

2020

Corporate Sustainability Report

Table of Contents

About this Corporate Sustainability Report (CSR)	4
Business Overview – Company Profile	10
I. Basic Information and Current Status	10
II. Links to International Market and Innovation Planning	13
Integrated Corporate Governance	15
1-1 Corporate Governance.....	15
1-1-1 Corporate Governance Structure	15
1-1-2 Ethics and Moral Value	16
1-2 Risk Management and Responsive Action.....	17
1-2-1 Risk Control Measures	17
1-2-2 Risk Counter Strategy	26
Robust and Solid Safety Defense	29
2-1 Innovation and Safety.....	29
2-1-1 Protection Mechanism.....	30
2-1-2 Legal Compliance	30
2-2 Green Raw Material Source and Product and Service Label	30
2-3 Customer Trust and Service	31
2-4 Supplier Partnership and Management.....	33
2-4-1 Supplier Overview.....	33
2-4-2 Local Procurement	34
2-4-3 Supplier Management.....	36
Employee Career Development Support	38
3-1 Recruitment and Retention	38
3-2 Labor Rights and Welfare	44
3-3 Cultivation and Development.....	46
3-4 Healthy and Safety Workplace.....	49

Eco-Friendly and Natural Sustainable Environment50

4-1 Environmental Management System.....50

4-2 Pollution Emission and Prevention54

4-3 Energy Management.....59



About this Corporate Sustainability Report (CSR)

Sustainable development is the highest principle for JINTEX Corporation Ltd. (hereinafter referred to as “JINTEX”), and we believe that fulfilling the corporate social responsibility is the fundamental for sustainable development. We uphold the corporate philosophy of innovation and establish solid and efficient corporate governance structure and system, thereby seeking business performance with stable growth.

Since the first release of Corporate Sustainability Report (CSR Report) in 2014, this Report is the seventh annual CSR Report of JINTEX. It is released in Traditional Chinese version and is available on the company website for download. We hope that with the release of this Report, JINTEX’s commitment and effort in sustainable development can be presented effectively in order to demonstrate our care and respect to all stakeholders, thereby establishing sufficient understanding and trust while achieving sharing and contribution to various sectors in society.

Release and Scope

JINTEX’s CSR Report is released once annually. This year is the sixth release, and the information presented is for the year of 2020 (from January 1 to December 31, 2020), and the scope includes the Taiwan JINTEX Headquarter and JINTEX (Suzhou) subsidiary.

Current Release Edition: June 2021, (released)

Last Release Edition: June 2020 (released)

Next Release Edition: June 2022 (to be released)

Drafting Principle

The content of this Report is prepared based on the core of the new GRI Sustainability Reporting Standards (GRI Standards) announced by the Global Reporting Initiative (GRI) in October 2016, disclosing topics concerned by stakeholders along with the annual focus execution objectives of the Company.

All information provided in this Report and previous Reports have not been restructured. The actual content disclosed in the Report has covered information of topics concerned by stakeholders such that its disclosure has been determined to be proper and restructuring appears to be unnecessary. Nevertheless, this Report adopts the latest outline disclosed by GRI, and its scope and aspects considered further include the content of local community while the rest of the items remain substantially the same.

The data measurement technique and calculation basis of the Report are executed according to the government laws and the general practice adopted in society. For quantified data, special instructions are also provided to explain their units used.

Despite this Report not being verified by an external body, it has nonetheless been carefully evaluated and confirmed by all internal dedicated units of JINTEX.

2019 JINTEX Corporation Ltd. Corporate Social Responsibility Report (CSR)

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Overcome Fear of Pandemic Continue to Lead with Growth



Chairman / Sabine Juang

Looking back the time of SARS in 2003, companies were able to increase the automated production ratio swiftly; during the financial crisis in 2008, the financial system was able to adopt rigorous and careful adjustments in the internal control and internal audit for the organizations.

Now, for COVID-19 in 2020, as isolation and self-management have become common to our lives, a highly efficient autonomous model has started to take place, allowing companies to effectively reduce loss in terms of the risks of labor and environmental resources. With the challenge of this pandemic, we are able to re-examine how corporates should face such a violent and harmful pandemic crisis. Grouping, divergence and remote office or work from home are the current working models adopted. With the innovative development, quick response capability, highly efficient recovery and solid teamwork of management teams are the key elements to establish new operating models and styles for organizations. We are proud to announce that the management team of JINTEX has entered the highly efficient autonomous business model.

For the future, we are ready for the challenge of the pandemic, without fear of the harsh environment, and will continue to step forward with continuous operation in order to achieve the most optimal business profits. In addition, we will continue to strengthen our corporate governance and to emphasize environmental protection in order to establish the cornerstone for corporate sustainable development.



Group CFO / Chad Chang

The past year was a tumbling year that might be unforgettable to most of us. Looking back the beginning of 2020, the company's business was under stable growth, and we were originally expecting to see outstanding business performance for the year. Nevertheless, the COVID-19 outbreak suddenly took place. It started in Wuhan China, and then spread all over the world, such that the daily lives of people were significantly affected, and the global economy came to a stall.

