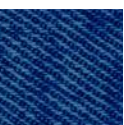




**2024**  
**Sustainability**  
**Report**





# CONTENTS

Foreword	02	Appendix	91
About this Report	03	GRI Standards	91
Message from our Chairman	04	SASB Standards	95
2024 Sustainability Highlights	05	Climate-Related Information Implementation Form	96
		Assurance Report from Certified Public Accountant (CPA)	98

## 01

Company Profile and Sustainability Strategy	06
1.1 About Roo-Hsing/J.D. United	07
1.2 Sustainability Strategy and Governance	08
1.3 Stakeholder Identification and Engagement	13
1.4 Material Topics Identification	15
1.5 Risk Management Framework	17

## 02

Corporate Governance	19
2.1 Governance Framework	20
2.2 Financial Performance	23
2.3 Compliance and Integrity	25
2.4 Supply Chain Management	28
2.5 Customer Relationship Management	35
2.6 Product Responsibility and Safety	38
2.7 Sustainable Innovation and R&D	42
2.8 Information Security	46
2.9 Tax	49

## 03

Social Responsibility	50
3.1 Talent Attraction and Retention	51
3.2 Talent Cultivation and Development	57
3.3 Occupational Safety and Health	60
3.4 Human Rights Protection	65
3.5 Social Prosperity	70

## 04

Environment	71
4.1 Response to Climate Change	72
4.2 Greenhouse Gas Emissions and Air Pollution Control	77
4.3 Water Resource Management	78
4.4 Waste and Chemical Management	83
4.5 Energy Management	89
4.6 Green Products and Circular Economy	90





# Foreword

About this Report	03
Message from our Chairman	04
2024 Sustainability Highlights	05



## 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 2024 fiscal year (January 1st to December 31st). However, some performance data will be retrospectively traced back to 2023 and extended to June 2025, with explanations noted in the report.

### □ 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 2025

The next Issuance expected: in the year of 2026

### □ 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.

### □ 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 the leader of Roo-Hsing/J.D. United, I firmly believe that the growth of a company is not only about creating quality products and services, but also about bearing responsibility for society, the environment, and our employees. In today's global market, an increasing number of customers and partners view ESG (Environmental, Social, and Governance) performance as a key criterion for collaboration. This has made it even clearer to us that sustainable development must be regarded as one of our core competencies, and we are committed to advancing relevant policies in line with customer expectations.

As one of the leading brands in the apparel industry, Roo-Hsing/J.D. United has always worked closely with customers and fully supported their ESG goals. We actively respond to sustainability requirements and integrate them into our operations. Whether in environmental protection, social responsibility, or corporate governance, we strive to meet—and even exceed—our customers' expectations. We recognize that pursuing ESG goals is not only about fulfilling corporate responsibility but also about driving long-term sustainable growth.

### Environmental Sustainability

We continue to honor our environmental commitments through innovation and action:

- Enhancing the energy efficiency of automated washing equipment.
- Developing recycled plastics, bamboo fiber, and bio-based fibers, while adopting waterless dyeing and low-temperature printing technologies to advance low-carbon processes.
- Becoming the first in the washing sector to replace potassium permanganate with zero-hazard PP substitutes, achieving green washing and toxic-free production.

Through these efforts, we align our business model with international environmental standards and set an example of balancing economic performance with sustainability.

### Social Responsibility

We value our employees as our greatest asset and are committed to creating an open and inclusive workplace:

- Promoting employee career development, health, and quality of life through initiatives such as the “J.R.H Health Project,” P.A.C.E., CARE, and V.O.I.C.E. programs.
- Strengthening training on gender equality, anti-corruption, and information security, and achieving AEO security certification.
- Conducting human rights risk assessments and due diligence in accordance with international standards, progressively building a comprehensive human rights management framework.

### Governance and Stakeholder Engagement

With integrity and transparency as guiding principles, we actively engage with customers, suppliers, employees, shareholders, and other stakeholders. ESG requirements and expectations are embedded into our business strategy to ensure shared growth and value creation. In 2024, we established the Sustainability Development Committee, led by the Chairman, to oversee, coordinate, and promote the Company's sustainability initiatives.

### Outlook

Looking ahead, we will continue to strengthen collaboration with customers by aligning with their ESG-related policies and requirements, while focusing on innovation and competitiveness in our core business. Together with our employees and stakeholders, we will move toward a more prosperous and sustainable future. Through these efforts, we are confident that Roo-Hsing/J.D. United will progress steadily in the global marketplace, achieving shared success in economic, social, and environmental dimensions, and making meaningful contributions to global sustainable

Chairman **Chi, Chung-Ming**



## 2024 Sustainability Highlights

### Financial management

- Consolidated revenue of NTD14,889,120 thousand.
- Investment of NTD 8,756 thousand for research and development.
- 100% passed the assessments from major brand customers.
- Establishment of a Sustainability Development Committee

### Expertise/ Products

- Continuously integrating topics of corporate social responsibility into our product lifecycle considerations.
- Utilizing automated washing equipment to enhance energy efficiency and power savings
- Continuous engagement of our Washing Team in research and development of washing techniques.
- We develop materials such as recycled plastics, bamboo fibers, and bio-based fibers, and adopt waterless dyeing and low-temperature printing technologies.

### 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 varication of third-party verifiers recognized by Screened Chemistry (SC) and ZDHC.

### Employee

#### J.R.H Roo-Hsing/J.D. United health project

Strengthened employee training and health promotion initiatives, with a focus on sexual harassment prevention, gender equality education, and anti-corruption training

#### 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.

#### 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.

#### Authorized Economic Operator (AEO) Training

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

#### CARE

Enhanced the quality of life and professional growth opportunities for employees.

#### 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

1.1 About Roo-Hsing/J.D. United	07
1.2 Sustainability Strategy and Governance	08
1.3 Stakeholder Identification and Engagement	13
1.4 Material Topics Identification	15
1.5 Risk Management Framework	17



## 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, with denim apparel as its main product line. 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\$ 2,637,957,730 (After the capital reduction)
Number of Employees belonging to the Group	18,238
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  
Predicting the Future

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, 13 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"> <li>Expanding the production line, increasing capacity to meet customer demand.</li> <li>Exploring new markets (mainly from the USA and Europe) in addition to maintaining existing customer orders.</li> <li>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&amp;A), we continue to expand our operations to satisfy the requirement from brand owners who are now following the trend of seeking supplier integration.</li> </ul>
Enhancement in Production Efficiency	<ul style="list-style-type: none"> <li>Establishing factory management SOPs, streamlining the production processes and speeding up delivery times.</li> <li>Automated production: Roo-Hsing/J.D. United has adopted automated equipment, improving production efficiency and reducing the Company's reliance on labor.</li> <li>Centralized management: <ul style="list-style-type: none"> <li>Implemented computerized information systems—such as AWS cloud computing, e-invoicing, and supplier platforms—to enable seamless information flow between suppliers and customers.</li> <li>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.</li> <li>Computerized warehouse management to shorten lead times for pre-production operations.</li> </ul> </li> </ul>



Direction for Development	Description
Technology Innovation and strengthening cross-industry connection.	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
Talent Management and Friendly Workplace	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>
Eco-friendly Production and Reduction of Environmental Footprint	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>
Fulfillment of Corporate Social Responsibility	<ul style="list-style-type: none"> <li>• Continuously addressing social issues by supporting charitable organizations and activities, providing assistance through both monetary or material donations to those in need.</li> <li>• 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.</li> </ul>



## Sustainable Responsibility Management

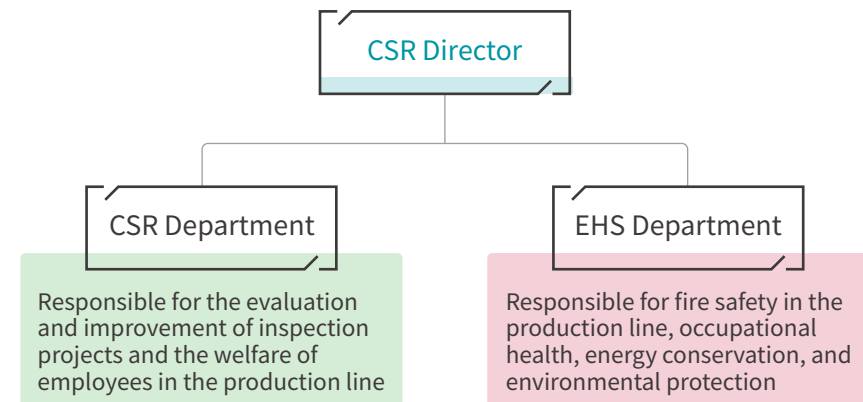
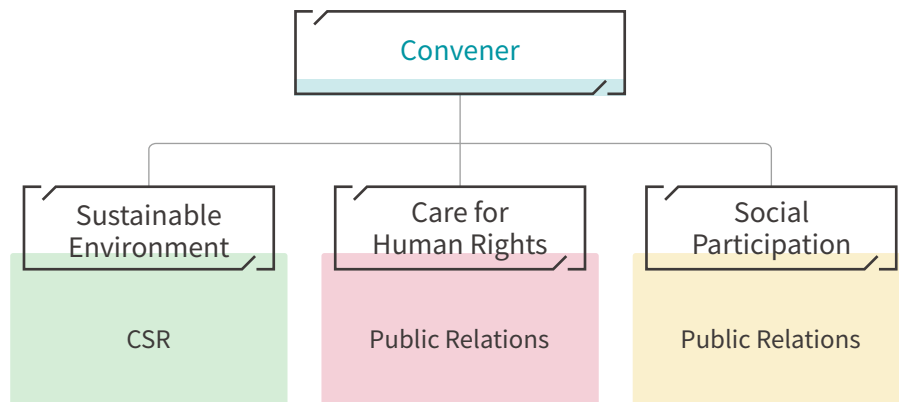
Roo-Hsing/J.D. United considers corporate sustainability as a critical foundation for its long-term business operations. Through its efforts, the Company aims to keep up with the global trends nowadays, creating value for society, customers, and employees. To integrate ESG principles into its business operations and corporate culture, the Company has established a 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, human 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.



### Environment

What it Means to Roo-Hsing / J.D. United	Roo-Hsing/ J.D. United's Responses in 2024	Short-term Strategies	Mid-term and Long-term Strategies
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.	<ul style="list-style-type: none"> <li>Hung Hsing Garment's washing plant and JD &amp; Toyoshima's factory, both in Cambodia, have progressively integrated the use of renewable energy.</li> <li>The washing plant of Hung Hsing Garment and Nagapeace Corporation, both in Cambodia, have made improvements on steam pipelines and production equipment.</li> <li>We are achieving zero toxicity in production processes step by step.</li> <li>We are optimizing our water usage, improving wastewater utilization and water recycling rates.</li> <li>We have introduced energy-saving measures such as lighting replacement and the installation of water curtain systems.</li> <li>Turkish washing and drying machines have been introduced to reduce energy consumption.</li> <li>We have established strict chemical management policies to enhance the control of hazardous substances.</li> <li>We have adopted environmentally friendly materials, such as recycled cotton, TENCEL, organic cotton, recycled polyester, recycled yarn, and coffee yarn.</li> </ul>	<ul style="list-style-type: none"> <li>Gradually switch to renewable energy for production in the Cambodian plants.</li> <li>Enhance waste steam recovery to reduce wood consumption and exhaust gas emissions.</li> <li>Ensure 100% of wastewater and waste are treated in compliance with local regulatory standards.</li> <li>Ensure 100% chemicals used in the production processes meet the local regulatory standards or the industrial standards.</li> <li>Ensure noise levels are 100% in compliance with local regulatory standards.</li> <li>Replace all traditional lighting equipment with LED lights.</li> <li>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.</li> <li>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.</li> <li>Provide customers with sustainable textiles that comply with the rules in ZDHC Manufacturing Restricted Substances List (MRSL).</li> <li>All plants have implemented systematic energy resource management and chemical management programs.</li> </ul>	<ul style="list-style-type: none"> <li>Gradually adopt environmentally friendly chemicals to reduce the use of chemical auxiliaries.</li> <li>Utilize renewable power to reduce or even eliminate the use of fossil oil or wood-burning boilers.</li> <li>Use energy- and- water-efficient equipment.</li> <li>Introduce innovative equipment to reduce emission of pollutants.</li> <li>Replace outdated technologies with new technologies and new material, achieving energy-saving and carbon reduction goals.</li> <li>Optimize wastewater treatment year over year, increasing the recycle rate of purified water.</li> <li>Monitor and control factory wastewater discharge. Establish specific measures to ensure that the discharge of wastewater and waste are in compliance with national standards.</li> </ul>



## Society



What it Means to Roo-Hsing / J.D. United	Roo-Hsing/ J.D. United's Responses in 2024	Short-term Strategies	Mid-term and Long-term Strategies
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.	<ul style="list-style-type: none"> <li>We have established human rights-protection policies to enhance gender equality.</li> <li>We have established appropriate risk control methodology (with risk classification) to ensure workplace safety.</li> <li>We have been advocating a diverse talent structure.</li> <li>We have maintained multiple communication channels.</li> <li>We have been internally raising awareness for the Company's code of professional conduct.</li> <li>We have been providing trainings and education regarding occupational health and safety.</li> <li>We have been offering diverse training programs to reinforce a zero-tolerance approach toward sexual harassment.</li> </ul>	<ul style="list-style-type: none"> <li>Establish a tracking mechanism for labor safety.</li> <li>Ensure workplace safety and improving the working environment for employees.</li> <li>Implement measures to prevent any forced labor incidents at Roo-Hsing/J.D. United.</li> <li>Promote activities that enhance employee's communication within the Company.</li> <li>Continuously promote comprehensive and complete training programs for employees.</li> <li>Regularly provide anti-sexual harassment education and training, striving to create a healthy and discrimination-free working environment.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously collaborate with the local governments in each operating region to establish measures for workplace health and safety.</li> <li>Continuously improve workplace risk management.</li> <li>Establish diverse communication channels.</li> <li>Implement various reward and benefit programs.</li> </ul>

## Governance



What it Means to Roo-Hsing / J.D. United	Roo-Hsing/ J.D. United's Responses in 2024	Short-term Strategies	Mid-term and Long-term Strategies
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.	<ul style="list-style-type: none"> <li>We have been advocating the "New 3C values": Care, Communication, and Creativity.</li> <li>We have introduced automated procedures into our production and management processes.</li> <li>We have been continuously investing in the research and development of innovative washing technology.</li> <li>We have expanded our business into the personal protective equipment (PPE) market.</li> </ul>	<ul style="list-style-type: none"> <li>Diversify our product lines, spread of customer base, and explore new customers to avoid reliance on a single customer.</li> <li>Continuously introduce and upgrade automated equipment in the production line so as to optimize productivity and process control, enhancing factory efficiency.</li> <li>Apply SAP system and AWS cloud computing in phases to achieve automation in cloud technology and information management, boosting overall operational efficiency</li> <li>Actively expand overseas operations, leveraging transnational resource allocation to strengthen the Company's competitive advantages.</li> <li>Organize professional R&amp;D teams to collaborate with global partners in innovative textile and fabric technology development.</li> <li>Keep up with industrial trends and utilize our advantages to drive economic growth.</li> <li>Continuously improve production efficiency, output, and R&amp;D capabilities to create industrial value.</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate with brand partners to expand overseas production sites, aiming for better tariff benefits.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ul>



## 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 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"> <li>• Company Integrity</li> <li>• Regulatory Compliance</li> <li>• Financial Performance</li> <li>• Quality Management</li> <li>• Labor Relations</li> <li>• Occupational Health and Safety</li> </ul>	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"> <li>• Company websites/ Irregularly</li> <li>• Annual Reports/ Annually</li> <li>• Internal grievance mechanism/ Permanently</li> <li>• Internal email announcements/ Irregular</li> <li>• Labor-management conferences/ Quarterly</li> <li>• Education, training, and forums/ Irregularly</li> </ul>
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"> <li>• Company Integrity</li> <li>• Regulatory Compliance</li> <li>• Financial Performance</li> <li>• Product Innovation</li> <li>• Labor Relations</li> <li>• Forced Labor Prevention</li> </ul>	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"> <li>• Company websites/ Irregularly</li> <li>• Press conferences and interviews on specific topics/ Irregularly</li> <li>• Press releases and telephone interviews/ Irregularly</li> </ul>
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"> <li>• Company Integrity</li> <li>• Regulatory Compliance</li> <li>• Financial Performance</li> <li>• Corporate Governance and Risk Management</li> <li>• Quality Control</li> <li>• Labor Relations</li> </ul>	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"> <li>• Company websites/ Irregularly</li> <li>• Annual Reports/ Annually</li> <li>• Investor conferences/ Annually</li> <li>• Financial Reports/ Quarterly</li> <li>• Media exposure, Market Observation Post System/ Annually</li> <li>• Investor hotline and bulletin board for website visitors/ Permanently</li> </ul>



Stakeholder	What it Means to Roo-Hsing/J.D. United	Topics to be Communicated	Corresponding Sections	Communication Methods/Frequency
Customers 	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"> <li>• Company Integrity</li> <li>• Regulatory Compliance</li> <li>• Financial Performance</li> <li>• Product Innovation</li> <li>• Child Labor and Human Right Assessment</li> <li>• Customer Privacy</li> </ul>	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"> <li>• Annual Reports/ Annually</li> <li>• Industrial conferences and seminars/ Irregularly</li> <li>• Investor conferences/ Annually</li> <li>• Face-to-face meetings and conference call/ Irregularly</li> <li>• Customer complaint hotline and bulletin board for website visitors/ Permanently</li> </ul>
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"> <li>• Procurement Practices</li> <li>• Regulatory Compliance</li> <li>• Quality Control</li> <li>• Forced Labor Prevention</li> <li>• Water Resource Management</li> <li>• Waste and Waste water Treatment</li> </ul>	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"> <li>• Company websites/ Irregularly</li> <li>• Suppliers' meetings/ Irregularly</li> <li>• Suppliers' negotiation and experience exchange/ Irregularly</li> <li>• Communication managed by responsible department/ Irregularly</li> </ul>
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"> <li>• Environmental Safety and Health</li> <li>• Environmental Pollution</li> <li>• Corporate Governance</li> <li>• Corporate Image</li> </ul>	3.5 Human Rights Protection 4.3 Water Resource Management 4.4 Waste and Chemical Management	<ul style="list-style-type: none"> <li>• Harmonious neighbor relationship and community care managed by responsible department/ Irregularly</li> <li>• Local event sponsorship/ Irregularly</li> </ul>
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"> <li>• Company Integrity</li> <li>• Regulatory Compliance</li> <li>• Financial Performance</li> <li>• Labor Relations</li> <li>• Risk Management</li> <li>• Communication with Regulatory Authorities</li> </ul>	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"> <li>• Official Correspondences/ Irregularly</li> <li>• Participation in policy discussions and forums organized by regulatory authorities / Irregularly</li> <li>• Cooperation with regulatory authorities for supervision and audits / Irregularly</li> <li>• Meetings with regulatory authorities to establish communication opportunities / Irregularly</li> </ul>

