' labor code of conduct audits ³	Roo Hsing/ J.D. United has not conducted an inventory of this data on suppliers at present, and efforts will be made in the future to strengthen the disclosure of information in this regard	N/A
	CG-AA-430b.3	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	Roo Hsing/ J.D. United has not conducted an inventory of this data on suppliers at present, and efforts will be made in the future to strengthen the disclosure of information in this regard	N/A
Raw Materials Sourcing	CG-AA-440a.1	Discussion of environmental and social risks associated with sourcing priority raw materials	Roo Hsing/ J.D. United has not conducted an inventory of this data on suppliers at present, and efforts will be made in the future to strengthen the disclosure of information in this regard	N/A
	CG-AA-440a.2	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	Roo Hsing/ J.D. United has not conducted an inventory of this data on suppliers at present, and efforts will be made in the future to strengthen the disclosure of information in this regard	N/A
Activity Metric	CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	2023 Key Suppliers (Fabrics: 9 suppliers, Washing Chemicals: 15 suppliers, Office Supplies: 9 suppliers, Non-fabric Accessories and Machinery: 12 suppliers)	N/A

Auditor's Assurance Report



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Independent Accountant's Assurance Report

To Roo Hsing Co., Ltd.

We have been engaged by Roo Hsing Co., Ltd. (the "Company") to perform assurance procedures, to report on the selected sustainability performance information (hereinafter referred to as "the subject matter information") on the Sustainability Report of the Company for the year ended December 31, 2023.

Subject matter information and applicable criteria

Regarding the subject matter information of abovementioned Company, please refer to Appendix I.

The applicable criteria in the subject matter information are in accordance with applicable criteria of the 2021 Global Reporting Initiatives Standards (the "GRI Standards") issued by the Global Reporting Initiatives.

Management's responsibilities

The management's responsibilities are to prepare the subject matter information according to appropriate criteria, including reference to the 2021 GRI Standards issued by the Global Reporting Initiatives. Management is also responsible for establishing and maintaining the necessary internal controls related to the preparation of the subject matter information, maintaining proper records, and making relevant estimates to ensure the subject matter information does not contain material misstatements due to fraud or error.

Our responsibilities

Our responsibilities are to plan and perform limited assurance procedures in accordance with Standard of Assurance Engagement No. 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation in the Republic of China. Those standards require us to issue a limited assurance report on whether the subject matter information, in all material respect, are free from material misstatements.

Independent Accountant's Assurance Report (Continued)

When performing the limited assurance engagement, we obtain the necessary understanding of internal controls relevant to the limited assurance in order to design appropriate procedures under the circumstances, but not for the purpose to provide any assurance on the effectiveness of the Company's internal control design or operation related to the subject matter information.

Our Independence and Quality Control

We have complied with the relevant requirements of independence and other ethical standards in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"). The basic principles of the Code are integrity, fairness and objectivity, professional competence and professional attention, confidentiality and professional attitude.

Our firm have complied with the Quality Management Standard No. 1, "Quality Management for Accounting Firms". This quality management standard requires accounting firms to establish and maintain a comprehensive quality control system, including documented policies and procedures regarding professional ethics, professional standards, and relevant applicable laws and regulations.

Summary of work performed

We have performed limited assurance work on the subject matter information, with the main assurance procedures including:

- Obtaining and reviewing the content of the Company's Sustainability Report for the year ended December 31, 2023;
- Interviewing the management and relevant staff of the Company to understand the processes used to collect, organize, and assure the subject matter information;
- Checking whether the calculation standards have been applied according to the methods outlined in the applicable criteria;

Independent Accountant's Assurance Report (Continued)

- Based on the understanding obtained from the above matters, conducting analytical procedures on the subject matter information or, when necessary, reviewing relevant documents to obtain sufficient and appropriate limited assurance evidence.

Based on our professional judgment, which includes identifying the scope of potential significant errors or misstatements in the subject matter information and assessing the associated risks to design sufficient and appropriate assurance procedures, we believe that our assurance work provides a reasonable basis for the conclusion in this report. However, the nature, timing, and extent of work performed in a limited assurance engagement differ from those in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is significantly lower than that which would be obtained in a reasonable assurance engagement.

Inherent limitations

Since many of the assurance items involve non-financial information, there are more inherent limitations compared to financial information assurance. Consequently, the relevance, materiality, and accuracy of such information may depend heavily on management's significant judgments, assumptions, and interpretations. Furthermore, different stakeholders may interpret this information in various ways.

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, we are not aware of any misstatements in the subject matter information that would require significant modification to comply with the applicable criteria.

Independent Accountant's Assurance Report (Continued)**Other matters**

The maintenance of the Company's website is the responsibility of the Company's management. We shall not be responsible for conducting any further assurance work on any changes to the subject matter information or applicable criteria after this assurance report has been published on the Company's website.



Chen, Kuang-Hui

For and on behalf of ShineWing CPAs

August 28, 2024


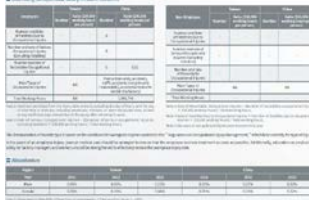

Taipei, Taiwan

Republic of China

Notice to Readers

For the convenience of readers and for information purpose only, the accountant assurance's report and the accompanying selected information have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

Appendix 1: Summary table of subject matter information

No.	Chapter title	Pages	Subject matter information	Applicable criteria
1	Occupational Safety and Health	59	<p>Implementing Safety and Hygiene Management, Establishing the Workforce Management</p> 	GRI 403-1 Occupational safety and health management system
2	Occupational Safety and Health	60	<p>Implementing the Occupational Safety and Hygiene Management</p> 	GRI 403-9 Occupational injury
3	Occupational Safety and Health	61	<p>Health Care in the Workplace</p> 	GRI 403-3 Occupational health services