It was fortunate that the JINTEX management team had a clear management direction and responsive strategies along with the outstanding teamwork among all partners and employees, such that we were able to deliver a remarkable business outcome in 2020.

Looking into the year of 2021, with adjustments of the management team members, particularly the enrollment of elites from various sectors in JINTEX, along with our focus on the improvement of internal staff competence, we have been able to achieve remarkable business performance in the 1st quarter of 2021. Under the leadership of the Chairman Sabine and the joint efforts of all partners and employees, JINTEX is confident in achieving an outstanding outcome in the future.



Group Technical Dpt. VP / Jacky Kuo

We thank everyone's effort in the past year. From the tough challenge of COVID-19 in 2020 to the ongoing epidemic control in the present year (2021 Q2), this battle against a strong virus may continue.

During the process of our battle against the virus, we have learned the importance of respect to public health, and we also gain the ability to handle crises and to implement control on risks. We further understand how to adopt changes to our working model. When a lot of working models have changed

from a face-to-face model to the current divergent type of online operation, we have found that despite the increase of distance, reduction of interaction and communication with others to certain level, all of these measures have not caused a major hindrance to us. Under the condition where all employees are healthy and the corporate business risk management can be protected, as long as we are passionate about our living and work with the same objectives, we are able to find a way to correct and to adapt in a short time, thereby finding new communication methods and new working processes. During such battle against this virus, we choose to continue to review and to find solutions on how to reduce our reliance on intensive labor, how to simplify working processes and how to achieve high efficiency while reducing face-to-face communication.

Humans tend to act in a group and resist changes. For both the working model and family activities, presently, we are facing a certain level of changes. We particularly appreciate all employees are able to actively face all changes and inconvenience such that we are able to continue to achieve our goal and to make breakthroughs. We look forward to continuing to act optimistically and exerting effort in creating a better future for all of us, and we thank everyone for their efforts.



Group Business Operation Dpt. VP / Dinah Tsai

Without any warning, the pandemic in Taiwan came fast and rapidly. Through work allocation, divergence and distinction of different working models during such pandemic period, the conditions of soft lockdown, work from home or divergence at work, etc., that we used to believe only occurred overseas or only appeared in media reports, have now become real in our society.

Some scenarios need to be re-defined. For example, in the past, supervisors were the ones to provide guidance for changes; now, during the crisis this time, we can find that employees are actively participating in design or planning jointly and they have become the active participants making new changes. The unexpected crisis forces us to make changes swiftly, and we need to continue learning in an innovative way based on the knowledge previously learned. With more opened space and boundless working environment, we seek to find different fields and directions to our living and working models.

In the post-pandemic era, we see a lot of changes and uncertainties around the globe, and we deeply understand that talents equipped with diverse and innovative thinking, use of technologies and cross-field integration abilities are the ones essential to the corporate growth. Are we ready? Let us continue to make effective changes, growth, improvement and successful evolution, thereby achieving sustainable development of the organization.



Group Production Dpt. VP / Tony Lee

Under the pandemic period with great uncertainties, through trust, mutual help and team collaboration, we believe that the company is able to achieve stable growth with our joint efforts. We are certain of overcoming the pandemic period and returning to normal living and work. We wish everyone great health and safety!



Full In Việt Nam President / Wenliang Chen

We had never thought that as we were celebrating the great year of 2020, a pandemic outbreak would suddenly turn our world around, significantly affecting all companies and people's living and work. This might be the greatest challenge that the God imposes on us.

Time continues to move forward, and we do not have the power to stop time and wait, but to step forward with courage is our responsibility. To the present day, we may still not know when the pandemic will be completely over, such that we can return to normal living and work. We sincerely appreciate the team's effort, and we are the best!

With regard to the battle strategies against the virus, none of us have the experience, and this is also true for top 100 companies. Nevertheless, JINTEX has never shown fear and faces the challenge directly with continuous learning and adjustment in order to accumulate positive energy to overcome the crisis. Through stable establishment of plans, we continue to learn and to achieve flexible responsive capability for the organization. The Environmental Safety and Health Department also provides real-time announcements and the IT video system overcomes great challenge. The supplier chain has been able to achieve adjustment in the distribution and supply of raw materials and finished products for the Group's

parent company and subsidiaries. We also see that the Company implements employee-oriented measures and epidemic control-centered actions and welfare in all aspects. Under the zoning and divergence of human resource, despite employees being tired physically, they continue to demonstrate confidence and smile to others. All employees have shown that they deeply understand the importance of teamwork and we are proud of ourselves. Let us give ourselves and all our teammates great applause.