## Topics Identification and Survey through Questionnaire

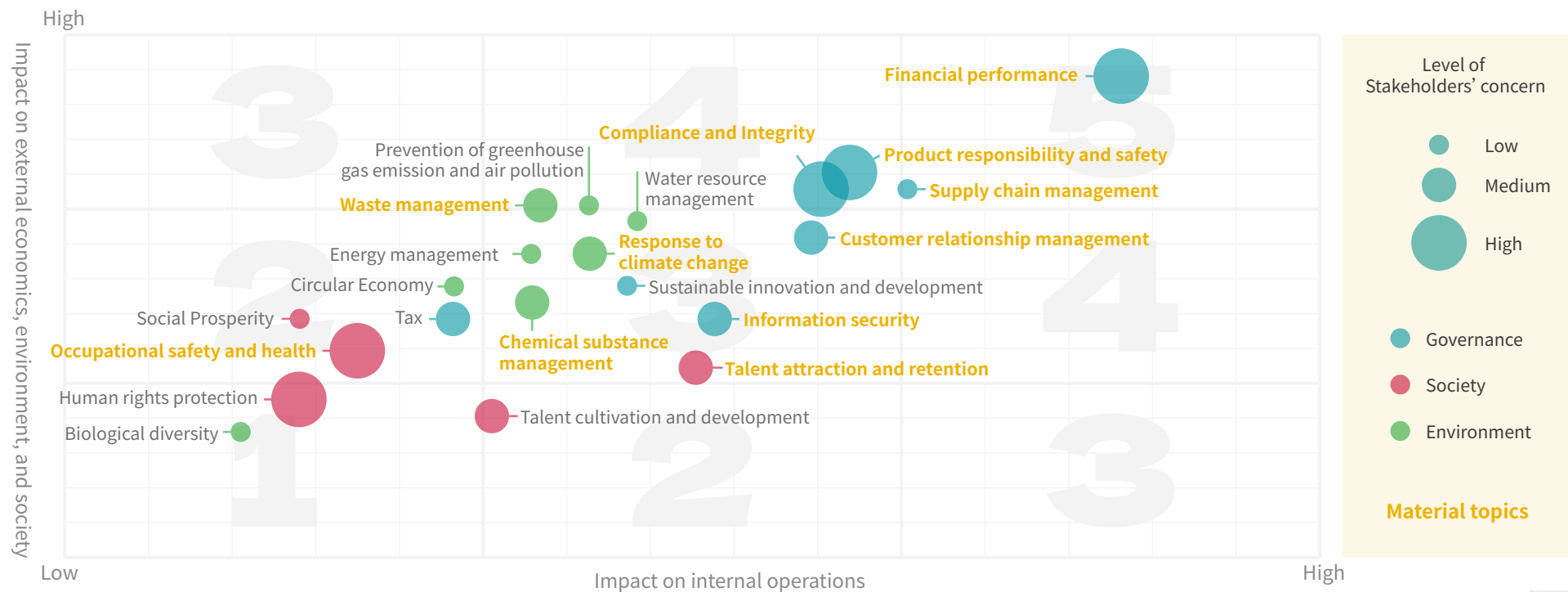
Roo-Hsing/J.D. United engages in regular and irregular communication with stakeholders to continuously gather information about stakeholders' concerns and sustainability trends in the domestic and international apparel industry. This year's material topics are based on the significant topics from the 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

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 2024, 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.

### Matrix for Roo-Hsing/ JD ’s Material Topics in 2024



## The Sustainable Value Chan 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 Heath	3.3 Occupational Safety and Heath	✓	✓	✓				



## 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, The Company has established 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 must not be overlooked in 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

2.1 Governance Framework	20
2.2 Financial Performance	23
2.3 Compliance and Integrity	25
2.4 Supply Chain Management	28
2.5 Customer Relationship Management	35
2.6 Product Responsibility and Safety	38
2.7 Sustainable Innovation and R&D	42
2.8 Information Security	46
2.9 Tax	49



## 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 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

The 17th Board of Directors of Roo-Hsing/J.D. United is composed of nine members, including three independent directors. Each director performs their duties in accordance with the "Corporate Governance Best Practice Principles" and the "Ethical Corporate Management Best Practice Principles." The Company convenes one annual shareholders' meeting and generally holds 2–3 board meetings per quarter. According to the 2024 Annual Report, the Board of Directors convened 16 meetings in total, with an average individual attendance rate of 98.61%.

Among the nine directors of Roo-Hsing/J.D. United's 17th Board of Directors, there are seven male and two female members (one male director resigned on October 29, 2024). Female directors account for 22% of the Board, while male directors account for 77%. In addition to Taiwanese nationals, the Board also includes directors of Japanese nationality and diverse cultural backgrounds. Roo-Hsing/J.D. United actively promotes board diversity. The selection criteria for directors are not limited by gender, age, nationality, culture, or ethnicity. The Company seeks to appoint professional managers with extensive expertise in areas such as industry operations, finance, business management, international markets, and environmental automation, thereby strengthening the structure and effectiveness of the Board.

### Composition of Directors

Age	Directors(including independent directors)		
	Gender	Headcount	%
30 to 49 years old	Male	0	0%
	Female	1	11.1%
50 years old (and above)	Male	7	77.8%
	Female	1	11.1%

### Name list for the 17th Board of Directors

Title	Name	Biography	Gender
Chairman	CHI, Chung-Ming	Partner, Prosperity Global Consulting Limited	Male
Director	MA, Jun-Ming	Attorney at Yuan Yi Law Firm, Taiwan	Male
Director	NAKASHIMA, Kenji	Executive Director at Toyota Motor Philippines Corp.	Male
Director	YEH, Shu-Fang	Senior researcher and team leader of National Development Fund, Executive Yuan	Female
Director	LI, Kun-Fang	Chief Marketing Officer, Hong Kong UP Standard Apparel Co. Limited	Male
Director	CHANG, Shoei-Jiang(Retired)	Editor-in-Chief, Taiwan Commercial Times	Male
Independent Director	KU, Chi-Tung	Lawyer at BN Law Firm	Male
Independent Director	HUNG, Pei-Chun	Director, Tengri International Law Firm	Female
Independent Director	YANG, Peir-Jye	Supervisor of TA-I Technology Co., Ltd.	Male

Note1: Director CHANG, Shoei-Jiang was dismissed on 29/10/2024.

Note2: None of the board members hold employee status.



## Professional Competence

Name	Diversified Core Competencies					
	Business Management	Leadership & Decision-Making	Industry Knowledge	Finance & Accounting	Legal	Environmental
CHI, Chung-Ming	✓	✓	✓	✓		
YEH, Shu-Fang		✓	✓		✓	
MA, Jun-Ming			✓		✓	✓
NAKASHIMA, Kenji	✓	✓	✓	✓	✓	
LI, Kun-Fang	✓	✓	✓			✓
CHANG, Shoei-Jiang	✓	✓	✓	✓		✓
KU, Chi-Tung	✓	✓	✓	✓	✓	✓
YANG, Peir-Jye	✓	✓	✓	✓	✓	✓
HUNG, Pei-Chun			✓		✓	✓

## 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 97.73%, 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 2025. 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 Six 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:

- 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.

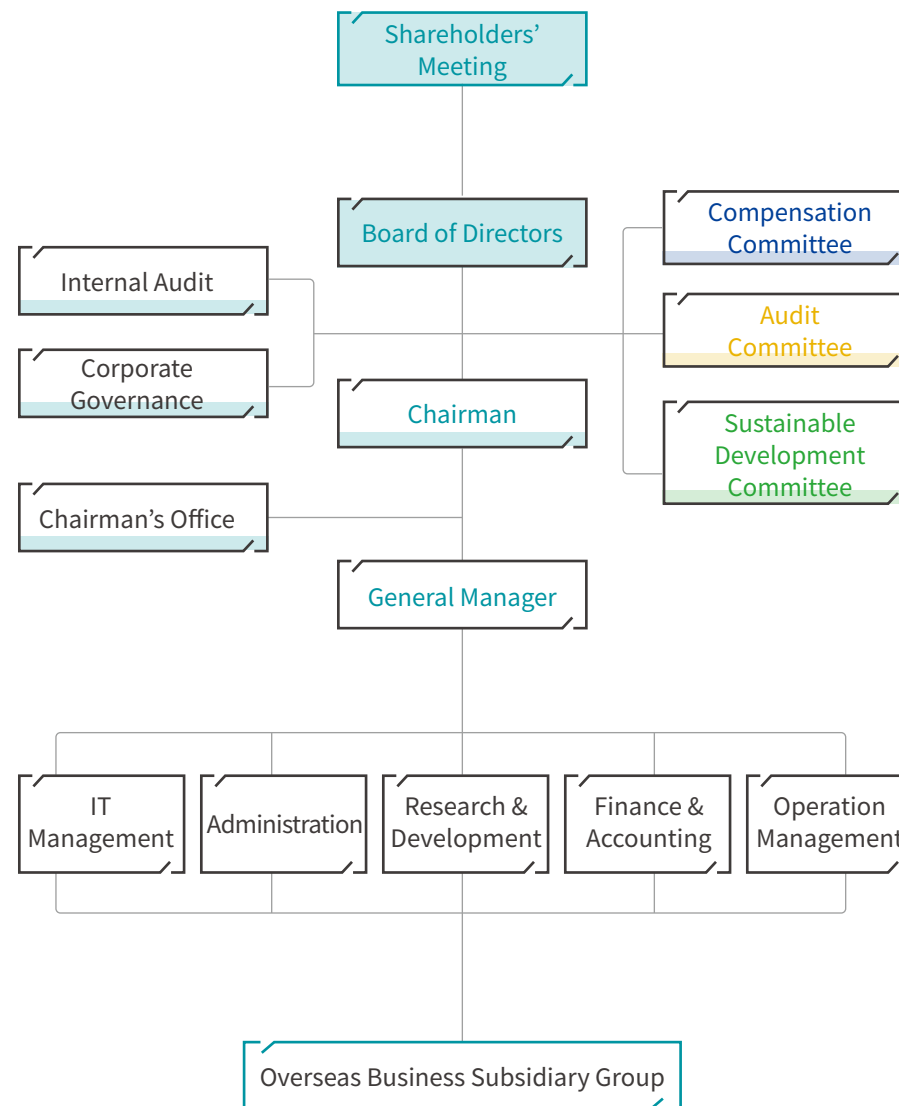
## The Compensation Committee

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 March 31, 2025, the committee had held 2 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. By March 31, 2025, a total of 16 meetings had been held, with a 97.92% attendance rate for both the convener and members.

## Organization Chart of Roo-Hsing/J.D. United





## 2.2 Financial Performance

Impact	Policy Committed
<p>Roo-Hsing/J.D. United is a leading global manufacturer specializing in denim products. Although transportation costs increased in 2024 due to geopolitical conflicts and regional climate factors, the Company successfully mitigated the impact through global production allocation and effective shipping schedule management, achieving a 10% revenue growth compared with 2023.</p> <p>Looking ahead to 2025, despite the continued uncertainty surrounding U.S. tariff policies—the world’s largest apparel market—the Company’s flexible global production layout is expected to support steady business growth. In line with its positive performance outlook for 2025, the Company is actively engaging with financial institutions to secure financing, aiming to reduce financial costs and strengthen working capital.</p>	<p>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.</p>
	Action Taken
	<p>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 materiel losses.</p>
Goal	
<p><b>Short-term Goals:</b></p> <p>In the short term, the Company will continue to enhance its denim apparel production and sales business to meet the demands of international brand customers and grow alongside its key clients. According to research conducted by various institutions, the denim market is expected to achieve a compound annual growth rate of over 4% from 2025 to 2028. However, considering factors such as regional conflicts and tariff policies, the Company expects its 2025 sales performance to remain roughly on par with that of 2024.</p>	<p><b>Medium and Long-term Goals:</b></p> <p>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.</p>
Assessment Mechanism	Performance Results
<p>To align with the Company’s internal control system and operating procedures, reporting and communication channels have been established across various regions. In 2025, the Company will implement a new human resources and attendance system and further optimize the procurement process to strengthen oversight of subsidiaries and the management of procurement activities. Ultimately, through regular performance evaluations and business review meetings, the Company aims to drive the achievement of its goals.</p>	<p>In 2024, the Company’s consolidated revenue reached NT\$14,889,120 thousand, representing a 10.15% increase compared to the previous year. The growth was mainly due to a recovery in the apparel market in 2024, which led to higher sales. Additionally, effective cost control resulted in improved gross margin, with gross profit increasing from NT\$2,218,322 thousand in 2023 to NT\$2,498,279 thousand in 2024, an increase of 12.62%. The net profit after tax in 2024 was NT\$98,962 thousand, showing significant improvement compared to the net loss of NT\$557,653 thousand in 2023.</p>
Communication with Stakeholder	
<p>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.</p>	

The Company's consolidated revenue for the fiscal year 2024 amounted to NT\$14,889,120 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	2022	2023	2024
Operating Revenue	17,289,008	13,517,416	14,889,120
Operating Cost	(15,452,452)	(11,299,094)	(12,390,841)
Operating Profit	1,836,556	2,218,322	2,498,279
Operating Expenses	(4,278,314)	(2,423,957)	(2,311,893)
Non-operating income and expenses	(2,134,729)	(358,626)	(52,427)
Net (loss) profit before tax	(4,576,487)	(564,261)	133,959
Income Tax Benefit (Expense)	212,360	6,608	(34,997)
Net (loss) profit after tax	(4,364,127)	(557,653)	98,962

### The Direct Economic Value Generated and Distributed by the Organization

Unit: NT\$ thousand

Item	2022	2023	2024
Revenue	17,289,008	13,517,416	14,889,120
Operating Cost	15,452,452	11,299,094	12,390,841
Employee Salary and Benefit	2,912,502	2,549,838	2,751,341
Payment to Investors	390,356	451,488	293,492
Payment to Government	22,463	15,473	35,245

### Revenue Proportion of Major Product

Unit: NT\$ thousand

Product	2022		2023		2024	
	Sales revenue	Percentage (%)	Sales revenue	Percentage (%)	Sales revenue	Percentage (%)
Apparel	17,284,888	100%	13,512,470	100%	14,884,395	100%
Others	4,120	-	4,946	-	4,725	-
Total	17,289,008	100%	13,517,416	100%	14,889,120	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 distributor 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

Site	Year	Item	Amount
Changzhou Tooku Garments Co., Ltd.	2024	Provincial and Municipal-Level Special Funds for Business Development and Employment Subsidy	CNY 802,300
United States Agency for International Development(USAID)	2024	Enhance product manufacturing and export capacity	USD 704,891



## 2.3 Compliance and Integrity

Impact	Policy Committed
<p>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.</p>	<p>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.</p>
	<p><b>Action Taken</b></p> <ul style="list-style-type: none"> <li>• The legal department monitors and ensures compliance with national and industry-related laws and regulations applicable to the Company.</li> <li>• An Integrity Management Team has been established to formulate, promote, implement, and oversee the Company's integrity management practices.</li> </ul>
Goal	
<p><b>Short-term Goals:</b></p> <ul style="list-style-type: none"> <li>• Zero material violations.</li> <li>• Achieve zero significant incidents of breaches in integrity.</li> </ul>	<p><b>Medium-and Long-term Goals:</b></p> <ul style="list-style-type: none"> <li>• Fully comply with national industrial policies and related legal regulations, avoid any material violations.</li> <li>• Continuously improve the quality of information disclosure and strengthen regulatory compliance to enhance international visibility and competitiveness.</li> </ul>
Assessment Mechanism	Performance Results
<p>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.</p>	<ul style="list-style-type: none"> <li>• In 2024, there were no incidents related to breaches of integrity principles.</li> <li>• 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.</li> </ul>
Communication with Stakeholder	
<p>Stakeholders can review the Company's implementation of integrity management practices through the annual report issued each year.</p>	

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"> <li>Pushing the responsible parties to carry out the policies for integrity management.</li> </ul>	<ul style="list-style-type: none"> <li>Compile and report on the implementation of integrity management practices.</li> <li>Provide quarterly reports to the board of directors.</li> </ul>
The General Manager's Office	<ul style="list-style-type: none"> <li>Supervise and implement the Code of Ethical Conduct and the Procedures and Guidelines for Ethical Business Practices.</li> <li>Assist in integrating integrity and ethical values into the Company's business strategies.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>Monitor, report, track, and oversee improvements related to irregularities in business activities.</li> </ul>
Administrative Department	<ul style="list-style-type: none"> <li>Formulate and revise the Code of Ethical Conduct, the Procedures and Guidelines for Ethical Business Practices.</li> <li>Promote the Company's integrity and ethical business strategies.</li> <li>Hear the cases when employees are offered direct or indirect benefits by others; provide proper advice accordingly.</li> </ul>	<ul style="list-style-type: none"> <li>Establish concrete anti-corruption measures to ensure ethical business practices in alignment with laws and regulations.</li> <li>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.</li> <li>Integrate ethical practices into employee performance evaluations and human resource policies, implementing a clear and effective system of rewards, penalties, and grievance procedures.</li> <li>Create a whistleblowing channel on the Company's website to allow both internal and external parties to report unethical or improper behavior.</li> <li>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.</li> </ul>
Internal Audit	<ul style="list-style-type: none"> <li>Handle internal and external whistleblowing reports.</li> <li>Implement internal audit procedures to ensure the effectiveness of internal controls.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct investigations and response to ethical issues in accordance with the procedures and guidelines for ethical business practices.</li> <li>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.</li> </ul>
Other Departments (cooperating with implementing departments)		<ul style="list-style-type: none"> <li>Coordinate with the Integrity Management Team to implement all the policies related to ethical business practices.</li> <li>Accept supervision and auditing to ensure adherence to integrity and ethical standards.</li> </ul>

We have established the “Corporate Governance Code of Practice”, “Corporate Integrity Management Code” and “Integrity Management Operating Procedures and Behavior Guidelines” 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 Code of Practice”, “Corporate Integrity Management Code” and “Integrity Management Operating Procedures and Behavior Guidelines” 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 2024, 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 2024, Roo-Hsing/J.D. United did not encounter any material legal violations.

## 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 2024, 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.

## 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 2024, the Internal Audit Department proposed a total of two findings to be improved within the Company.

Roo-Hsing/J.D. United has achieved a **100%** completion rate for the proposed improvements.