FULL IN is the newly established production base of JINTEX in Vietnam, and we are the youngest team of the Group. Since we have less experience, during such tumbling pandemic period, we have faced numerous challenges. Nevertheless, the Company continues to operate and our commitment drives us to move forward with confidence without compromise. In 2020, we successfully completed the software mission of the facility construction, and we established the FULL IN management team based on the functional organizations and parallel framework of the headquarters. In addition, we also obtained the capacity expansion 9500T production license and three major licenses of bluesign, ISO 9001 and ISO 14001. Furthermore, we also planned the quantified management indicators (work performance monthly meeting) for each unit and local management regulations announcement and implementation. We also established the Taiwanese staff home returning group plan, and our employee welfare Taiwan returning system has surpassed the systems adopted by other local Taiwanese giant enterprises. For the year of 2021, we will continue to head toward various management indicators (ISO 45001, 5S, facility site labeling management, etc.), and sales growth and talent training are the main work objectives. During such period, we sincerely appreciate the full support of the Chairman of the headquarters and all elite team members for their outstanding support and guidance. In addition, we also thank the youngest FULL IN team for their energy and hope such that we are able to overcome the pandemic, and show our care to all FULL IN staff. Let us cheer each other up and move forward!



India JCS GM/Ganesh H R

At the very core of our humanity is our CARE for one another!

COVID-19 spread is emotionally challenging for all of us, changing day-to-day life in unprecedented ways. Every human being is affected in one way or the other.

Heartfelt thanks to all Jintexarians for setting a highest standard of commitment, professionalism and solidarity during this toughest time of our life!

We remain stronger yet flexible to embrace change and adopt safer - innovative ways to do our business and drive our passion to create value for our customers.

Take care and stay safe.

Business Overview

Company Profile

I. Basic Information and Current Status

Full Name of Company	Jintex Corporation Ltd.
Number of Employees	Group of approximately 370 employees
Paid-in Capital	Approximately NT\$ 678,000,000
Establishment Date	December 28, 1978
Main Products	Specialty Chemicals for Textile Specialty Chemicals for Leathers Industrial Cleaning Agents Other Chemicals
Chairman	Sabine Juang
Headquarter	12F., No. 126, Sec. 4, Nanjing E. Rd., Songshan Dist., Taipei City
Business Location	Taiwan, China, Indonesia, Thailand, Vietnam, India and Bangladesh

JINTEX Corporation Ltd. is a leading brand in Asia Pacific specialty technology chemicals, and is specialized in the manufacturing and sales of specialty chemicals for textile dyeing and finishing, leathers, electronics and various applications for industrial use. The Company utilizes high-end chemical technologies and is committed to the improvement of specialty industry added value and competitiveness. We integrate the business objectives, social responsibility and environment protection, in order to assist the protection of use of resources and improvement of living quality through science and innovation, thereby assisting customers to improve technologies, to satisfy operational needs and to achieve future market development.

JINTEX establishes R&D, production and technical service offices in Taiwan, China, Indonesia, Thailand, Vietnam, India and Bangladesh, in order to satisfy international customer demands. The Company has sales and distribution offices in 24 countries internationally and links to global economy in order to provide high quality service to customers promptly, such that the Company is a well-known group in Asia.

Government Awards Received

1. Honorably received the 8th Term of Rising Star Award from the Ministry of Economic Affairs (MOEA).
2. Honorably received the Taiwan Intellectual Property System (TIPS) certification from MOEA.
3. Honorably received industrial development technology plan of MOEA – Outstanding Industry Upgrade Award.
4. Honorably received 2015 Taiwan Industry Textile Innovation Award.

5. Honorably received 2017 Taiwan Chemical Industry Association (TCIA) – Industry Elite Award and Product Outstanding Research and Development Award.
6. Honorably received ZDHC Global Top 10 ZDHC Gateway-Chemical Module Pioneer Certificate.
7. Honorably received 2018 Outstanding SBIR Industry Contribution Award.
8. Honorably received 2019 1st Term of Green Chemical Application and Innovation Award.
9. Honorably received 2019 Potential Medium-Sized Enterprise from MOEA.
10. 2019 ZDHC Seminar held in Vietnam subsidiary.

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Achievement of Sustainable Development

1. Quality Certification, Commitment to Quality

Qualified ISO 9001 Research and Development and Quality Assurance Certification in 1996.

According to the international standard requirements, JINTEX has established, implemented and maintained the quality management system, and important procedures of the operation have been standardized and incorporated into the quality management system, such that rigorous standards have been adopted to control all operation contents. In addition, continuous audit and effectiveness improvement have been implemented in order to ensure that all quality commitments provided to customers are realized. Through continuous system improvement and upgrade, the Company has qualified and obtained the ISO9001:2015 version of certification in 2017.

Environmental Certification, Fulfillment of Responsibility of Global Citizen

Qualified ISO 14001 Environmental Management System Certification in 2010.

JINTEX has established documentation, implementation, maintenance and continuous improvement of the environmental management system according to the requirements of international standards, in order to standardize the procurement of raw materials, process, product, service and pollution source management operations. Through the management model of PDCA (PLAN, DO, CHECK, ACTION), periodic review and evaluation of environmental management system, the Company is able to achieve environmental continuous improvement and improvement of environmental performance. Furthermore, the Company also continues to implement system improvement and upgrade, and has also qualified and obtained the ISO14001:2015 version certification in 2017.

2. With the implementation of various testing standards of the well-known bluesign in Europe, the Company has obtained the bluesign System Supporter certification and has become the first specialty textile chemical manufacturing company certified by the international organization in the regions of Greater China and Asia Pacific. Moreover, with respect to various testing standard requirements of the latest version of bluesign, the Company continues to follow the implement such

standard properly. In 2016, after the bluesign representative arrived at the factory of the Company to conduct field audit, the Company successfully obtained the approval.