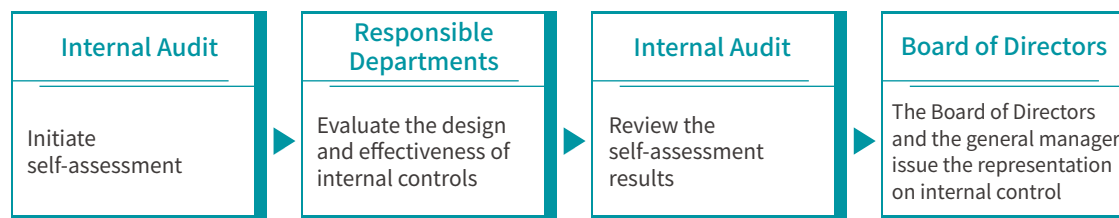
## Execution of Internal Audit Plan

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:



## 2.4 Supply Chain Management

Impact	
Neglecting ESG risks in the supply chain may cause a strategic misalignment with the Company's long-term development goals, leading to insufficient awareness of both acute and chronic physical risks as well as transitional risks. This lack of understanding could in turn trigger policy and legal risks, technological risks, market risks, and reputational risks. Such neglect may undermine corporate governance and integrity, cause environmental pollution, and compromise labor rights, ultimately disrupting the entire value chain and threatening 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	
<b>Short-term Goals:</b> Continue to subject key suppliers to rigorous evaluation.	<b>Medium and long-term Goals:</b> 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 2024, covering 55 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.

### 2024 Local Procurement Statistics

Unit: CNY\$

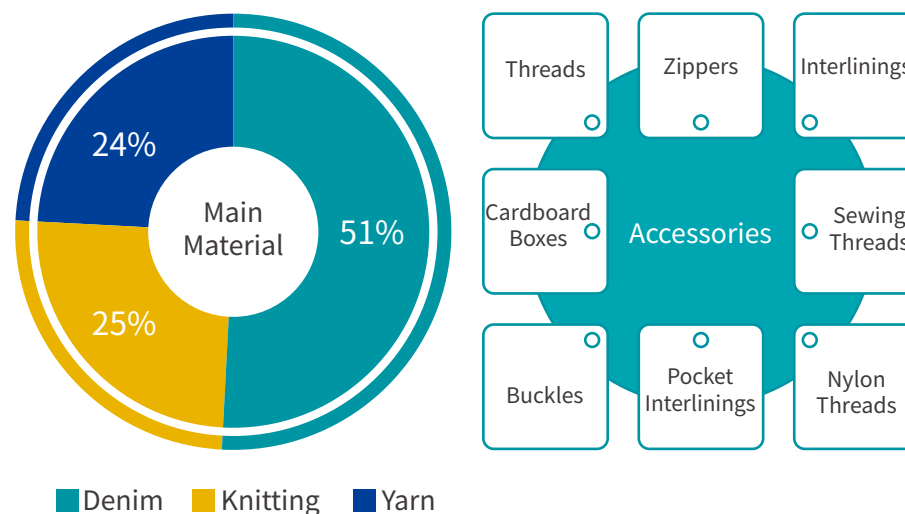
Region		Subtotal
China	Amount of Local Procurement	1,097,149,020.49
	Amount of Total Procurement	1,361,509,801.60
	Percentage of Local Management	80.58%
Total	Amount of Local Procurement	1,097,149,020.49
	Amount of Total Procurement	1,361,509,801.60
	Percentage of Local Management	80.58%

Note1: Local procurement refers to the amount and proportion of purchases made from local suppliers. By supporting local suppliers, Roo-Hsing/J. D. United aims to indirectly attract more investment into the local economy.

Note2: Local procurement data is based on the purchase amount of fabrics and accessories in 2024.

Note3: Roo-Hsing/J. D. United primarily operates its procurement hub in China, where it centrally places orders with suppliers in various regions and distributes raw materials to designated factories for further processing

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 2024, 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.

## 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.



### 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 Standard, 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 Standard, 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

## 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.

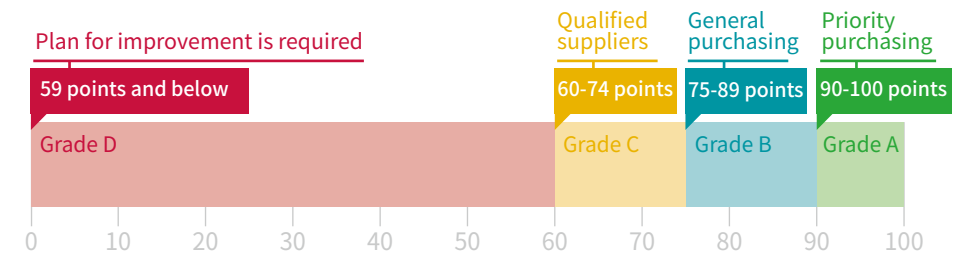
To maintain a high-quality supply chain and to mitigate risks, Roo-Hsing/J.D. United conducts an annual performance evaluation of non-designated suppliers and accessories suppliers by a cross-departmental supplier evaluation team. This team consists of representatives from the sales, internal control, 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 Content	Rating Weight
Fabric Quality	25% 
Timely Delivery	20% 
Services and Cooperativeness	10% 
Price Competitiveness; Incoterms	10% 
Continuous System Improvement	5% 
Assistance in (fabrics) Development; Order Placing	20% 
Annual Comprehensive Assessment	10% 

### 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).

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](http://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.



Annul review for factories that are capable of submitting checklist and self-assessment reports regularly.

## ➤ Tracking and Improvement



When factories fail to meet the standards or may impose risk of significant impact on the environment



Roo-Hsing/J.D. United's Environmental Team requires the actories to make improvement within a specific period of time



If record of IPE violation exists for a factory currently within the supply chain



Any violation will be included into the supplier rating mechanism led by the commercial and development departments



Roo-Hsing/J.D. United terminates its business cooperation with the factory



If the violation is not resolved and no action is taken with six months



The commercial and developments departments issue a warning to the factory and reduce the number of orders placed with them



If no proactive action is taken to resolve the violations within three months

## 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.

### 2024 CSR Internal Audit Results

Country	China	Cambodia
Audit Items	<ul style="list-style-type: none"> <li>• Labor Standards: Age, identity, employee records, labor contracts, health examinations</li> <li>• Occupational environment, health, and safety</li> <li>• Management system</li> <li>• Working hours, wages, and benefits</li> <li>• Discrimination, harassment, abuses, and grievance mechanism</li> </ul>	<ul style="list-style-type: none"> <li>• Labor Standards: Age, identity, employee records, labor contracts, health examinations</li> <li>• Occupational environment, health, and safety</li> <li>• Management system</li> <li>• Working hours, wages, and benefits</li> <li>• Discrimination, harassment, abuses, and grievance mechanism</li> <li>• Freedom of association</li> </ul>
Number of Audit	2 times	15 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:** In 2024, the Company will continue to fully utilize the robust Kingdee K3 system. As data is a vital asset to the enterprise, Kingdee's software empowers data-driven operations and decision-making in the manufacturing industry, enabling smarter business processes, more scientific decision-making, and greater process transparency. It continues to support the Company's innovation in business models and management practices.

## 2.5 Customer Relationship Management

Impact	Policy Committed	Action Taken
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.	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.	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		
<b>Short-term Goals:</b> <ul style="list-style-type: none"> <li>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.</li> <li>Continuously provide smooth communication channels and excellent service through various ways of communication, such as irregular correspondence, business visits, and supplier meetings.</li> <li>Further enhance standardized and modular processes and production specifications, delivering high-quality products and excellent experiences to customers.</li> <li>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.</li> <li>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.</li> <li>Listen to customer requests and adopt their opinions, devising relevant solutions through collaborative discussions with R&amp;D, manufacturing, and other departments, continuously improving product technology and quality to meet customer expectations.</li> </ul>		<b>Medium and long-term Goals:</b> <ul style="list-style-type: none"> <li>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."</li> <li>Uphold a customer-first principle, creating mutually beneficial relationships with apparel brands and becoming an industry role model.</li> <li>Continuously improve customer satisfaction by developing evolving communication methods, ensuring smooth communication channels and excellent services.</li> <li>Standardize processes and manage production cycles, delivering high-quality products and excellent experiences to customers.</li> <li>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.</li> <li>Continuous learning and development within the commercial team to maintain good and timely interactions with customers and useful information sharing.</li> <li>Continuously improve customer satisfaction with products, meeting and exceeding customer expectations.</li> </ul>



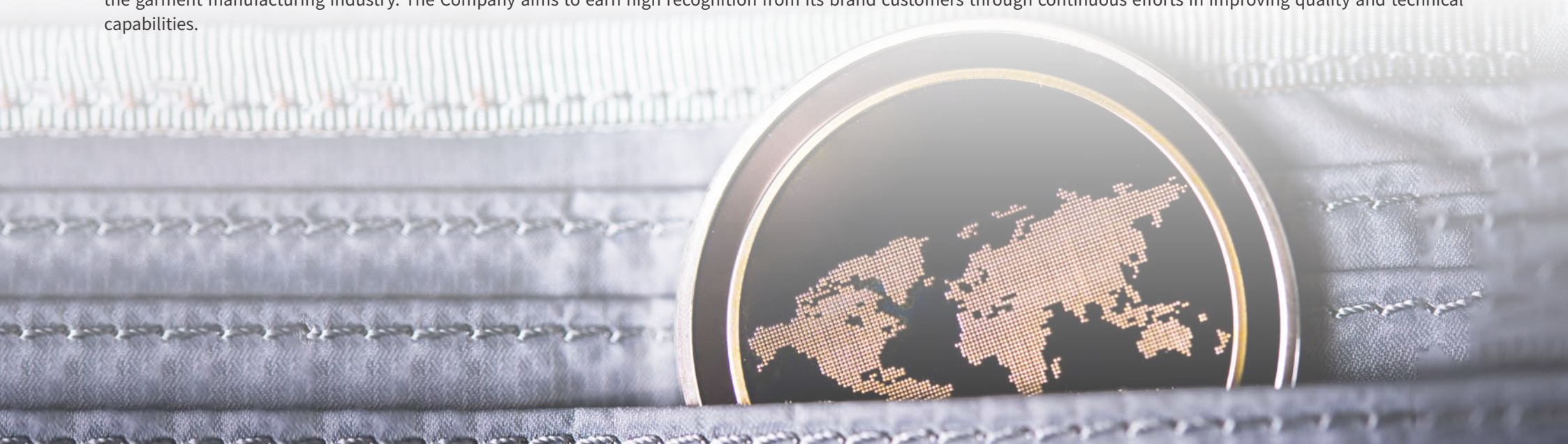
Assessment Mechanism	Performance Results
Customer feedback and opinions are crucial to the operations of Roo-Hsing/J.D. United. The Company has a comprehensive customer relationship management process, with internal departments working collaboratively to ensure that customer rights are fully protected. 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.	In 2024, no incidents related to the infringement of customer privacy or violations of information security regulations occurred.
	<b>Communication with Stakeholder</b> All the customer compensation claims made in 2024 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.

## 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 2024, there were no incidents of customer privacy breaches or violations of information security regulations.

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



Commercial Department obtains feedback on customer satisfaction at least once every quarter.



After gathering feedback, the relevant departments hold internal meetings to review weaknesses, as well as the overall processes and control methods.



If a customer complaint is received, the factory's quality assurance team will collect the complaint details and forward them to the relevant internal departments within the Company for further review and resolution.



The quality assurance team at the Company's headquarter conducts an investigation and prepares an investigation report.



The relevant departments will hold an internal meeting to discuss improvement strategies, and an improvement report will be prepared and sent to the customer as a response.

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.

## 2.6 Product Responsibility and Safety

Impact	Policy Committed	Action Taken
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.	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.	Poor product quality management and excessively high defect rate may cause in end customers rejecting goods, trigger consumer complaints at retail stores, and result in 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		
Short-term Goals: 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.		Long-term Goals: 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 97.5%, a customer complaint rate of 0.01%, 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 the most recent three years.

Quality Management KPI	2022		2023		2024	
	Goal	Performance	Goal	Performance	Goal	Performance
Defect rate	3%	2.8%	3%	2%	3%	2%
Passing rate	97%	97.5%	97%	98%	97%	97.5%
Customer complaint rate	0%	0.01%	0%	0%	0%	0.01%
Product safety compliance rate	100%	100%	100%	100%	100%	100%

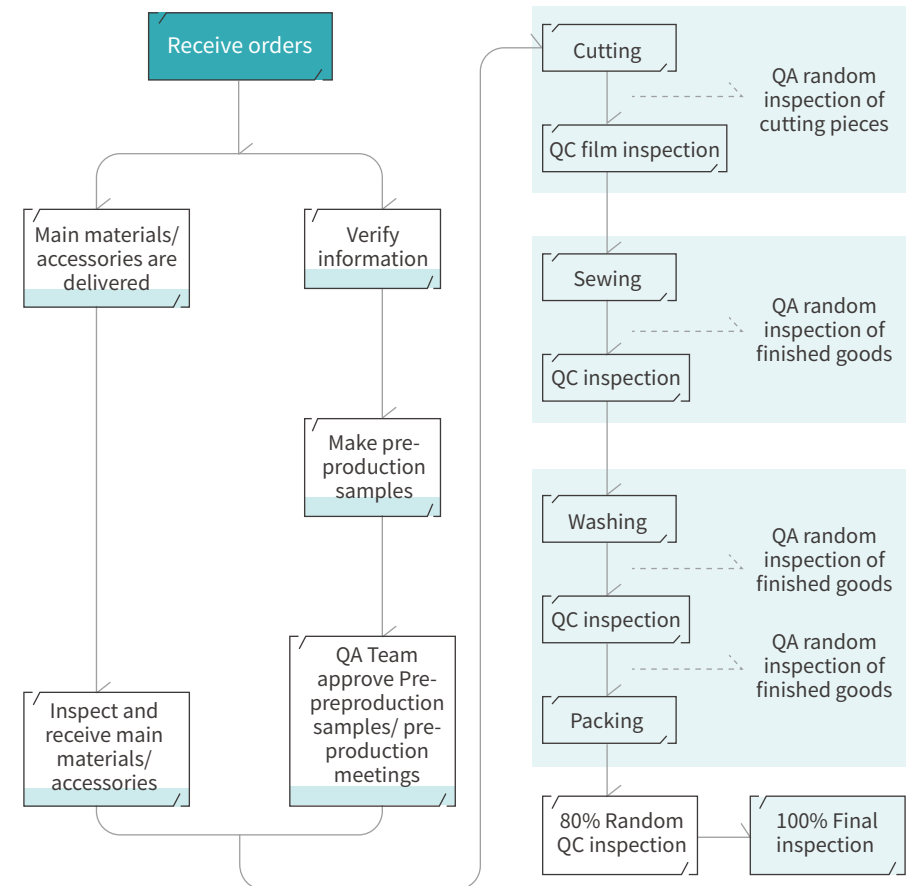
In addition to managing the four main KPIs (defect rate, pass rate, customer complaint rate, and product safety compliance rate), Roo-Hsing/J.D. United's production sites establish specific quality assessment standards tailored to different departments. The 2024 management performance is as follows:

Department	Control qualification rate	Defect rate (less than%)	2024 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's main production bases have all introduced a quality management system that follows the ISO 9001 standard. 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.

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:

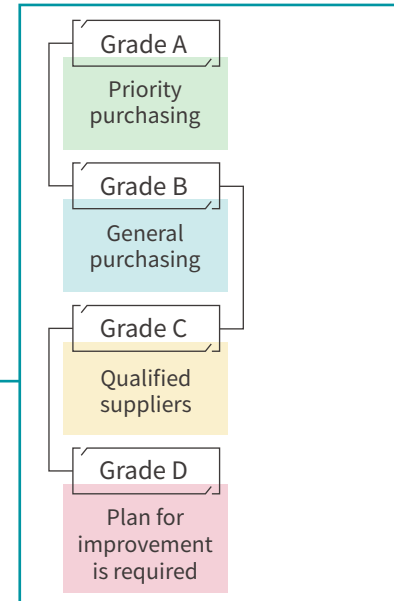
- Materials are sent to inspection authorities or third-party testing organizations as per customer requirements.
- Laboratories are established for the sites in Mainland China. In these laboratories, raw materials are cross-checked with supplier reports and inspected considering relevant indicators.
- 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.

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.

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.

Aspect	Actions Taken
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	<ul style="list-style-type: none"> <li>• Inspectors will subject 100% of the products to a needle detector to check for any metal foreign objects.</li> <li>• Additionally, 100% of all installed accessories on the products will undergo tensile strength and durability tests using tensile testing equipment.</li> </ul>

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



## 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 2024, building on last year's efforts:

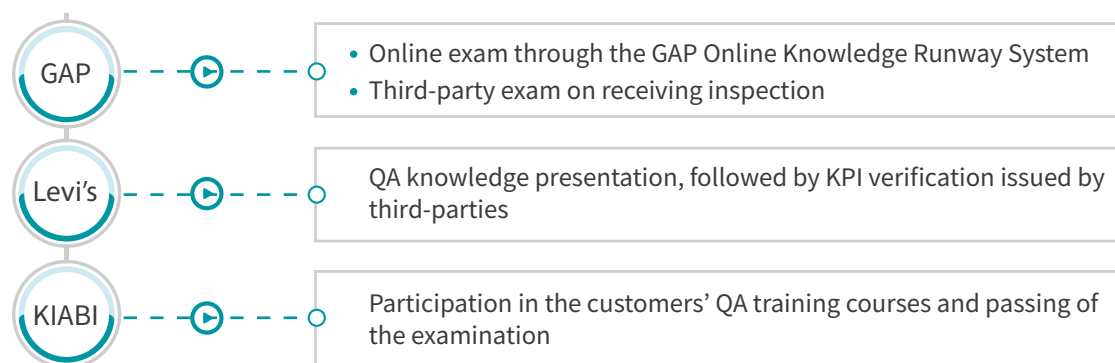


To meet the stringent quality requirements of brand customers, some members of Roo-Hsing/J.D. United's quality management team have undergone rigorous training and assessments from brand partners. These employees have been certified by customers to become authorized quality control specialists, ensuring strict oversight of product quality according to specific customer needs. In 2024, a total of 17 team members received certification as brand-approved inspectors.

### Number of employees certified as brand-approved inspectors in 2024

Brand	Number of employees participated in the assessment	Passing rate of factory personnel
Gap (DA)	11	100%
Levis (CA)	4	100%
KIABI	2	100%
Total	17	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 places product sustainability and environmental impact reduction at the core of its R&D philosophy.

We continuously explore new materials and technologies with the aim of minimizing environmental and social impacts throughout the production process. By actively collaborating with major brand customers, Roo-Hsing/J.D. United has made consistent investments in lean R&D in recent years, while keeping a close eye on technological trends. We aim to integrate these innovations with diversified production capabilities by introducing automated processes, smart warehousing, centralized logistics management, and comprehensive ERP deployment.