- Through the review by the Zero Discharge of Hazardous Chemicals (ZDHC) organized by all major brands and makers in the global garment and shoe industries, JINTEX is also the first Asian textile chemical manufacturing company to become a member of ZDHC, and exerts effort in achieving the goal of “zero discharge of hazardous chemicals” jointly.

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For JINTEX, sustainable development is an important aspect of corporate strategy, and it includes the Company’s commitment to the environment, health, safety and quality. Particularly, the emphasis on the eco-friendly technologies and quality living are the philosophy upheld by JINTEX to achieve corporate sustainable development.

a. Group Affiliates (Table 1)

Company Name	Establishment Date	Registration Location	Paid-in Capital	Main Business Item or Production Item
PT. Jindo Industry	1992.03.10	Indonesia	USD 1,700,000	Manufacturing and sales of auxiliaries
Jintell (Singapore) Investment Ltd.	1995.09.28	Singapore	SGD 13,523,505	Investment holding company
Genstar (Singapore) Investment Ltd.	1997.02.22	Singapore	SGD 45,004,652	Investment holding company
佛山市福寶精細助劑有限公司	1997.04.04	Foshan City, Guangdong Province, China	USD 2,100,000	Manufacturing and sales of auxiliaries
Brighten Limited	2003.01.18	Seychelles	USD 300,000	Trading company
Jintex India Co., Pvt., Ltd.	2004.10.18	India	INR 23,182,400	Trading company
蘇州福盈(蘇州)新科化學有限公司	2005.11.15	Changshu Coastal Industrial Park, Suzhou City, China	USD 5,000,000	Manufacturing and sales of auxiliaries
GH Bangkok Co., Ltd.	2010.02.22	Thailand	THB 10,000,000	Trading company
Jindo Chemical Solutions Private Limited	2011.01.07	India	INR 43,736,270	Trading company
Jintex Vietnam Company Limited	2013.06.27	Vietnam	USD 300,000	Trading company
青島福仁豐商貿有限公司	2016.03.04	Qingdao City, Shandong Province, China	RMB 6,000,000	Trading company
Full In Viet Nam Company Limited	2016.03.17	Vietnam	USD 3,500,000	Manufacturing and sales of auxiliaries
Rich Inv. Pte. Ltd.	2019.01.11	Singapore	SGD 20,000	Investment holding company
廣東福寶精細化工有限公司	2019.05.20	Foshan City, Guangdong Province, China	Note 1	Trading company

Note 1: Up to the date of December 31, 2020, capital injection has not been made.

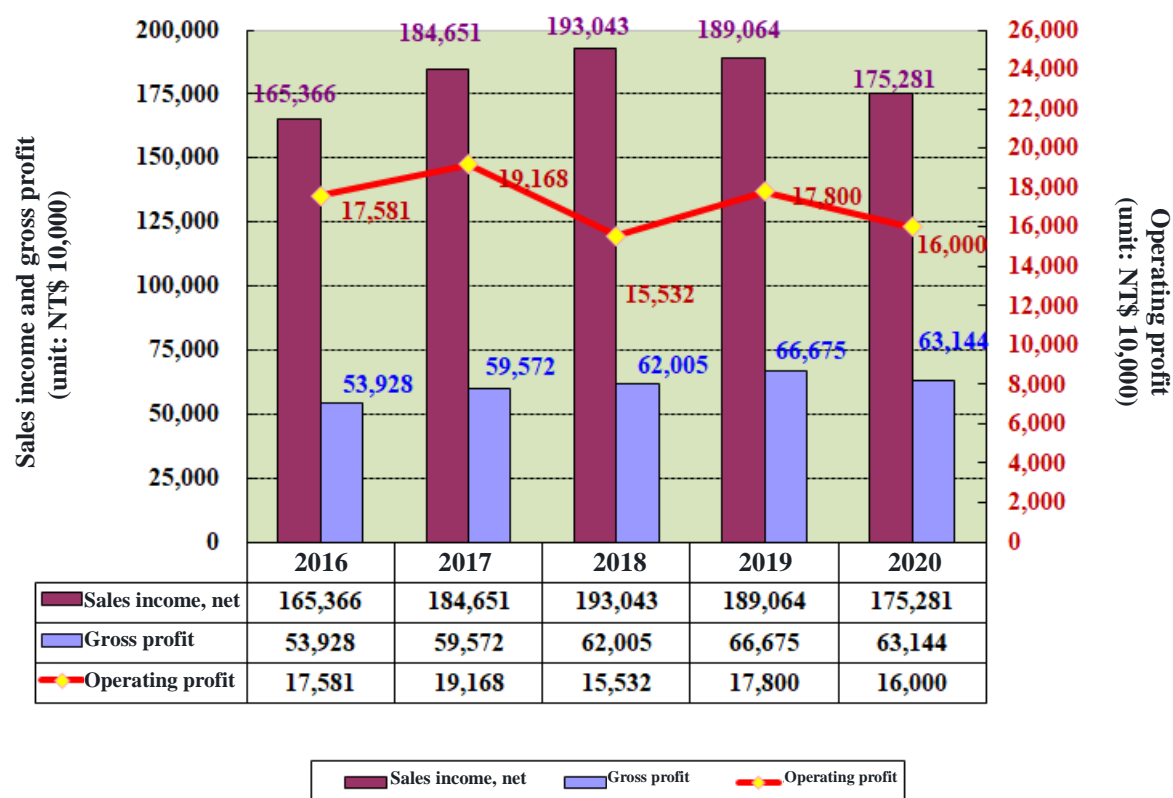
Overall Affiliates Industry and Allocation Status