In 2024, our advancements in smart textile technologies and fashion design included applications of intelligent textiles, such as automated manufacturing and smart materials. Utilizing 3D design software and virtual fitting technologies, we further promoted digitalization and smart innovation within the textile and apparel industry. These developments mark significant milestones in adopting emerging technologies.

On the environmental materials front, our use of bamboo fibers and recycled plastics demonstrates Roo-Hsing's smart manufacturing capabilities and focus on sustainable materials. Technological progress has led to visible changes, including automation, digitalization, and eco-friendliness.

In material innovation, we are actively incorporating bio-based fibers and recycled materials, sometimes in combination with other eco-friendly components. To enhance consumer experience, virtual fitting and personalized customization are becoming mainstream. Designers can iterate on digital models quickly, while customers benefit from virtual try-ons that reduce sample production costs and enhance user satisfaction. Environmental technology innovations are also expanding into circular economy practices and carbon neutrality strategies.

### 2024 Key Performance Highlights

#### Herringbone Structure Optimization

Enhanced the herringbone texture through denim craftsmanship, improving abrasion resistance and vintage appeal.

#### Color-thread Herringbone Black Denim

A 2024 market favorite, this fabric combines “texture innovation + eco-friendly techniques” and balances high functionality with design aesthetics. The fabric is reversible, offering dual-sided wear ability.

#### Vintage-look PU Garment Leather

A go-to for fashion-conscious consumers, offering a soft hand feel, waterproof breathability, affordability, and sustainability—blending retro style with modern practicality.

#### Adoption of iNHance D001 Textile Finishing Agent

After multiple sampling trials, the fabric effect met expectations, and we recommended the finishing agent from Shanghai HuanGu New Material Co., Ltd. to our customers.

#### CVC Single-dye Double-sided Brushed Stretch Twill

An 80/20 cotton-polyester blend that retains cotton's breathability and polyester's wrinkle resistance. Double-sided brushing locks in warmth with a soft touch, ideal for autumn and winter. The dyeing process uses reactive dyes that color only the cotton fibers, leaving the polyester undyed and creating a heathered effect with a wool-like appearance.

## 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.

## R&D Collaboration

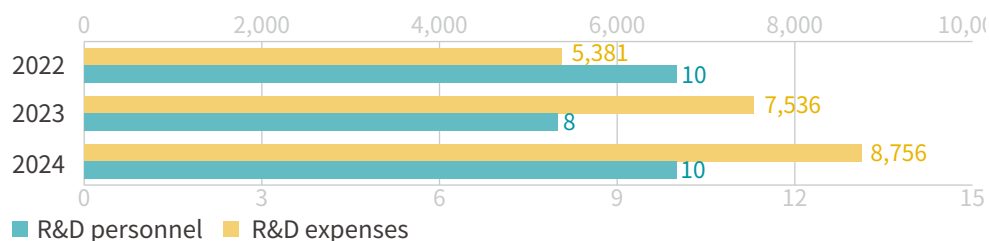
In response to customer needs, the R&D department initiated the development of textile finishing agents and chose to collaborate with Shanghai HuanGu New Material Co., Ltd., selecting their agent, iNHance D001, for product application.

iNHance D001 is a bio-based product with excellent hydrophilic properties. It is suitable for use on cellulose fibers, synthetic fibers, regenerated cellulose fibers, blends, and recycled fabrics. The agent enhances soil removal and antistatic performance, while also modifying the fabric's capillary and pore structures, thereby improving its ability to transfer moisture away from the fabric surface.

This finishing agent can be applied using padding, spraying, foam, or exhaust processes, depending on the desired performance outcomes.

## Investment in Innovation and R&D

In 2024, Roo-Hsing/J.D. United invested a total of NT\$8,756 thousand in R&D for manufacturing and product development.



## Responses to Future Challenges

Looking ahead, Taiwan's textile industry is facing the dual challenge of shrinking external demand and the need to restore profitability, while global market competition is intensifying. This calls for a stronger industry resilience and risk resistance. Roo-Hsing/J.D. United stands at a pivotal moment of transitioning between traditional and emerging growth drivers. Facing the rise of smart transformation, green upgrades, and global market shifts, we understand that continuous innovation and enhanced industrial collaboration are essential to navigate this wave of transformation steadily.

In terms of smart manufacturing, we are actively promoting the development of smart factories and introducing automation and digital design tools, such as CLO 3D virtual fitting technology, to reduce labor costs and improve production efficiency. However, the high initial investment costs and technical talent training requirements place pressure on resource allocation. At the same time, R&D on high-performance and bio-based materials involves long cycles and high risks, requiring a delicate balance between short-term gains and long-term innovation.

From the sustainability perspective, we regard environmental protection as a core competitive edge for the future. Eco-friendly processes such as waterless dyeing and low-temperature printing help reduce carbon emissions and save energy, but the associated equipment upgrades and process adjustments come with substantial cost pressures. In addition, increasing customer requirements for environmental and social responsibility certifications require greater investment in meeting diverse international standards.

On the international competition and market differentiation front, we observe strong demand for eco-friendly fabrics in Europe and the U.S., coupled with geopolitical risks, which affect both order stability and R&D efforts. Meanwhile, Southeast Asian countries are taking over low- and mid-end production with low-price strategies, further squeezing profit margins and compelling us to upgrade toward high-value-added and high-tech product segments.

Facing changing fashion trends and the rise of sustainability consciousness, Roo-Hsing is actively exploring how to develop innovative fabrics that combine functionality, lightness, and sustainability within our current business structure. This aims to meet the dual expectations of fashion and responsibility from the new generation of consumers, realizing a high-quality transformation from traditional manufacturing to smart and green production.

Challenges	Description of Challenges	Roo-Hsing/J.D. United's Strategic Responses
Fluctuations and increases in raw material costs	Prices of key materials like cotton and polyester remain unstable due to global political, climate, and market factors, increasing cost pressure.	Maintain strong partnerships with key suppliers to secure stable and competitive procurement prices.
Rising Labor Costs	Stricter labor laws and minimum wage hikes across countries continue to drive up employment costs.	Expand the use of automated production equipment—such as cold transfer printers, laser cutters, and ultrasonic machines—to reduce labor costs.
Standard Testing and Cost Pressures for Personal Protective Equipment (PPE)	International regulations on protective equipment require extensive testing and costly certifications, raising development thresholds.	Establish a specialized PPE development team that works closely with testing laboratories in China, Taiwan, and the U.S. to obtain certifications such as FDA, NIOSH, and 510(k).
Contradiction Between Technological Upgrades and Rising Production Costs	High upfront investment and talent training (e.g., CLO 3D) are needed for automation and digitalization, putting pressure on resources.	Enhance manufacturing processes from a product design and innovation perspective. Invest in automation and digital tools such as CAD software, 3D pattern-making, and CLO virtual sampling. Strengthen internal digital training to accelerate design cycles and improve sampling efficiency.
	Developing functional materials like bio-based fibers involves long cycles and high risk, challenging the balance between innovation and profitability.	Implement long-term R&D and market forecasting mechanisms to align with emerging customer needs. Focus on high-potential sustainable materials while leveraging industry-academic collaborations and government grants to mitigate risks and enhance innovation.
Sustainable Development Challenges	Eco-friendly processes like waterless dyeing reduce emissions but require expensive equipment upgrades, squeezing margins.	Scale up eco-friendly practices through government and customer co-investment mechanisms. Optimize production line management and introduce energy-saving equipment to reduce per-unit manufacturing costs while advancing sustainability goals.
	Meeting customer demands for multiple certifications requires significant time, cost, and expertise.	Form a dedicated compliance and certification team to monitor key market requirements (environmental, product, social responsibility). Proactively align internal resources to reduce certification lead times and costs.
Risks from International Competition and Market Fragmentation	Trade barriers and geopolitical tensions (e.g., U.S.-China tariffs) create order uncertainty and affect R&D confidence.	Strengthen flexible order fulfillment in Southeast Asia and Europe while expanding green product portfolios to minimize risks from geopolitical shifts or single-market reliance.
	Southeast Asia's cost advantage in low-end production forces companies to upgrade, yet limited tech capacity hampers competitiveness.	Focus on core technologies and differentiated R&D. Introduce high-value manufacturing processes and innovative design while refining capacity management strategies to ensure profitability across premium and mid-to-low-end segments.

## Sustainable Products and Processes

Leveraging a vertically integrated production system and flexible manufacturing planning, Roo-Hsing/J.D. United offers one-stop services from yarn to finished garments, meeting the apparel industry's demand for short lead times and small-batch variety.

In recent years, our innovation has focused on ribbon fabrics, waterless green fabrics, and the next generation of waterless denim. In 2024, we further advanced our product development by introducing high-performance textiles such as vintage-style PU leather, waterproof double-sided fleece, and herringbone denim—designed for year-round application and enhanced functionality.



We have also fully adopted CLO 3D virtual design tools to accelerate sampling and improve precision, strengthening collaboration in design and development. Through dual innovation in product and design, we are accelerating the transition toward low-carbon manufacturing and digital integration to achieve our sustainable development goals.

Project	Description	Expected benefits	Achievements
Smart Textiles and Virtual Design Integration	Implement 3D design software and CAD tools for digital sampling and simulation.	Reduce sample production costs, accelerate product development cycles, and strengthen customized design capabilities.	<ul style="list-style-type: none"> <li>• Implement CLO 3D training</li> <li>• Establish a digital design and pattern-making team</li> </ul>
Development of Eco-friendly Materials and Green Processes	Develop materials such as recycled plastics, bamboo fiber, and bio-based fibers, adopting waterless dyeing and low-temperature printing processes.	Lower carbon emissions and pollutant discharge, comply with international environmental standards, and enhance brand collaboration competitiveness.	<ul style="list-style-type: none"> <li>• Develop various eco-friendly fabrics such as PU vintage leather and recycled denim</li> <li>• Promote the use of Shanghai Huang's iNHance D001 finishing agent</li> </ul>
Innovation in Structural and Functional Fabrics	Enhance denim texture and functionality by introducing double-sided fleece and fabrics with woolen-like appearance.	Improve product differentiation, extend autumn and winter product lines, and expand into high-value markets.	<ul style="list-style-type: none"> <li>• Launch colored thread herringbone denim</li> <li>• PU leather features waterproof, breathable, and eco-friendly properties</li> <li>• Complete design and development of CVC single-dyed fleece twill fabric</li> </ul>
Automation and Intelligent Manufacturing Transformation	Invest in equipment such as cold transfer printing, laser, and ultrasonic machines to accelerate smart factory construction.	Reduce reliance on manual labor, increase production efficiency, and address rising labor costs.	<ul style="list-style-type: none"> <li>• Complete the introduction of related equipment</li> <li>• Initially establish centralized logistics management and ERP framework</li> </ul>
Compliance with International Regulations and Certifications	Establish a regulatory and certification team to systematically manage and apply for environmental and PPE certifications.	Enhance customer trust and ensure products meet international market entry requirements.	<ul style="list-style-type: none"> <li>• Complete multiple market regulation analyses and internal SOPs</li> <li>• Recommend iNHance D001 to customers based on test results</li> </ul>
Collaboration with Academia, Research Institutes, and External Resources	Combine government subsidies with industry-academia collaborations to reduce risks and costs of innovative R&D.	Expand R&D capacity, cultivate cross-disciplinary talents, and strengthen forward-looking technology deployment.	<ul style="list-style-type: none"> <li>• Successfully secure subsidies for certain sustainable R&amp;D projects</li> <li>• Continue to establish R&amp;D collaboration channels with universities and research institutions</li> </ul>

## Trade Secret Protection Policy

Roo-Hsing/J.D. United has established clear confidentiality policies covering trade secrets, customer data, and R&D information. New employees receive confidentiality training and sign agreements outlining obligations, breach liabilities, and post-employment restrictions.

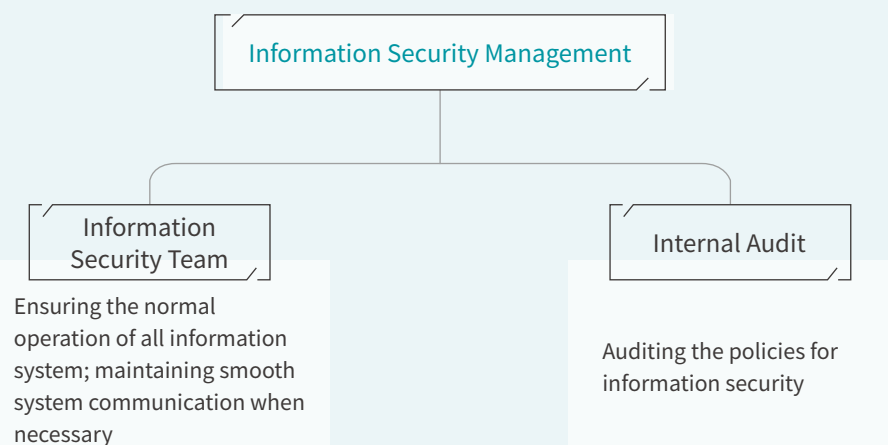
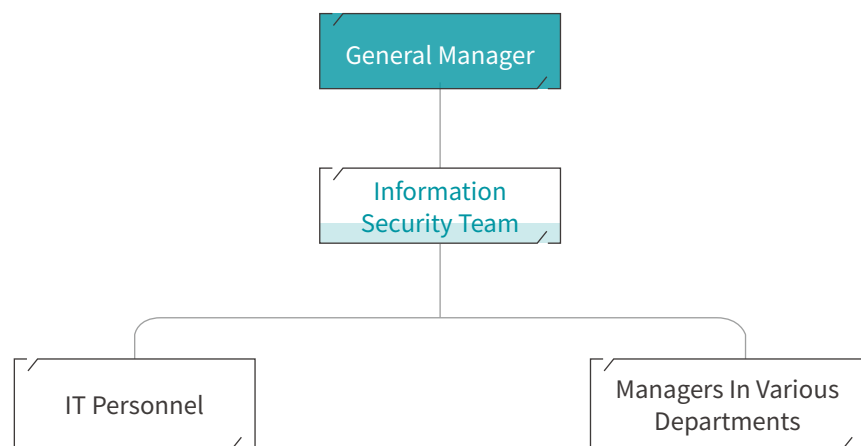
Key positions are subject to non-compete agreements with economic compensation. Confidential areas (e.g., R&D labs) are access-controlled, and sensitive documents or devices are managed under a registration and approval system

## 2.8 Information Security

Impact	Policy Committed	Action Taken
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.	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.	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		
<b>Short-term Goals:</b> <ul style="list-style-type: none"> <li>• We conduct employee information security education and training and disaster recovery drills every year.</li> <li>• Zero material information security incident</li> </ul>		<b>Long-term Goals:</b> <ul style="list-style-type: none"> <li>• Conduct employee information security education and training and disaster recovery drills every year</li> <li>• Zero material information security incident</li> <li>• Maintain the effectiveness of the information security management system, ensure the security, integrity and accuracy of information assets, and continuously strengthen the Company's information security.</li> </ul>
Assessment Mechanism	Performance Results	Communication with Stakeholder
The performance is assessed by the Information Security Team.	<ul style="list-style-type: none"> <li>• 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.</li> <li>• In 2024, no material information security incidents occurred.</li> </ul>	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. 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 2024, 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

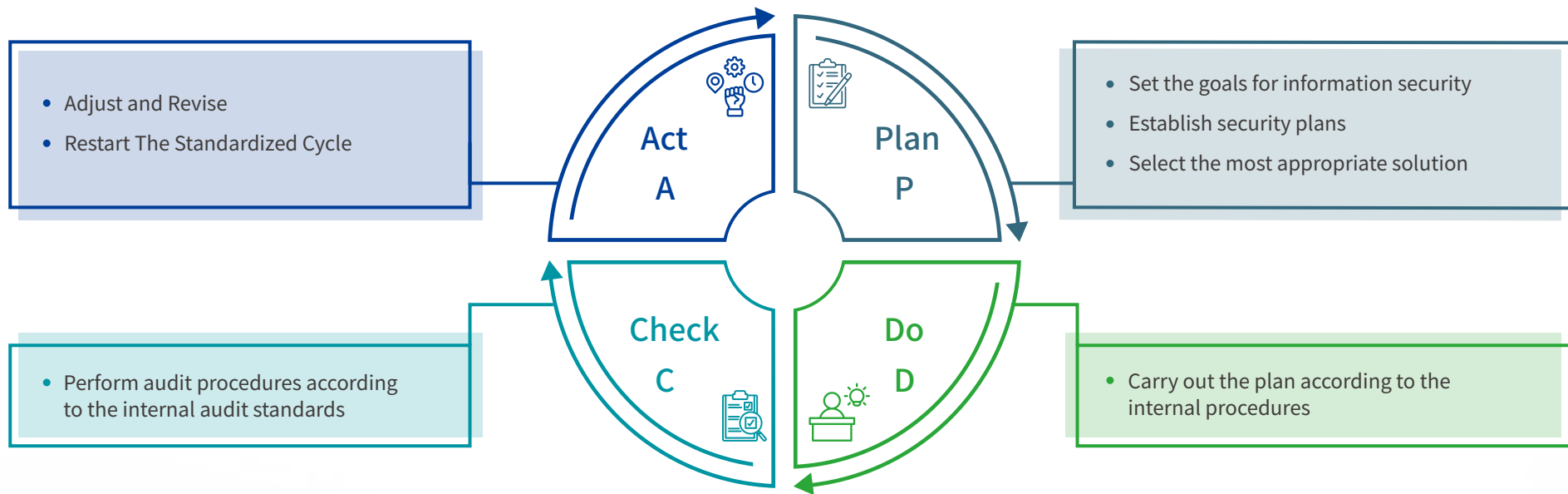
Items	Description
Security Management related to Personnel	Regularly conduct information security education and training for employees to ensure they understand the importance of information security. Training includes: information security policies, legal regulations on information security, and operational 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 a register of information system assets, defining Roo-Hsing/J.D. United's information assets, including asset types and ownership.
Next-generation firewall security module	Strengthen cybersecurity controls and enhance information security.
Implement centralized log management system	Centralized monitoring and management of device logs to enable more timely fault diagnosis.



## Training

On December 19, 2024, an internal cybersecurity awareness course was conducted to promote cybersecurity concepts among employees. A total of 14 participants attended the one-hour session, amounting to 14 person-hours

## Security Management Mechanism



## 2.9 Tax

### Group Tax Governance and ESG Strategy Conclusion

The Company recognizes the critical importance of tax policies to long-term corporate development and sustainability. Accordingly, we have established a dedicated management unit responsible for formulating and implementing the Company's tax strategies and governance framework, ensuring that all operational sites comply with local laws and regulations. The Company adheres to the principle of integrity, ensuring that related-party transactions are conducted on an arm's length basis while striving for the highest possible transparency and compliance.

As each operation works toward restoring its previous performance, the Company will further adjust and enhance its tax management policies in alignment with international tax governance trends and its own development needs, ensuring consistency with the United Nations Sustainable Development Goals (SDGs) and ESG requirements.

#### Governance and Transparency

The Company's Chief Financial Officer and the finance heads of each subsidiary serve as the core decision-making and supervisory authorities for tax governance. They are responsible for assessing tax risks related to major transactions and decisions. We actively engage external experts to ensure compliance with all tax regulations and international best practices. Furthermore, the Company is committed to paying and filing taxes on time in all operating locations and ensuring that all transactions follow the arm's length principle to maintain transparency and compliance in governance processes.

#### Risk Management and Sustainability

To address the risks arising from changes in tax regimes across different jurisdictions, the Company employs dedicated tax personnel and regularly consults external experts to ensure that each subsidiary's tax filings comply with local legal requirements. Through a systematic tax risk identification and assessment mechanism, the Company will continue to promote transparent and responsible tax management, ensuring that all operations uphold standards of integrity and legality, and preventing any form of sham transactions or improper arrangements.

#### Social Responsibility and Fairness

The Company's tax policy is closely integrated with its ESG strategy, with a strong emphasis on social responsibility and fairness. We are committed to complying with local regulations, actively contributing to local social and economic development, and paying taxes on time. The Company firmly believes that long-term success stems from positive social impact, and is dedicated to promoting fair trade and social contribution on a global scale.

#### Conclusion

The Company will remain committed to tax compliance management while driving higher standards of governance, risk control, and social responsibility in practice. Our tax policies will not only align with the core requirements of the ESG framework but also provide strong support for the Group's sustainable development and long-term value creation.



# Social Responsibility

3.1 Talent Attraction and Retention	51
3.2 Talent Cultivation and Development	57
3.3 Occupational Safety and Health	60
3.4 Human Rights Protection	65
3.5 Social Prosperity	70



## 3.1 Talent Attraction and Retention

Impact	Policy Committed	Action Taken
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.	The Company provides employees with competitive compensation, a benefits system that exceeds legal requirements, and a safe and healthy working environment.	<ul style="list-style-type: none"> <li>The Company has established an Employee Welfare Committee in accordance with the law and actively promotes employee welfare.</li> <li>A performance-based compensation incentive program is designed, with various rewards and bonuses distributed based on employee performance.</li> </ul>
Goal		
<b>Short-term Goals:</b> Enhance employee relations and communication by regularly organizing employee forums, surveys, and feedback mechanisms.		<b>Mid- to Long-term Goals:</b> Develop a comprehensive compensation and benefits system to increase the Company's attractiveness, and strengthen global HR management capabilities to support overseas sites and employee needs.
Assessment Mechanism	Performance Results	Communication with Stakeholder
In Taiwan, female employees account for 56% of the total workforce. The Company has made efforts to promote gender equality and diversity, and continues to strive toward increasing the proportion of women in senior leadership roles. Currently, women hold 37.5% of managerial positions, with half of them being in senior executive roles	The proportion of female managers has been increased.	Recruitment information are posted on the Company's official website and job recruitment platforms to attract top talent.

### 2024 Global Employee Distribution

Taiwan Headquarter	China	Cambodia	Myanmar	Tanzania	Nicaragua	The United States
16 HCs	852 HCs	11,472 HCs	1,082 HCs	4,784 HCs	1 HCs	31 HCs
0.09%	4.67%	62.90%	5.93%	26.23%	0.01%	0.17%

### 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."

### 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.

#### 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"> <li>Identify and update the regulatory compliance records for local laws, labor conditions, labor safety regulations, and social security laws in each operational location.</li> <li>Maintain open communication channels and mechanisms with the governments of each operational location.</li> </ul>
Rising statutory wages in each operational location	<ul style="list-style-type: none"> <li>Develop a comprehensive employment and training system to ensure that employees' capabilities are reflected in their corresponding salary and compensation.</li> </ul>
Labor Supply	<ul style="list-style-type: none"> <li>Expand diverse recruitment channels, such as collaborating with local schools to offer internships, campus recruitment events, external recruitment agencies, and headhunting services.</li> </ul>
Talent Turnover	<ul style="list-style-type: none"> <li>Offer competitive salary and benefits packages.</li> <li>Ensure open internal communication channels.</li> <li>Strengthen talent development and training systems.</li> </ul>

#### 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 2024, the Company employed a total of 18,238 individuals, with an average age of approximately 35.47 years and an average length of service of around 6.09 years (excluding U.S. employees). Additionally, due to the nature of the apparel and textile industry, direct personnel accounted for approximately 95% of the workforce, while indirect personnel made up about 5%. All employees are full-time (100%).

## Employee Education Level

Year	2023	2024
PhD	0%	0%
Master	0.04%	0.04%
Bachelor	2.3%	1.97%
High School	14.94%	5.48%
Below High School	82.72%	92.51%
Total	100%	100%

## Employee Gender by Operational Location

Region	Taiwan	Cambodia	Nicaragua	Myanmar	China	Tanzania	The United States	Subtotal
Male	7	3,856	0	99	192	1,225	N/A	5,379
Female	9	7,616	1	983	660	3,559	N/A	1,2828
Total	16	11,472	1	1,082	852	4,784	31	18,238

## Gender and Age Distribution Across Operating Sites in 2024

Categories	Taiwan		China		Cambodia		Myanmar		Tanzania		Nicaragua		The United States		Subtotal	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
< 30 Years old	0	1	7	28	984	5,286	75	802	915	2,224	0	0	N/A	N/A	1,981	8,341
30-49 Years old	2	5	111	474	1,651	1,815	23	175	306	1,319	0	0	N/A	N/A	2,093	3,788
> 50 Years old	5	3	74	158	1,221	515	1	6	4	16	0	1	N/A	N/A	1,305	699
Total	7	9	192	660	3,856	7,616	99	983	1,225	3,559	0	1	31		5,379	12,828

Note: The total number of male and female employees does not include the individual counts from the U.S., which are summed separately.

Categories	Taiwan		China		Cambodia		Myanmar		Tanzania		Nicaragua		The United States		Subtotal	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Permanent employees	7	9	143	391	5	6	99	983	0	0	0	1	N/A	N/A	254	1,390
Temporary employees	0	0	49	269	3,851	7,610	0	0	1,225	3,559	0	0	N/A	N/A	5,125	11,438
Total	7	9	192	660	3,856	7,616	99	983	1,225	3,559	0	1	31		5,379	12,828

Note1: Permanent employees are those who have signed indefinite (i.e., open-ended) contracts, whether full-time or part-time.

Note2: 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).



## 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 and Departing Employees in 2024

#### Number of New Employees

Categories	Taiwan		China		Cambodia		Myanmar		Tanzania		Nicaragua		The United States		Subtotal	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
< 30 Years old	0	0	11	19	706	2,900	4	0	910	1,918	0	0	1	0	1,632	4,837
30-49 Years old	0	0	25	95	360	1,197	0	0	209	658	0	0	8	0	602	1,950
> 50 Years old	0	1	12	89	66	426	0	0	2	2	0	0	0	0	80	518
Total	0	1	48	203	1,132	4,523	4	0	1,121	2,578	0	0	9	0	2,314	7,305

#### Number of Departing Employees

Categories	Taiwan		China		Cambodia		Myanmar		Tanzania		Nicaragua		The United States		Subtotal	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
< 30 Years old	0	0	9	18	1,746	946	0	0	677	1,128	0	0	0	0	2,432	2,092
30-49 Years old	0	0	29	128	588	347	2	0	164	548	0	0	7	1	790	1,024
> 50 Years old	0	1	20	104	298	348	1	0	2	5	0	0	0	0	321	458
Total	0	1	58	250	2,632	1,641	3	0	843	1,681	0	0	7	1	3,543	3,574

## 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 Labor 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

Regular free health check-up 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	<ul style="list-style-type: none"> <li>• The Company has an employee profit-sharing system based on Company earnings.</li> </ul>
Employee Benefits	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The Company provides subsidies for weddings, funerals, and celebrations: including birthday gifts, wedding gifts, birth gifts, and condolence money.</li> <li>• The Company distributes red envelopes upon resuming work after the Lunar New Year.</li> <li>• Vendor discounts are granted occasionally and food tasting events are organized from time to time.</li> </ul>
Health Management	<ul style="list-style-type: none"> <li>• The Company regularly provides free health checks and health check-up 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.</li> <li>• 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).</li> </ul>
Group Medical Insurance	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Other Special Benefits	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

## Parental and Maternity Leave Policy

In Taiwan, in accordance with Article 16 of the Act of Gender Equality in Employment, company work rules stipulate that employees who have been employed for at least six months may apply for unpaid parental leave before their child reaches the age of three. The leave period may extend until the child turns three but shall not exceed two years. For those raising more than one child, the total duration of unpaid parental leave shall be calculated cumulatively, with a maximum limit of two years for the youngest child being cared for. In the past two years, no employees have applied for or utilized parental leave.

### Parental Leave Usage and Return-to-Work Situation

Category	Taiwan	
	Male	Female
Total number of employees entitled to parental leave in 2024	-	-
Total number of employees who actually took parental leave in 2024	-	-
Number of employees expected to return from parental leave in 2024 (C)	-	-
Number of employees who actually returned from parental leave in 2024 (D)	-	-
Number of employees still employed one year after returning from parental leave in 2023 (E)	-	-
Retention count: Number of employees who returned in 2023 and remained employed as of Dec. 31, 2024 (F)	-	-
Return-to-work rate (D/C)	-	-
Retention rate (F/E)	-	-

Note1: Expected returnees refer to those scheduled to return from parental leave in the current year.

Note2: Retention count in 2024 = Employees who returned from parental leave in 2023 and were still employed as of December 31, 2024.

Note3: Return-to-work rate = Number of employees who actually returned from parental leave during the year / Number of employees expected to return during the year (D/C).

Note4: Retention rate = Number of employees who remained employed for one year after returning from parental leave in the previous year / Number of employees who actually returned from leave in the previous year (F/E).

## Pension Plan

The Company'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 2024, the old retirement reserve fund amount is NT\$1,982,285, and the new retirement reserve fund amount is NT\$947,182. 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	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	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	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"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>

## External Training and Education

Department	Training Content	Number of Participants	Number of Classes	Total hours
Audit	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	4	4	24
Finance and Accounting	Regulations and Practices related to Shareholders' Meetings for Public Companies, Continuing Education for Accounting Supervisors, Education on Corporate Governance for Governance Officers	4	4	30
Management	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	3	3	49

## 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	Earthquake Awareness, CPR, and Heimlich Maneuver Course	13	1	13
	Seeking Fortune Amidst Risks? Gaining Wealth Through Good Deeds? Integrity Management in Small and Medium Enterprises (SMEs)	10	1	10
	A Discussion on Business Integrity How Enterprises Can Enhance Competitiveness and Mitigate Risks	13	1	13
	Information Security and Personal Data Protection Management	10	1	10

## 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)

Year	Taiwan	China	Cambodia
2022	7.19	14.3	3.83
2023	5.98	13.1	4.10
2024	5.84	12.50	3.97

Note1: Taiwan annual total compensation: Based on data from indirect personnel.

Note2: China annual total compensation: Based on data from indirect personnel, including monthly salary + year-end bonus.

Note3: Cambodia annual total compensation: Based on data from indirect personnel (non-Cambodian), including monthly salary + year-end bonus.

Note4: Base salary refers to the minimum fixed amount paid to employees for performing their duties, excluding any additional compensation such as overtime pay or bonuses.

Note5: Compensation includes base salary plus additional payments such as seniority allowances, bonuses (cash or equity-based), benefits, overtime pay, compensatory leave, and other subsidies (e.g., transportation, living, or childcare allowances).

Note6: The data covers individuals and company employees who actually receive salaries in the respective region.

Note7: Salary information for full-time, non-managerial employees can be found at: Market Observation Post System > Individual Company > Corporate Governance > ESG Information > ESG Disclosure > Social - Human Capital Development Indicators.

## Annual Total Compensation Change Rate

Categories	Taiwan	China	Cambodia
Percentage increase (decrease) in total annual compensation for the highest-paid individual (A)	0.00%	0.00%	0.00%
Percentage increase in the medium total annual compensation for all employees <sup>1</sup> (excluding the highest-paid individual) (B)	2.00%	5.41%	3.00%
Annual total compensation ratio (A/B)	0.00%	0.00%	0.00%

Note1: This table includes individuals and company employees who actually receive salaries in the respective region.

Note2: The median of total compensation is based on the median salary disclosed through public information sources.

## Gender Pay and Compensation Ratio

### Average Base Salary Ratio of Female to Male<sup>Note 1</sup> (F : M)

Category	Taiwan	China	Cambodia
Direct Labor	NA	1 : 1.85	1:1.05
Indirect Labor	1:1.81	1 : 2.91	1:1.30

### Average Total Compensation Ratio of Female to Male<sup>Note 2</sup> (F : M)

Category	Taiwan	China	Cambodia
Direct Labor	NA	1 : 1.19	1:1.06
Indirect Labor	1:1.71	1 : 2.66	1:1.31

Note1: Base salary refers to the minimum fixed amount paid to employees for performing their job duties (excluding any additional pay such as overtime or bonuses).

Note2: Total compensation includes base salary plus any additional amounts paid to employees (such as service awards, bonuses—including stock options and shares), benefits, overtime, meal subsidies, transportation allowances, living allowances, and childcare allowances.

Note3: For employees not in full-time roles, the salary and compensation disclosure path is: Public Observation Post System > Listed Company > Corporate Governance > ESG > ESG Company Info > ESG Disclosure (Individual Company Inquiry) > Social > Labor Development Indicators.



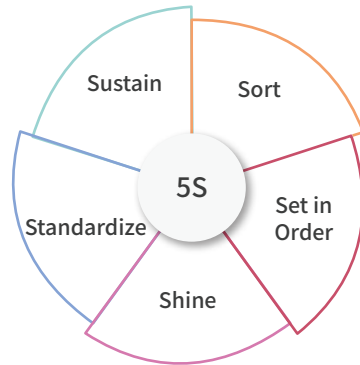
## 3.3 Occupational Safety and Health

Impact	Policy Committed	Action Taken
<p>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.</p> <p>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.</p>	<p>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.</p>	<p>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.</p>
Goal		
<p><b>Short-term Goals:</b></p> <ul style="list-style-type: none"> <li>• Hold labor-management meetings and forums regularly, providing transparent and pressure-free communication channels.</li> <li>• Conduct anti-discrimination, anti-sexual harassment, and anti-bullying compliance campaigns through internal networks, announcements, or training, ensuring a workplace that protects human rights.</li> <li>• 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.</li> <li>• The WOVO labor-management communication platform at the Cambodia site has reached a 100% download rate, facilitating transparent communication of human resource policies.</li> <li>• In accordance with the "Roo-Hsing/J.D. United Human Rights Policy," employees are treated equally, with zero human rights violations reported.</li> <li>• Comply with local operational regulations on child labor age restrictions, ensuring zero incidents of child labor misuse or violations of youth employment laws.</li> <li>• Facilitate Roo-Hsing/J.D. United's workplace health care project to establish a healthy and friendly working environment.</li> </ul>		<p><b>Medium and Long-term Goals:</b></p> <ul style="list-style-type: none"> <li>• Continue the regular labor-management meetings to encourage communication and interaction between employees and the management.</li> <li>• Maintain a 100% download rate for the WOVO labor-management communication platform to ensure transparent communication of human resource policies.</li> <li>• Enhance employee health management and ensure the health of garment workers through the National Social Security Fund (NSSF).</li> <li>• Treat employees equally in accordance with the "Roo-Hsing/J.D. United Human Rights Policy," maintaining zero incidents of human rights violations.</li> <li>• Comply with age restriction regulations on child labor at all operational sites, ensuring zero misuse of child labor or violations of youth employment laws.</li> <li>• 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.</li> </ul>
Assessment Mechanism	Performance Results	Communication with Stakeholder
<p>Assessment may be conducted via a labor-management communication platform, along with internal and external complaint and whistleblowing area on the Company's website.</p>	<p>In 2024, there were no material occupational accidents or human rights violations.</p>	<p><b>Internally:</b> Communication may be done via internal complaint hotline and the WOVO labor-management communication platform.</p> <p><b>Externally:</b> There is an area on the Company's website specifically dedicated to external whistleblowing.</p>

## 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.



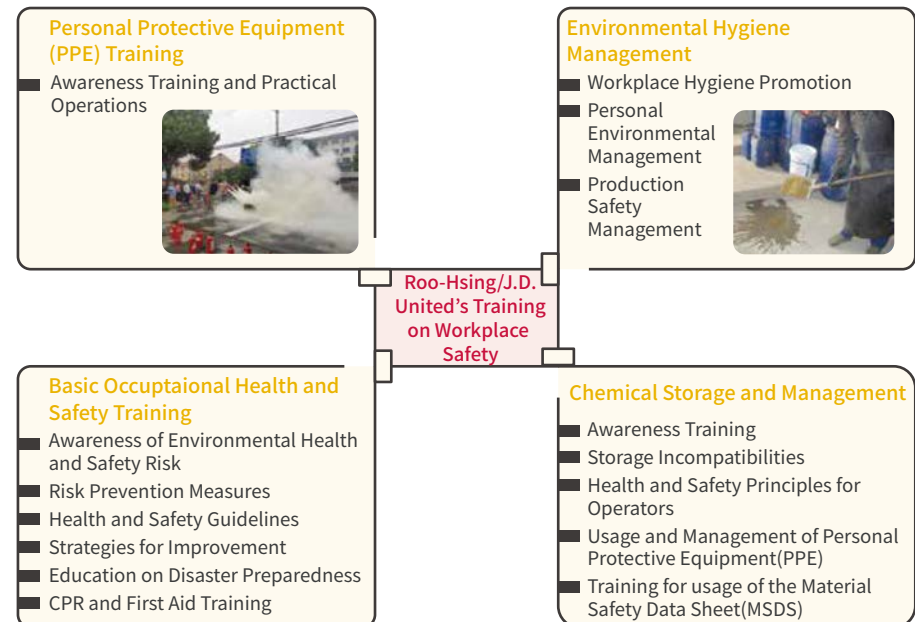
### Safety and Health Management System

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.