- (1) Main Business: Chemical industry, main businesses are manufacturing of industrial auxiliaries and cleaning agents for textile dyeing and finishing, leathers, electronics, and concrete, etc.
- (2) Trading Business: Sales of the above products.
- (3) Investment Business: for holding purpose.

b. Group Operational Performance

In 2020, the Group's consolidated revenue was NT\$ 1.75 billion, a decrease of 7.3% from 2019. In terms of the profit, in 2020, the consolidated net income attributed to shareholders of the Company after tax was NT\$ 129 million, a slight decrease of NT\$ 2.87 million from 2019 and a drop of 2.17%. The earnings per-share after tax in 2020 was NT\$ 1.91.

2016–2020 Business Performance (Table 2)



II. Links to International Market and Innovation Planning

The Company actively enrolls in organization alliance/implements international green environmental protection philosophy: (Table 4)

JINTEX Corporation Ltd.

	Association Enrollment	Management Role	Project/Committee Participated	Member
1	bluesign technologies ag			●
2	Zero Discharge of Hazardous Chemicals (ZDHC)			●
3	USDA bioPreferred			●
4	Global Organic Textile Standard (GOTS)			●
5	Taiwan Textile Research Institute (TTRI)		●	●
6	Taipei Chemical Suppliers' Association (TPCJEM)			●
7	Taiwan Silk & Filament Weaving Industrial Association (FILAWEAVING)	●		●
8	Taiwan Technical Textiles Association (TTTA)			●
9	Taiwan Textile Research and Development Association International (TRDAI)		●	●
10	Taiwan Textile Federation (TTF)		●	●
11	Southern Taiwan Textile Research Alliance (STTRA)			●
12	Importers and Exporters Association of Taipei (IEATPE)			●
13	Taiwan Chemical Industry Association (TWCIA)	●		●
14	Taiwan Regional Association of Tanneries (TRAT)			●
15	Taiwanese International Leather Association (TILA)	●		●
16	Taiwan Underwear Innovation Alliance(TUIA)			●
17	Taiwan Dyestuffs and Pigments Industrial Association			●
18	Taiwan Regional Association Offilament Fabrics Printing, Dyeing &Finishing Industries			●
19	Taiwan Textile Printing Dyeing & Finishing Industrial Association			●

JINTEX Chemical (Suzhou) Co., Ltd.

	Association Enrollment	Management Role	Project/Committee Participated	Member
1	Bluesign technologies ag			●
2	Changshu Association			●
3	Changshu Taiwan Industry Association			●

For a long period of time, JINTEX have actively engaged in the research and development of various methods capable of reducing the use of chemicals harmful to the environment. International brand makers formed the Zero Discharge of Hazardous Chemicals (ZDHC) at the end of 2011 in order to establish the mechanism and goal for zero discharge of hazardous chemicals. On January 1, 2015, we became the ZDHC Associate Member. To inspect the raw materials and products of JINTEX, we have also established a list of 226 positive products complying with the ZDHC-MRSL (Manufacturing Restricted Substances List) to customers. In addition to our commitment in the goal of zero discharge of hazardous chemicals, we have also participated in the ZDHC MRSL and Training team.