### 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-Hsing/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:



## 2024 Workplace Safety Training Programs and Achievement

Training Categories <sup>Note 1</sup>	Focus and Implementation	Total Participants	Total Training Hours <sup>Note 3</sup>
OSH Training (occupation safety and Health)	38 sessions in Cambodia, 2 sessions in Tanzania	1,981	3,475
Chemical Storage and Management	57 sessions in Cambodia, 2 sessions in Tanzania, 1 sessions in China	306	431
PPE Personal Protection Equipment	52 sessions in Cambodia, 2 sessions in Tanzania	2,391	4,174
Environmental hygiene management	14 sessions in Cambodia, 1 sessions in Tanzania	1,211	1,196
BFC Training <sup>Note 2</sup>	20 sessions in Cambodia	24	48
PICC Training <sup>Note 2</sup>	32 sessions in Cambodia	127	337
Fire Training	22 sessions in Cambodia, 2 sessions in Tanzania, 2 sessions in China	2,092	3,882
On-site treatment plan for mechanical injury accidents	1 sessions in China	30	240
On-site treatment plan for electric shock accidents	1 sessions in China	30	240

Note1: Training was conducted at sites in China, Cambodia, and Tanzania.

Note2: BFC stands for the “Better Factory Cambodia” program aimed at optimizing factory operations in Cambodia; PICC stands for the “Performance Improvement Consultative Committee.”

Note3: Total participants and training hours are estimates.

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

In 2024, the following module courses were conducted in collaboration with BFC (Better Factory Cambodia):

Hazard and Risk Management  
Emergency Response

Electrical and Fire Safety  
Machinery Safety

Chemical Management  
Workplace Management

Occupational Injury  
Inspection



## Occupational Injury and Disease Statistics

Year		2024		
Factory/Location		Taiwan	China	Cambodia
Total Work Hours (hrs)		27,658	2,136,867	28,761,408
Occupational Injuries	General Occupational Injuries (lost workdays ≤ 180 days)	0	4	16
	Severe Occupational Injuries (lost workdays > 180 days)	0	0	0
	Recordable Occupational Injury Cases	0	4	16
	Number of Work-related Fatalities	0	0	0
	Number of Lost Workdays <sup>1</sup>	0	119	151
	Rate of Severe Occupational Injuries <sup>2</sup>	0	0	0
	Recordable Occupational Injury Rate <sup>3</sup>	0	0.37	0.11
Occupational Diseases	Work-related Injury Fatality Rate <sup>4</sup>	0	0	0
	Number of Occupational Disease Case	0	0	0
	Number of Occupational Disease Fatalities	0	0	0
	Occupational Disease Fatality Rate <sup>5</sup>	0	0	0
Recordable Occupational Disease Cases		0	0	0

Note1: 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.

Note2: Rate of Serious Occupational Injuries = [(Number of serious occupational injuries, excluding fatalities) × 200,000 working hours] / Total working hours.

Note3: Rate of Recordable Occupational Injuries = (Number of recordable occupational injuries × 200,000 working hours) / Total working hours.

Note4: Rate of Fatalities Due to Occupational Injuries = (Number of fatalities due to occupational injuries × 200,000 working hours) / Total working hours.

Note5: No cases of occupational illness were recorded this year.

## Absenteeism

Region	Taiwan			China		
Year	2022	2023	2024	2022	2023	2024
Male	0.42%	0.23%	0%	0.02%	0.02%	0.02%
Female	0.15%	0.66%	2.4%	0.05%	0.02%	0.02%

Note1: Absenteeism Rate (AR) = (Total days of absenteeism / Total working days) × 100%.

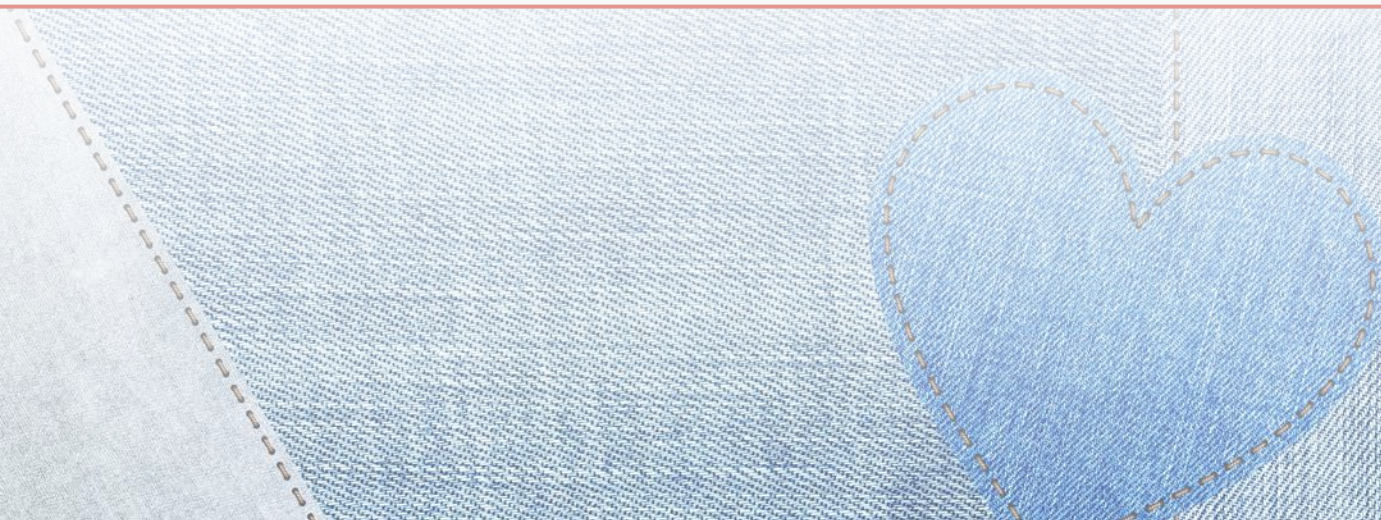
Note2: Days of absenteeism include sick leave and occupational injury leave but do not include pre-approved leave such as study leave or maternity leave.

## 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 2024 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.
Ergonomic 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.



## 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 2024, 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

#### Three Fundamental Principles: Equal Employment, Healthcare and Open Communication

Given that the majority of the Company'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:



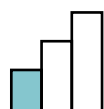
## Human Rights Risk Identification and Assessment

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%).

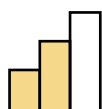
Severity of Impact is scored as: 0 points = No impact, 1 point = Not serious, 2 points = Serious, 3 points = Very serious.

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:



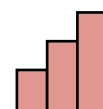
Low Risk

Probability less than 1 point.



Moderate Risk

Probability higher than 1 point and severity less than 2 points.



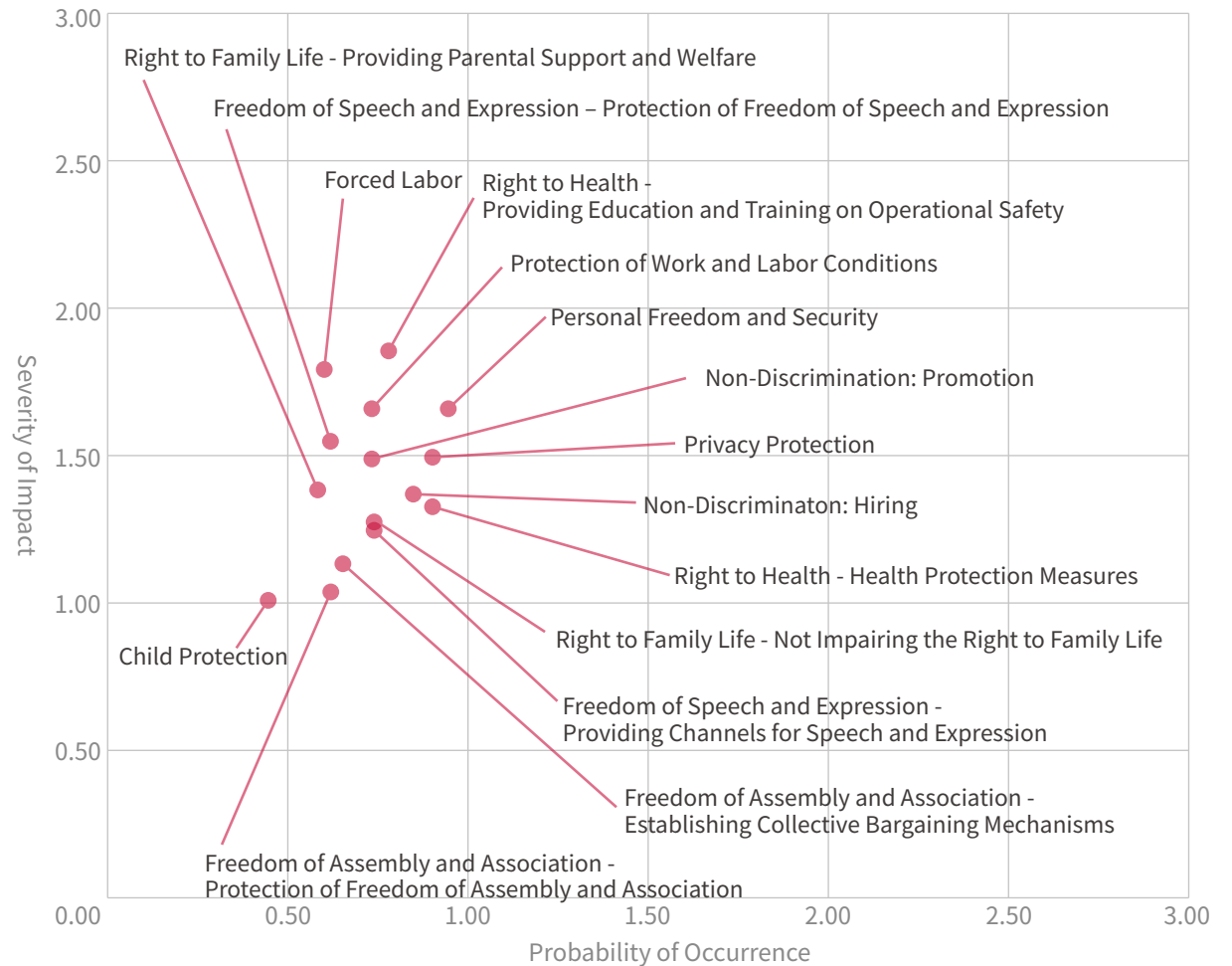
High Risk

Probability higher than 1 point and severity higher than 2 points.

The assessment results based on the questionnaire is as follows:

### Employee Human Rights Risks

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



The survey results indicate that all employee human rights issues are assessed as low risk. Roo-Hsing/J.D. United will continue to evaluate risks related to human rights issues going 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.

## 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 2024, 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.

## 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.



## 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

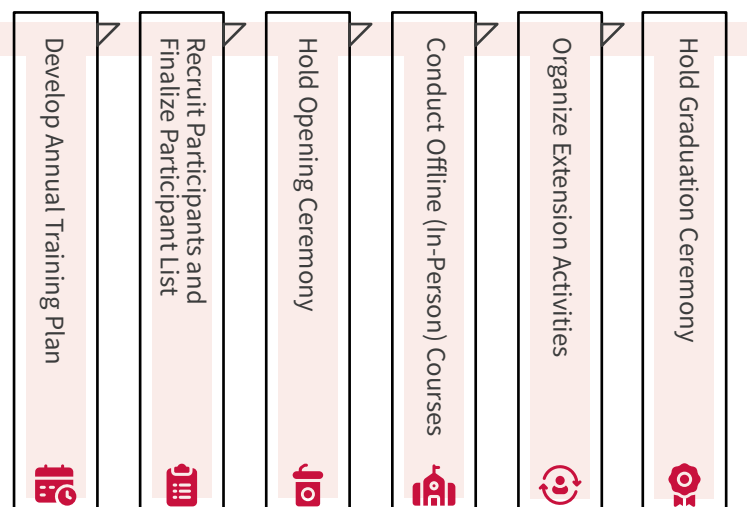


Email: [hr4414@tw.roohsing.com](mailto:hr4414@tw.roohsing.com)

## 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.

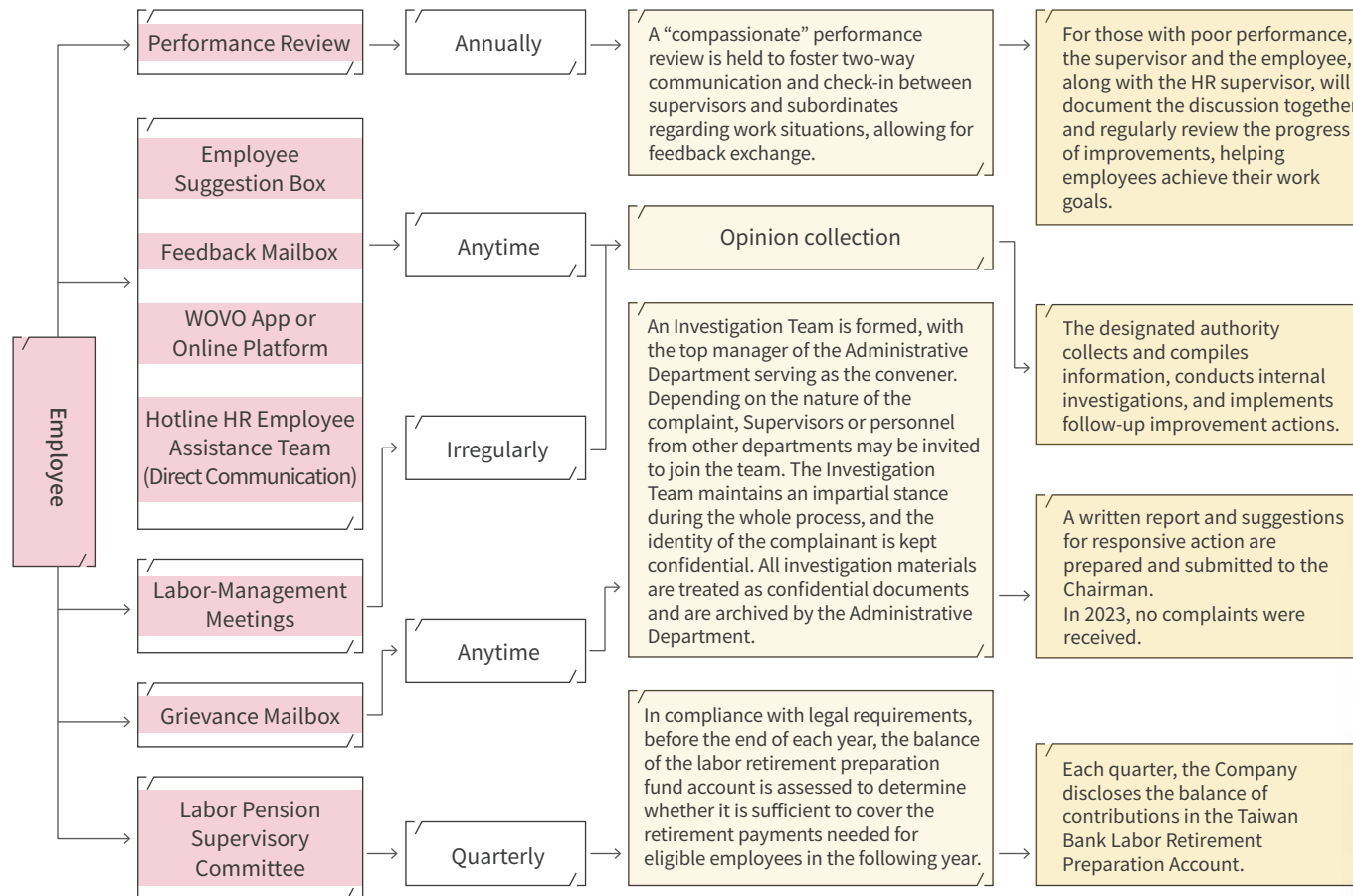


## Diversified Communication Channels

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.

## 3.5 Social Prosperity

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 2024, there were no significant labor-management disputes. Below are the communication channels and incident handling processes:



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.







# Environment

4.1 Response to Climate Change	72
4.2 Greenhouse Gas Emissions and Air Pollution Control	77
4.3 Water Resource Management	78
4.4 Waste and Chemical Management	83
4.5 Energy management	89
4.6 Green products and Circular Economy	90



## 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

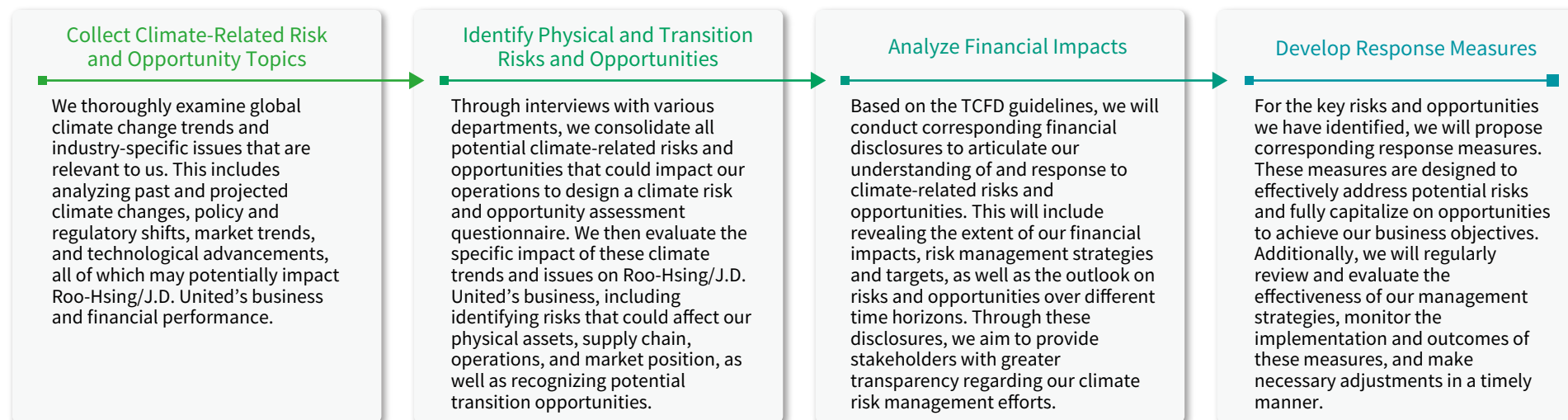
Roo-Hsing/J.D. United is committed to managing climate-related risks and opportunities as part of its responsibility to society, the environment, and all stakeholders. The Company has established a Corporate Social Responsibility (CSR) Committee, chaired by the General Manager, to oversee and promote 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    6~14 :Moderate Risk/Opportunity    1~5 :Low Risk/Opportunity



## 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/J.D. United 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/J.D. United 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/J.D. United'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/J.D. United'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.

## 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.

### Risk Management Policies and Procedures



## 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).

### Environmental Policy of Four Main Dimensions

#### Build A Corporate Culture Focusing On Environmental Sustainability

- Implemented environmental training to enhance environmental protection awareness in employees and to establish crisis response measures in advance.

#### Save Energy And Reduce Consumption

- Replaced old machinery and procure new energy-saving equipment.
- Regularly maintained machinery and equipment to enhance energy efficiencies.

#### Scientific Management

- Implemented systematic programs for resource management.
- Implemented systematic programs for chemical management.
- Implemented wastewater management systems.
- Established multiple facilities for preventing leaks.

#### Innovation and R&D

- Formed dedicated R&D team.
- Developed new material formulations to reduce environmental impacts.
- Improved production processes and developed new manufacturing techniques.



## 2024 Roo-Hsing/J.D. United Environmental Management Objective and Action

Category	Goals	Management Procedures	Achievement of 2024
Energy Management and Conservation	Reduce 3% water and electricity expenses	<ul style="list-style-type: none"> <li>• Water resource / electricity management systems.</li> <li>• Conduct energy management training to raise employees' awareness of energy conservation and environmental protection.</li> <li>• Gradually phase out energy-intensive equipment and replace it with energy-efficient alternatives.</li> <li>• Conduct regular comprehensive inspections and maintenance of electrical equipment, water valves, and pipelines.</li> <li>• Strengthen supervision of production processes.</li> </ul>	<ul style="list-style-type: none"> <li>• 2,389 MWh of solar power was introduced.</li> <li>• Washing plant equipment upgrade: 42 washing machines and 52 dryers were gradually replaced with energy-efficient equipment.</li> <li>• Monthly inspection and maintenance of electrical and hydraulic systems is performed regularly.</li> <li>• A comprehensive monitoring and control system has been implemented to ensure energy conservation and improve operational efficiency.</li> </ul>
Environmental Safety	Zero environmental and safety incidents	<ul style="list-style-type: none"> <li>• Improve the Company's environmental policies on energy conservation and emission reduction.</li> <li>• Provide comprehensive environmental safety training for employees.</li> <li>• Conduct safety and environmental emergency drills.</li> <li>• Regularly invite environmental assessment firms for guidance.</li> <li>• Ensure adequate fire safety equipment and conduct regular inspections.</li> <li>• Establish a comprehensive chemical management system.</li> </ul>	<ul style="list-style-type: none"> <li>• No environmental or safety-related incidents by 2024</li> <li>• Supply sites in Tanzania and Cambodia conducted: <ul style="list-style-type: none"> <li>- 40 basic occupational health and safety training sessions</li> <li>- 59 chemical storage and management training sessions</li> </ul> </li> </ul>
Wastewater Management	100% achieve effluent standards	<ul style="list-style-type: none"> <li>• Strictly enforce compliant wastewater discharge.</li> <li>• Improve the wastewater treatment system.</li> <li>• Conduct regular testing of discharged water.</li> <li>• Maintain records and documentation through the wastewater management system.</li> <li>• Have wastewater inspected by contracted third-party vendors.</li> </ul>	<ul style="list-style-type: none"> <li>• Drainage testing is performed regularly every month, and the test results are up to standard.</li> </ul>
Waste Management	100% of general waste disposal is in compliance with regulations	<ul style="list-style-type: none"> <li>• Collect and classify solid waste, and carry out subsequent recycling and treatment according to categories.</li> <li>• Conduct routine inspections of waste sorting in production and operation areas.</li> </ul>	<ul style="list-style-type: none"> <li>• Carry out daily waste inspections and ensure that the supervision status meets the standards</li> </ul>
	100% of hazardous waste disposal is in compliance with regulations	<ul style="list-style-type: none"> <li>• Handle hazardous waste separately and store/dispose of it in compliance with legal regulations.</li> <li>• Strictly enforce registration and recordkeeping for storage warehouses.</li> <li>• Work only with qualified vendors.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a cooperation mechanism with the local government, and hand over the waste to the government for unified management and treatment</li> </ul>
Emissions Management	100% achieve emissions standard	<ul style="list-style-type: none"> <li>• Ensure proper operation of emission equipment and maintain records and documentation.</li> <li>• Conduct regular emission testing through contracted third-party vendors.</li> </ul>	<ul style="list-style-type: none"> <li>• Relevant environmental project tests have been carried out regularly, and the test results are all up to standard.</li> </ul>
Noise Management	100% achieve local regulations	<ul style="list-style-type: none"> <li>• Investment in and installation of noise control and absorption equipment.</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with local environmental regulations and standards</li> </ul>

## 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/J.D. United 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.

### 2024 Greenhouse Gas Emissions

units: metric tons CO<sub>2</sub>e

Scope	2023		2024	
	Taipei Office	Cambodia Manufacturing Site	Taipei Office	Cambodia Manufacturing Site
Scope 1: Direct GHG Emissions	-	344	-	333
Scope 2: Indirect GHG Emissions	46	259	43	250
Renewable Emissions	-	269	-	261
Total Emissions = Scope 1 + Scope 2	46	603	43	583

Note1: Greenhouse gas emissions data covers the Roo-Hsing/J.D. United Taipei office and Cambodia factory.

Note2: The calculation method used is absolute carbon emission reduction.

Note3: 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.

Note4: Scope 1 Direct greenhouse gas emissions refer to direct emissions from sources such as diesel, gasoline, liquefied petroleum gas (LPG), and natural gas.

Note5: Scope 2 Indirect greenhouse gas emissions refer to energy indirect emissions, including emissions from purchased electricity and steam.

Note6: Renewable emissions are greenhouse gas emissions resulting from the combustion of biomass wood.

WE

committed to green manufacturing and environmental protection, all Roo-Hsing/J.D. United products are **free of Ozone Depleting Substances (ODS)**, such as CFCs and HCFCs.

carefully select raw materials and optimize production processes to ensure that no ozone-depleting substances are released during production, use, or disposal, **in compliance with the Montreal Protocol and environmental regulations in various countries.**

believe that respect for the environment is the foundation of sustainable business. Roo-Hsing/J.D. United will continue to **take concrete actions to help protect the Earth and future generations.**



## 4.3 Water Resource Management

The production of a single pair of jeans can consume nearly 7,500 liters of water—equivalent to the average drinking water consumption of one person over seven years. As an apparel manufacturer, we place particular importance on water resource management. In 2019, we established a dedicated water washing development and control team at our washing facility to focus on and actively implement water resource control systems, introduce advanced machinery and water-saving technologies, and develop innovative processing techniques and chemical materials. By leveraging our vertically integrated supply chain, we strengthen our environmental sustainability efforts and pursue green operations alongside business growth.

We are committed to minimizing the impact on water bodies and continuously monitor water resource data, regularly reviewing water use efficiency and water-saving performance. At our production sites in Cambodia and Changzhou, China, the main source of water is the local municipal water supply.

### Water Withdrawal Statistics at China and Cambodia Plants from 2022 to 2024

Unit: megaliters

Year	2022				2023				2024		
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	54.01	2,300.57			48.05	2,145.68			38.02	2,234.96	
Groundwater withdrawal	1.1	0			0.89	0			0.78	0	
Total water withdrawal	55.11	2,300.57			48.94	2,145.68			38.80	2,234.96	
The total amount of recycled water	0	1,380.34			0	1,286.36			0	1,408.02	
The proportion of recycled water to total water withdrawal	0%	60%			0%	60%			0%	63%	

Note1: 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.

Note2: The recycled water data for the Cambodian washing plant in 2022 is estimated.

Note3: The Roo-Hsing washing plant ceased operations in 2022.

### Water-saving Process

Following the establishment of the water washing team, the laundry facility assigned the plant manager as the overall leader, with the denim line supervisor serving as the team's overseer and responsible manager. Skilled technicians at the plant act as the implementers of water-saving process improvements. In 2023, we continued to implement various water-saving initiatives across key production sites, including the introduction of new Turkish washing machines to reduce process water consumption, optimization of washing techniques and workflows, and the adoption of automated washing systems. These efforts not only aim to enhance production capacity but also reduce water usage and chemical input per batch by shortening wash cycles and minimizing material consumption, thereby driving the washing process toward greater energy efficiency and environmental sustainability.

To address water conservation at its root, the Hung Hsing laundry plant completed a water audit project in collaboration with a European consulting firm, covering both water source data and on-site assessments.

## Equipment Upgrades and Use of New Materials

By replacing outdated, high-consumption washing machines with Turkish energy-efficient and eco-friendly models, Roo-Hsing/J.D. United has reduced water usage by approximately 50%. In parallel, we developed new washing formulas specifically designed for these upgraded machines, enabling us to adjust the proportion of raw materials, water usage, and washing time. This also helps improve the liquor ratio, thereby lowering the cost per batch and increasing washing efficiency. Moving forward, we will continue to seek out environmentally friendly chemical materials to meet workshop production needs while ensuring product quality that meets customer expectations.

### 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			

## 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

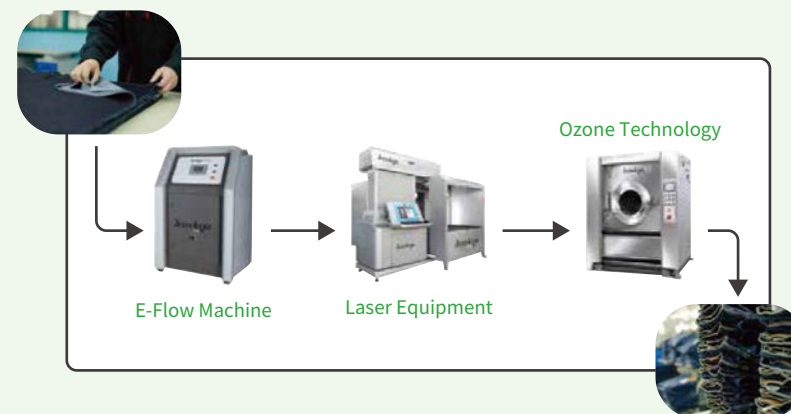
Plant	Number of machines in 2023	Number of machines in 2024	Benefits
Nagapeace	46	Washing machines: 42 units; Dryers: 52 units	50% increase in production capacity, more energy-efficient equipment, and improved machine utilization efficiency.
Hung Hsing	42	Washing machines: 41 units; Dryers: 73 units	

## 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 nano bubble 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%.

### One Glass, One Garment Diagram



## 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 2 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: megaliters

Water Washing Plants	Recovered Water in 2022	Recovered Water in 2023	Recovered Water in 2024	Recovered Water in 2025
	Actual Usage	Actual Usage	Actual Usage	Target Usage Rate
Nagapeace	1,380.34	1,286.36	1,408.02	63%
Hung Hsing				63%
Total Usage	1,380.34	1,286.36	1,408.02	-

Note: 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.

## Wastewater Management

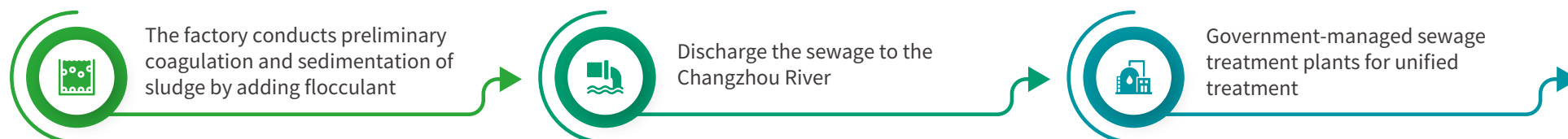
We implemented a wastewater treatment and recycling mechanism which strictly abides by local wastewater discharge standards; only plants that have received permits issued by local governments can discharge wastewater. To facilitate real-time monitoring of sewage treatment conditions, we not only commission 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

Phthalates
Aps/APEOs
Perfluorinated Chemicals, PFCs
Brominated and Chlorinated Flame Retardants
Azo dyes
Organotin Compounds
Chlorobenzenes
Chlorinated Solvents
Chlorophenols
Short-Chain Chlorinated Paraffins
Heavy Metals



In the process of wastewater treatment, our Cambodian water washing plants 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:



In 2024, 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 2024

Unit: megaliters

Treatment Method/ Water Quality	Cambodia	
	Nagapeacce	Hung Hsing
Biological And Chemical Wastewater Treatment / Industrial Sewage	1,609.17	625.79
Government Sewage Treatment Plant Treatment/ Domestic Sewage	N/A	N/A
Total Water Discharged By Each Plant Area	611.48	237.80
Total Water Discharge	849.28	

### 2024 Wastewater Local Discharge Requirements

Unit: metric tons

Items	China Standard Value	China Wastewater Test Result	Cambodia Standard Value	Cambodia Wastewater Test Result
PH scale	6.0-9.0	7.2	5.0-9.0	5.98
Total suspended solids, TSS	<100 mg/L	33.3 mg/L	< 120 mg/L	18
Biochemical oxygen demand, BOD	<50 mg/L	28.7 mg/L	< 80 mg/L	31.96
Chemical oxygen demand, COD	< 200 mg/L	100 mg/L	< 100 mg/L	78
Oil & Grease	-	-	< 15 mg/L	0.6
Color (Chromaticity)	<80	20	-	-
Total Phosphorus (TP)	<1.5 mg/L	0.34 mg/L	-	-
Total Nitrogen (TN)	<30 mg/L	19.4 mg/L	-	-
NH <sub>3</sub>	< 20 mg/L	4 mg/L	< 7.0 mg/L	0.24

## 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.

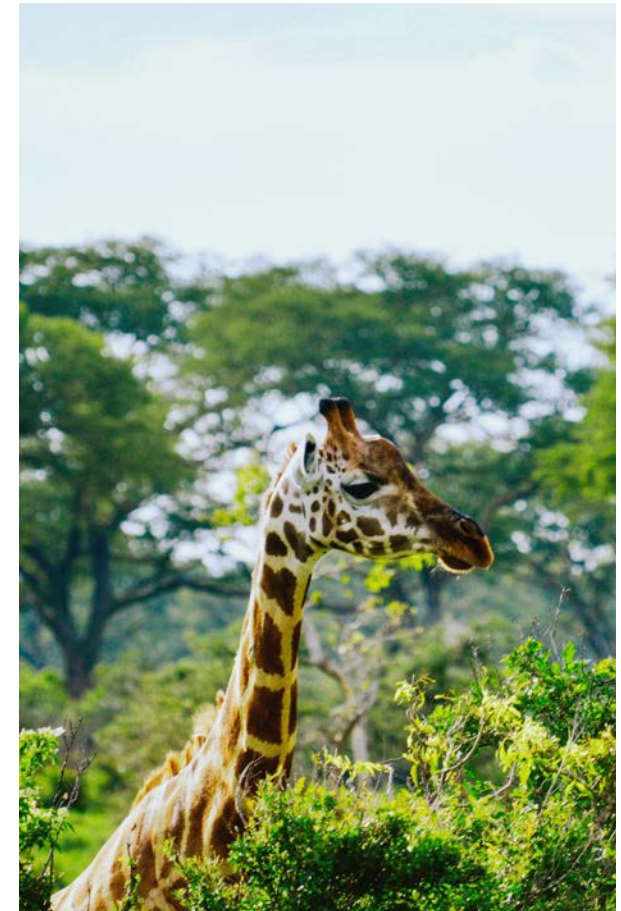
## Key implementation projects in 2024 were as follows

- 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

## Biodiversity

Roo-Hsing/J.D. United is committed to minimizing any potential impact on local biodiversity from all production activities.

Prior to establishing any production site, we conduct comprehensive evaluations of relevant environmental regulations. All of our facilities are located within government-approved industrial development zones and are not situated in protected or reserved habitats. Furthermore, there are no identified species within our operational areas that are listed on the International Union for Conservation of Nature (IUCN) Red List of Threatened Species or on national protected species lists.



## 4.4 Waste and Chemical Management

Impact	Goal
<p>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.</p>	<p><b>Short-Term Goals:</b></p> <ul style="list-style-type: none"> <li>• Reduce costs related to chemical raw materials, steam, water, machinery, and maintenance by 10% across all plants.</li> <li>• Fully utilize local resources and continuously increase the utilization rate of solar photovoltaics.</li> <li>• Ensure 100% compliance in wastewater and exhaust gas treatment and discharge.</li> <li>• Ensure 100% of hazardous waste is collected and recycled by qualified vendors.</li> <li>• Ensure all chemicals used in the production process comply with national standards, with 80% compliance for ZDHC chemical substances.</li> <li>• 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</li> </ul> <p><b>Medium- and Long-Term Goals:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Actively adopt new technologies, processes, and products, and continue to promote hazardous substance testing and analysis.</li> <li>• Achieve a usage rate of over 80% for clean (environmentally friendly) chemicals (excluding major chemical substances), and reduce production waste generation by over 20%.</li> <li>• Achieve 100% compliance with ZDHC chemical substances.</li> <li>• Gradually apply Screened Chemistry (SC) and ZDHC across all plants and ensure compliance with local regulations.</li> <li>• Achieve a 65% wastewater recycling rate at all washing plants in Cambodia.</li> <li>• Integrate CO<sub>2</sub> reduction targets and achieve a recycling rate of over 30% for circular raw and auxiliary materials.</li> <li>• CO<sub>2</sub> reduction by 2027 -66%</li> </ul>
Policy Committed	
<p>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.</p>	
Action Taken	
<ul style="list-style-type: none"> <li>• All plants have completely phased out traditional coal-fired boilers and switched to purchasing steam to reduce the use of non-renewable resources.</li> <li>• 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.</li> <li>• 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.</li> <li>• Roo-Hsing's Cambodia washing plant separates rainwater and wastewater for initial treatment, while industrial wastewater undergoes secondary treatment at a sewage treatment plant.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>	



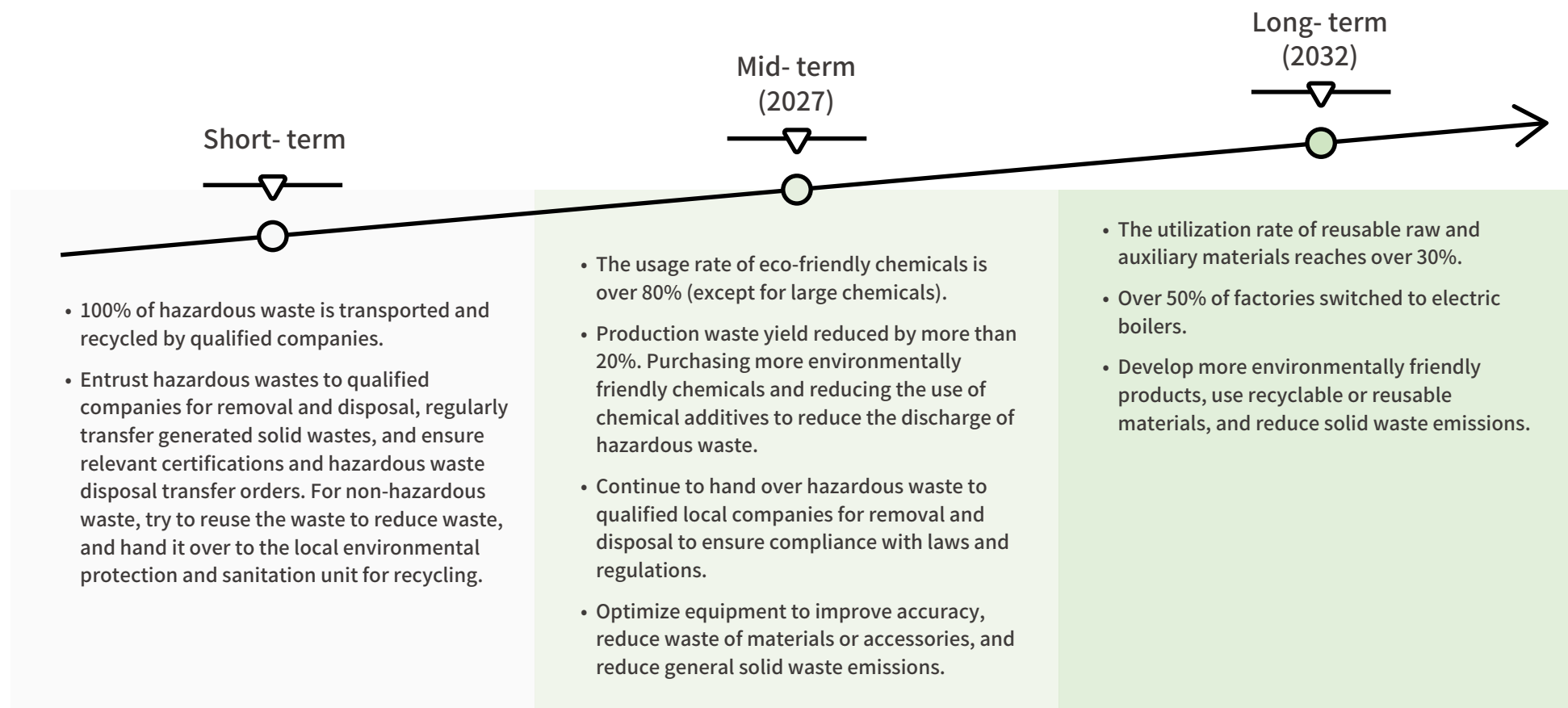
Assessment Mechanism	Performance Results	Communication with Stakeholder
We continuously explore new washing technologies to reduce water, electricity, and chemical usage while ensuring product quality and cost savings. We encourage chemical suppliers to conduct risk assessments of their products with 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.	We will continue to implement water and energy-saving facilities and ensure 100% compliant disposal of waste.	<ul style="list-style-type: none"> <li>• We provide timely explanations and communication during various meetings as needed.</li> <li>• The Company's website has a dedicated stakeholder communication section to gather feedback from all parties.</li> </ul>

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.