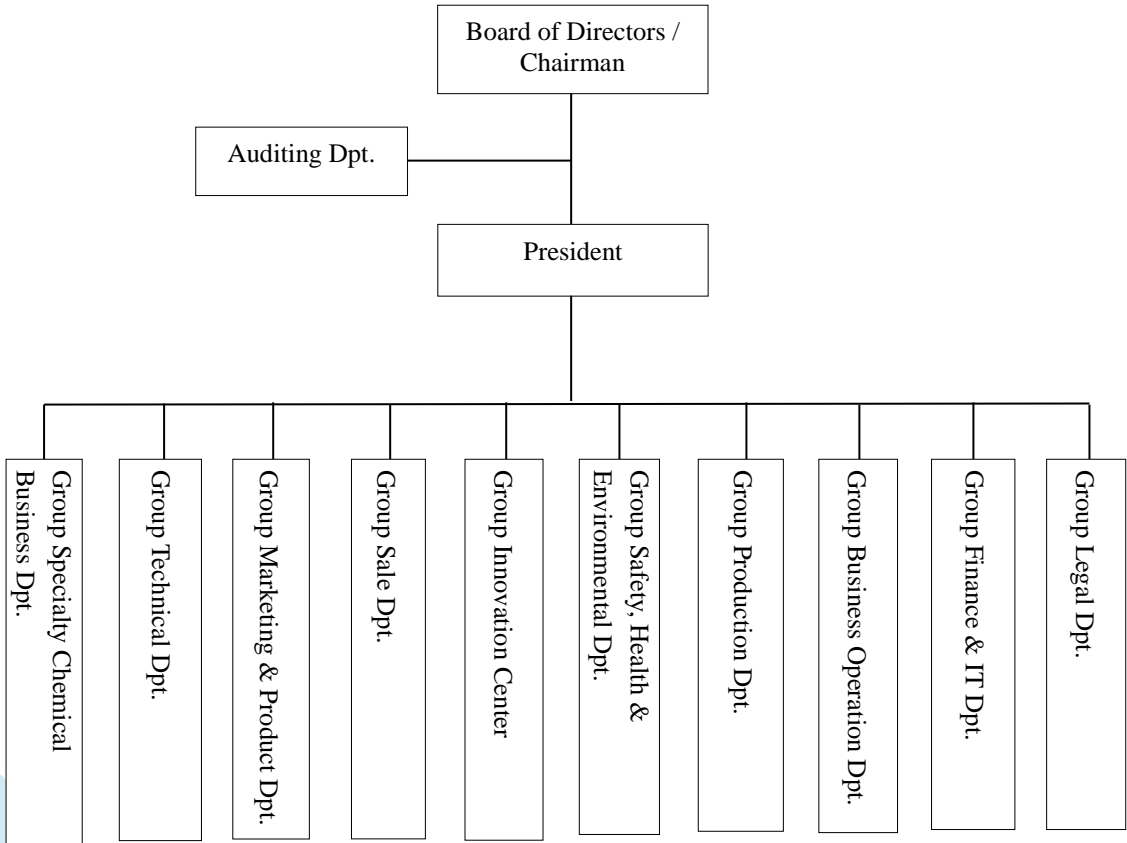
ZDHC is responsible for the chemical substance hazard assessment, emission reduction in priority and action. JINTEX is the first in the industry to provide fluoride-free water repellent to brand makers and non-brand customers. ZDHC is also responsible for the chemical management best practice and MRSL hazardous substance list in the dyeing factory waste inspection, and provide recommendations on sampling points. JINTEX is the first specialty chemical manufacturer in Asia Pacific region to become the member of ZDHC. We are committed to the international alliance ZDHC and to move forward with the organization, in order to achieve the goal of “zero discharge of hazardous chemicals” with joint effort.

Integrated Corporate Governance

1-1 Corporate Governance

1-1-1 Corporate Governance Structure

JINTEX has established the corporate governance organization structure (as shown in the figure below) according to the Company Act and other relevant laws of R.O.C.:



1-1-2 Ethics and Moral Value

“Integrity, Care, Innovation, Service” are the core of the corporate culture deep rooted in employees of JINTEX, and in particular, the quality of “integrity” is the fundamental value upheld by all employees. We emphasize corporate governance and rigorously request all employees to comply with ethics and moral standard. Under the compliance of laws, we fulfill our commitment to all stakeholders, and we uphold the philosophy of honesty and trust as the code of conduct for daily works of employees.

The internal of JINTEX has established the “Ethical Corporate Management Best-Practice Principles” and “Code of Ethical Conduct” as the policies for the corporate ethical management and ethical conduct. In addition, in the “Work Rules”, we have also specified the requirements for various services, such as “employees shall not accept treats, gifts, kickbacks or other illegal benefits due to performance of job duties or engage in any conducts violating job duties”, and “employees shall not take advantages of himself/herself or others through one’s job duty”, and relevant penalties have also been specified clearly, and in particular, serious violations of seeking personal interests or fraud are considered as violations that may lead to discharge of employment.

In the provisions of the “Complaint Event Handling Operation Regulations” established, it specifies: “In case an employee discovers illegal or improper conduct such that the interest of the Company is affected, he or she may use the employee complaint letter to describe the actual fact and detail, followed by submitting to the responsible unit for investigation and disposition.” In case of occurrence of any illegal matters, investigation is conducted to clarify the truth in order to achieve the objective of fraud prevention and ethical management.

In addition, we have also established the “Internal Control System” and “Internal Audit Enforcement Rules”. The purpose of such system and rules is to implement preventive design and procedure for potential risks in various operation processes of routine operating activities, and it also appropriately explains that the internal control mechanism is able to prevent the occurrence of corruption conduct. The auditing unit of the Company also performs periodic evaluation on the management outcome of the internal control, collects the recommendations of all department supervisors on potential risks (including fraud and corruption), thereby establishing an appropriate risk-oriented auditing plan, in order to perform relevant audit operation accordingly.

All of the aforementioned rules and regulations are published in the Company’s internal information system for the understanding and compliance of all managers and employees. In addition, during the “Elite Training” course stage for new employees’ orientation and during the annual periodic educational training of all employees, the management level and human resource unit also emphasize and strongly promote such rules and regulations in order to use them as the guidance and procedure to implement the Company’s business activities. All employees, regardless of their job rank and job position, are required to follow such standard as the code of practice, thereby eliminating all illegal conducts inside and outside of the Company and achieving the philosophy of ethical management. Under the education and promotion of the aforementioned mechanism, in 2020, there were no corruption conduct or occurrence events violating the ethical principle.