## 2024 Waste Management Approach and Implementation Plan



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



In 2024, 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 2024

Unit: metric tons

Processing Methods	Type of Waste	China		Cambodia	
		Onsite	Offsite	Onsite	Offsite
Non-hazardous Waste					
Incineration (with energy recovery)	Waste Plastic Bags	-	-	-	4.1
	Waste Plastic Bottles	-	-	-	6.8
	Beverage Cans	-	-	-	4.3
	Waste Paper, Waste Cardboard	-	-	-	13.6
	Waste Yarn, Waste Cloth, Cotton Wool	-	-	37	
	Coal Bottom Ash	-	-	15.1	
	Scrap Iron	-	-		9.2
	Leaves and Other Sundries	-	1.4		
Incineration (without energy recovery)	Sludge	2.7	14.7		
Landfilling	Sludge		140		600
Total Onsite and Offsite Waste		2.7	156.1	52.1	638
Total Non-Hazardous Waste		158.8		690.1	
Hazardous Waste					
Entrust local qualified third-party units to handle unified processing	Plastic Barrels, Metal Barrels, Waste Oil	-	-	-	4.1
	Nylon Bag, PP Bag	-	-	-	6.6
	Electronic Equipment	-	-	-	1.2
Chemical Supplier Recycling	Chemical Waste	-	-	-	3.4
Total Onsite and Offsite Waste		-	-	-	
Total Hazardous Waste		--		15.3	

Note1: "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.

Note2: 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.

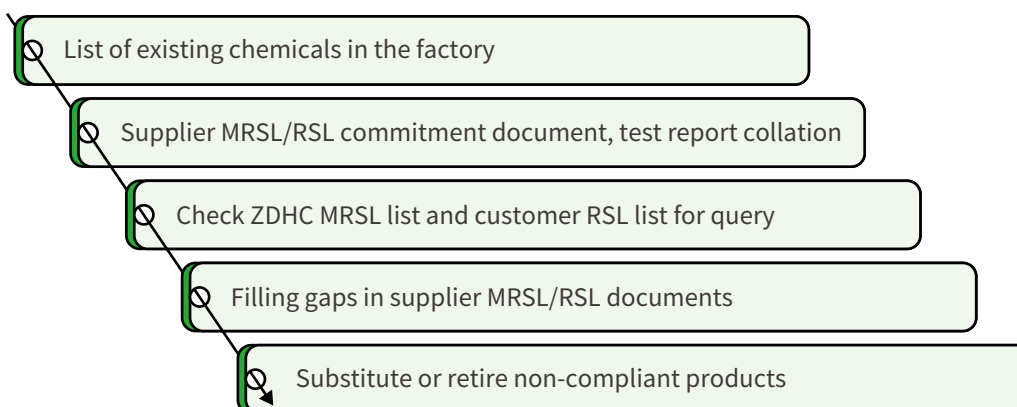
Responsible units not only file and control MSDS information according to ZDHC MRSL Chemical Abstracts Service (CAS) and Color Index (CI) numbers but also design corresponding labels based on MSDS information and ensure that these are placed conspicuously on chemical containers.

### 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.

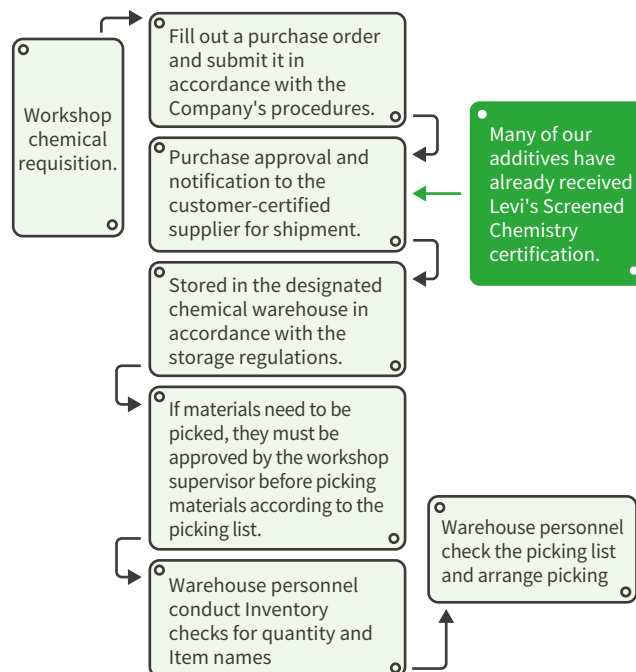
### Roo-Hsing/J.D. United Chemical Management Measures

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

## 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.

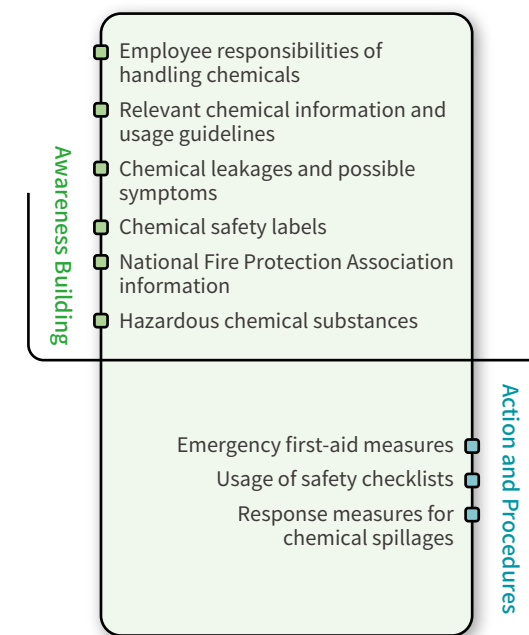
### Chemical Material Picking Process Diagram



## 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



## 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. 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.

### Energy Consumption at Each Location from 2022 to 2024

Unit: Gigajoules (GJ)

Energy Type		2022		2023			2024		
Location		China	Cambodia	Taiwan	China	Cambodia	Taiwan	China	Cambodia
Non-Renewable Energy	Gasoline	92.11	985.26	-	91.10	974.49		86.5	9,273.78
	Diesel	812.11	9,132.94	-	794.12	8,856.69		754.41	1,104.79
	Natural Gas	-	-	-	-	-		-	-
	Purchased Electricity	7,935.00	75,780	337.04	6,189.00	66,312	323.28	5,766	71,508
Total Non-Renewable Energy Consumption (a)		8,839.22	85,898.2	337.04	7,074.22	76,143.18	323.28	6,606.91	81,886.57
Renewable Energy	Solar Power Generation	-	4,194	-	-	4,302		-	4,031
Total Renewable Energy Consumption (b)		-	4,194	-	-	4,302		-	4,031
Total (a+b)		8,839.22	90,092.2	337.04	7,074.22	80,445.18	323.28	6,606.91	85,917.57

Note1: Sources are based on meter readings or purchase volumes.

Note2: 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

### 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.

### 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.

### 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 a timeless wardrobe essential—almost everyone owns denim apparel.

According to surveys, the average person owns eight pairs of jeans, and nearly 60% of women own more than ten pairs. However, denim production is also known for its significant environmental impact and high resource consumption. Research by the United Nations Environment Programme (UNEP) indicates that the fashion industry, in order to meet the demands of 5 billion consumers, consumes 93 billion cubic meters of water annually, and nearly 20% of global wastewater originates from textile dyeing and treatment processes.

Amid the environmental challenges posed by fast fashion, J.D. United remains firmly committed to environmental stewardship, continuously monitoring issues related to the preservation of nature and resource conservation. We strive to reduce the impact and damage caused by business operations through a global presence and a vertically integrated supply chain. By setting clear environmental management goals and leveraging our in-house R&D capabilities, we develop innovative materials and processes that help reduce wastewater, waste emissions, and the use of hazardous substances—extending our sustainability impact. This enables us to offer Green Jeans that are both fashion-forward and environmentally friendly.

In 2024, J.D. United was awarded three Chain of Custody (CoC) certifications established by the Better Cotton Initiative (BCI). These certifications ensure full traceability from cotton cultivation and processing to final products. Through physical segregation or mass balance sourcing, we guarantee the authenticity of Better Cotton content. The CoC standard is a rigorous system designed to ensure that cotton supply chains meet sustainable production and social responsibility requirements. Obtaining CoC certification not only affirms J.D. United's compliance with international brand sourcing standards for eco-friendly materials but also reflects our broader commitment to ESG.

Looking ahead, we remain dedicated to offering more sustainable products and reducing our carbon footprint. We aim to engage more partners and customers who value sustainability and responsible consumption, and together, contribute to a more environmentally friendly and greener future

Scope Certificate\_Better Cotton COC Certification



# 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	07
	2-2 Entities included in the organization's sustainability reporting	About this report	03
	2-3 Reporting period, frequency and contact point	About this report	
	2-4 Restatements of information	NA	-
	2-5 External assurance	Auditor's Assurance Report	98
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	7 28
	2-7 Employees	3.1 Talent Attraction and Retention	53
	2-8 Workers who are not employees	3.1 Talent Attraction and Retention	52
Governance			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	1.2 Sustainability Strategy and Governance 2.1 Governance framework	10 20
	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	

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	10
	2-13 Delegation of responsibility for managing impacts	1.2 Sustainability Strategy and Governance	
	2-14 Role of the highest governance body in sustainability reporting	1.2 Sustainability Strategy and Governance	
	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	NA	-
	2-18 Evaluation of the performance of the highest governance body	2.1 Governance framework	21
	2-19 Remuneration policies	2.1 Governance framework	
	2-20 Process to determine remuneration	2.1 Governance framework	
	2-21 Annual total compensation ratio	3.2 Talent Cultivation and Development	58
Strategy, policies and practices			
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Message from Chairman	04
	2-23 Policy commitments	3.4 Human Rights	65
	2-24 Embedding policy commitments	3.4 Human Rights	66
	2-25 Processes to remediate negative impacts	1.3 Stakeholder identification and negotiation	13
	2-26 Mechanisms for seeking advice and raising concerns	1.3 Stakeholder identification and negotiation	25
	2-27 Compliance with laws and regulations	2.3 Compliance and Integrity	
	2-28 Membership associations	Changzhou Overseas Chinese Entrepreneurs Association : Vice Director Chashan Chamber of Commerce in Tianning District, Changzhou City : Vice Director Jiangsu Textile Association : Director	-



GRI Standards	GRI Items	Reference	Page/URL
Stakeholder engagement			
GRI 2:General Disclosures 2021	2-29 Approach to stakeholder engagement	1.3 Stakeholder identification and negotiation	13
	2-30 Collective bargaining agreements	3.1 Talent Attraction and Retention	56
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	16
Compliance and Integrity			
GRI 3:Material Topics 2021	3-3 Management of material topics	1.4 Material topics identification	16
		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	26
	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		24
Customer Relationship Management			
GRI 3:Material Topics 2021	3-3 Management of material topics	2.5 Customer Relationship Management	35
Information Security			
GRI 3:Material Topics 2021	3-3 Management of material topics	2.8 Information Security	46
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	4.1 Response to climate change	72
GRI 201:Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change		74

GRI Standards	GRI Items	Reference	Page/URL
Waste management			
GRI 3:Material Topics 2021	3-3 Management of material topics	4.4 Waste and chemical management	83
GRI 306:Waste 2020	306-1 Waste generation and significant waste-related impacts		
	306-2 Management of significant waste-related impacts		84
	306-3 Waste generated		
	306-4 Waste diverted from disposal		86
	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	83

## 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	84
	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	87
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 <sup>2</sup>	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 <sup>3</sup>	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	2024 Key Suppliers (Fabrics: 11 suppliers, Washing Chemicals: 12 suppliers, Auxiliary materials companies: 32, Office Supplies: 9 suppliers, Non-fabric Accessories and Machinery: 12 suppliers)	N/A

## Climate-Related Information Implementation Form

Item	Corresponding Chapter	Page
1.Explain the board's and management's responsibilities regarding oversight and governance of climate-related risks and opportunities.	4.1 Response to climate change	72
2.Explain how climate-related risks and opportunities may affect the enterprise's business, strategies, and operations (short, medium, and long term)	4.1 Response to climate change	73
3.Explain the impact of extreme climate events and transition actions on financial performance.	4.1 Response to climate change	74
4.Explain the process for identifying, assessing, and managing climate-related risks, and how it is integrated into the overall risk management framework.	4.1 Response to climate change	73
5.If scenario analysis is used to assess climate-related risks, describe the scenario(s), parameters, assumptions, analytical methods, and the key financial impacts.	-	-
6.If a climate risk transition plan is in place, explain the content of the plan and how it links to actual performance indicators and targets for managing transition risks.	4.1 Response to climate change	76
7.If internal carbon pricing tools are used, explain the pricing mechanism or basis.。	-	-
8.If climate-related targets are set, explain the scope of coverage, GHG emission reduction goals, implementation timelines, and annual progress. If using Renewable Energy Certificates (RECs), indicate the reduction percentage from RECs or the quantity of RECs purchased or used.	-	-
9.GHG inventory results and the basis for determining GHG reduction targets, strategies, and implementation status.	GHG Inventory and Future Management	-



### 1-1-1 Greenhouse Gas Inventory Information

Item	Implementation Status (Section/Page)
Disclose the greenhouse gas emissions (metric tons CO <sub>2</sub> e), emission intensity (metric tons CO <sub>2</sub> e per NT\$ million), and data coverage scope for the past two years.	See detailed table

Scope	2023		2024	
	Taipei Office	Cambodia Manufacturing Site	Taipei Office	Cambodia Manufacturing Site
Scope 1: Direct GHG Emissions (metric tons CO <sub>2</sub> e)	-	344	-	333
Scope 2: Indirect GHG Emissions (metric tons CO <sub>2</sub> e)	46	259	43	250
Renewable Emissions (metric tons CO <sub>2</sub> e)	-	269	-	261
Total Emissions = Scope 1 + Scope 2 (metric tons CO <sub>2</sub> e)	46	603	43	583

Note1: Greenhouse gas emissions data covers the Roo-Hsing/J.D. United Taipei office and Cambodia factory.

Note2: The calculation method used is absolute carbon emission reduction.

Note3: 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.

Note4: Scope 1 direct greenhouse gas emissions refer to direct emissions from sources such as diesel, gasoline, liquefied petroleum gas (LPG), and natural gas.

Note5: Scope 2 indirect greenhouse gas emissions refer to energy indirect emissions, including emissions from purchased electricity and steam.

Note6: Renewable emissions are greenhouse gas emissions resulting from the combustion of biomass wood.

### 1-1-2 Greenhouse Gas Assurance Information

Item	Implementation Status (Section/Page)
Disclose the assurance statements for the past two years, including the scope of assurance, assurance provider, assurance standards, and assurance opinions.	See Appendix 4s.

### 1-2 Greenhouse Gas Reduction Targets, Strategies, and Action Plans

Item	Implementation Status (Section/Page)
Disclose the baseline and data for GHG reduction, reduction targets, strategies, specific action plans, and the achievement status of the targets.	4.1 Climate Change Response

# 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, 2024.

### Subject matter information and applicable criteria

Regarding the subject matter information of abovementioned Company, please refer to Appendix 1.

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, 2024;
- 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 misstatement in the subject matter information that would require significant modifications 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 19, 2025

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	Supply Chain Management for Raw Materials	29	2024 Local Procurement Statistics	GRI 204 Procurement Practices
			Unit: CNY	
			RegionSubtotal	
			Amount of Local Procurement1,097,149,020.49	
			ChinaAmount of Total Procurement1,361,509,801.60	
			Percentage of Local Management80.58%	
			Amount of Local Procurement1,097,149,020.49	
			TotalAmount of Total Procurement1,361,509,801.60	
			Percentage of Local Management80.58%	
			Notes: 1. Local procurement refers to the amount and proportion of purchases made from local suppliers, by supporting local suppliers, Roo Hsing 2. United aims to reduce the effect from investment into the local economy.	
			Notes: Local procurement data is based on the purchase amount of fabrics and accessories in 2024.	
			Notes: Roo Hsing 3. United primarily operates its procurement hub in China, where it centrally places orders with suppliers in various regions and distributes raw materials to designated factories for further processing.	