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1-2 Risk Management and Responsive Action

1-2-1 Risk Control Measures

Risk Management Policy and Organizational Structure

(I) Risk Management Structure

Responsible Unit/Executing Unit	Execution Item	Execution Content
All business units of the Group	Management decision making risk	The Company's medium- and long-term development direction, business strategy, goal planning and overall risk assessment.
Group Legal Dpt. and Group Financial & Accounting Dpt.	Legal management risk Financial management risk	Legal risk assessment, fund movement and utilization, investment planning, customer credit control, business analysis and cost analysis, reduce the company's operating risk.
Auditing Dpt.	Internal control risk	Assess the effectiveness of internal control system and potential risk assessment of each control point

Regarding the risk management organizational structure, according to the requirements of internal control rules, for the purpose of enhancing the management corporate risk and achieving risk control objective, its control procedure can be divided into three types of mechanisms:

- First Mechanism: The hosting unit or case handler shall bear the responsibility for considering the design and prevention of the discovery, assessment and control of initial possible risk of preventive operation.
- Second Mechanism: The Group Legal Dpt. and Group Financial & Accounting Dpt. shall be responsible for the assessment of legal risk and financial risk, followed by performing approval operation process according to the approval authority regulations of the Company with respect to the criticality of each assessment matter.
- Third Mechanism: According to the approval authority regulations of the Company, for the Company's material decision or plan, relevant units shall prepare analysis and assessment documents for submission to the Board of Directors for the review by directors and supervisors, in order to make the final resolution and decision.

Risk Management and Preventive Measures

External Environmental Risk Management

Impact of External Competitive Environment, Regulatory Environment and Overall Management Environment

- (I) Impact of external competitive environment: Oil, raw material price, exchange rate fluctuation and emerging of competitors, can affect the sales amount and profit.
- (II) Impact of regulatory environment: Regional FTA (Free Trade Agreement), Cross-Straits Economic Cooperation Framework Agreement (ECFA) and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) international environmental protection regulations are adopting tougher standards, such that the export market and obtaining of chemical raw materials are affected.
- (III) Impact of overall management environment: The financial crisis and the concern of second decline of economy in Europe and the U.S. have caused global economic restructure, shifting of mainstream market toward low latitude and emerging of Asian brands. In addition, the impact of climate change on raw material and energy prices has also caused the industries to head toward the management of energy saving, carbon reduction and sustainable environment. Moreover, aging population and low birth rate trend have also affected the direction of trend and consumer activities.

Internal Environment and Occupational Safety Risk Management

JINTEX and JINTEX (Suzhou) have established the ISO 14001, ISO 9001 certification system. In 2019, JINTEX started the implementation of the ISO45001 system, and in terms of the environment, occupational safety risk management and employee rights and interests protection, the Company is equipped with mature management mechanism and response capability.

Workplace and Employee Personal Safety Protection Measures:

To maintain the workplace, facility site and production safety and order, and to provide guidance to the management of personnel and objects at the facility site, relevant regulations for compliance have been established as follows:

JINTEX Workplace and Employee Personal Safety Protection Measures:

Name of Regulations	Purpose	Content
Operation Safety Regulations	To reduce workplace risk, and to protect employee work safety.	Operational safety regulations for smoke prohibition, traffic safety, use of protective equipment, open fire operation, process ultra-low temperature warning setting, power usage safety, chemical use/storage and handling, safety color management and other operational safety regulations.

Name of Regulations	Purpose	Content
Access Management Regulations and Visitor Guidelines	To maintain the facility site safety and production order, and to provide guidance on the management of personnel and objects accessing the facility site.	<ol style="list-style-type: none"> 1. Personnel accessing the facility include guests, visitors, internal employees, contractor personnel, etc. 2. Objects accessing the facility include finished products, materials, wastes, tools, machineries, and other objects.
Contractor Operation Management Regulations	Safety and health management regulations for contractors and all construction personnel accessing the facility site to perform work in order to properly supervise contractors for compliance.	Contracting operations includes machinery, equipment, utility, civil, and iron works, installation and repair in the facility.
Open Fire Operation Management Regulations	Open fire operation adopts the approval system in order to regulate the internal open fire operation works, thereby achieving the requirements of protecting the safety of equipment and personnel.	Operations of internal personnel or contractors using electric tools and performing operations that may cause sparks, burning or explosions shall be approved in advance, such as acetylene cutting, argon welding, eclectic welding operations, or use of saws, sanding machines, electric drilling tools, are within the control scope for open fire operation permission.
Fork Lift Truck Operation Management Regulations	To prevent possible hazards of collision, object falling or fork lift truck tipping over, etc., during the fork lift truck operation.	Operators driving the fork lift truck to perform moving, transporting and stacking actions, etc.
Confined Space Operation Regulations	To prevent personnel from entering confined space operation that may be subject to hazards of anoxia, toxicity, fire and other physical hazards.	<ol style="list-style-type: none"> 1. The raw material tank, reaction tank, waste treatment basin, reservoir of the plant are designed to be confined space operations. 2. Confined space operation adopts the approval system, and all operators of the plant and contractor operators shall comply with these regulations to submit operation application prior to performing operations.

Name of Regulations	Purpose	Content
Dormitory Management Rules	Relevant regulations to maintain dormitory environment and living quality and safety, etc.	Application of dormitory, admission, code of conduct, environmental cleaning, facility and equipment, etc.
Parking Lot Management Rules	To provide guidance to employees' use of parking spaces.	Regulations for designation of parking space, flexible temporary parking space, and non-designated parking space, etc.

JINTEX (Suzhou) Workplace and Employee Personal Safety Protection Measures:

Name of Regulations	Purpose	Content
Special Operation Safety Management System	To reduce workplace risk, and to protect employee work safety.	Safety management regulations for hazardous (special) operations of fire operation, operation entering confined space, hoisting operation, high altitude operation, etc.
Contractor Management System	Safety and health management regulations for contractors and all construction personnel accessing the facility site to perform work in order to properly supervise contractors for compliance.	Contracting operations includes machinery, equipment, utility, civil, and iron works, installation and repair in the facility.
Fire Operation Safety Management System	Fire operation adopts the approval system in order to regulate the internal open fire operation works, thereby achieving the requirements of protecting the safety of equipment and personnel.	Except for technical equipment generating open fire directly or indirectly, non-regular operations outside the fire restricted zone that may generate flames, sparks or heated surfaces, such as electric welding, gas welding (cutting), the use of a blowtorch, electric drill, or sanding machine to perform operation.
Fork Lift Truck Safety Operation Regulations	To prevent possible hazards of collision, object falling or fork lift truck tipping over, etc., during the fork lift truck operation.	Operators driving the fork lift truck to perform moving, transporting and stacking actions, etc.

Name of Regulations	Purpose	Content
Confined Space Operation Safety Management System	To prevent personnel from entering confined space operation that may be subject to hazards of anoxia, toxicity, fire and other physical hazards.	<ol style="list-style-type: none"> 1. The raw material tank, reaction tank, waste treatment basin, reservoir of the plant are designed to be confined space operations. 2. Confined space operation adopts the approval system, and all operators of the plant and contractor operators shall comply with these regulations to submit operation application prior to performing operations.
Access Control and Security Management System	To protect the Company's materials safety, and ensure access safety of personnel, vehicles and materials, and to improve corporate image.	Under the management of the Administrative Division of the Company, prevention works of fire prevention, anti-theft, and prevention against natural disaster, etc., are properly implemented. Facility site patrol and the patrol at various key areas are performed in order to ensure the safety of the production and business activities in the facility site. According to the Company's safety system, rigorous control is implemented on vehicles and personnel accessing the facility site.
Cafeteria Management System	To regulate the Company's cafeteria management work, and to create a clean, healthy and orderly dining environment.	Routine management of cafeteria, and ensure normal process of all works of the cafeteria.

Group's Important Risk Management:

Risk Issue	Impact	Responsive Strategy
Operating risk	<p>Overseas relocation of textile industry and leather manufacturing industry</p> <p>Due to the increase of labor and production essential cost, and based on the consideration of cancellation of textile allocation and regional FTA (Free Trade Agreement), etc., a lot of textile and garment factories have relocated to China, Southeast Asian and South Asian countries for factory establishment.</p>	<ol style="list-style-type: none"> a. Establish emerging market supply model With the model of factory establishment, procurement and strategic alliance, etc., establish flexible market supply model. b. Continue to increase the expansion of South Asian market and other regional markets. c. Enhance the supply chain integration with existing customers in Taiwan and extend, expand markets the central and south regions of the island. d. Sales manpower allocation along with the movement of the industry and customers in order to provide local service and maintain excellent contact and relationship, thereby expanding local

Market risk	<p>Re-investment benefit not reaching the target profit</p> <p>Due to the economic recession after the financial crisis, the re-invested companies in China that have been planned by the Company for a long term are of business operation status and profitability not reaching the expected target benefits, causing delay in reaching the regional development goal of the Company.</p>	<p>market.</p> <ol style="list-style-type: none"> Recruit international management talents, and through the implementation of new concepts and new management model, accelerate the China local business development speed, and improve production capacity utilization rate. Implement the execution of intermediate body integrated development and manufacturing, effectively use relevant facilities and fixed assets, thereby developing new business sector, and achieving new growth dynamics.
	<p>Chinese market with severe competition</p> <p>Due to the competition of low-price promotion of medium- and small-size competing manufacturers and competition with local manufacturers in China, in addition to business expansion of international giants in China, the market competition in China is becoming more severe nowadays.</p>	<ol style="list-style-type: none"> Reduce the recipe and application research and development schedule, enter the target market swiftly before the maturity of market, and use differential pricing strategy to increase the product profit, and extend the product profit cycle. Continue to expand product line, and provide a series of complete services to customers while further utilizing new high-profit products in conjunction with other products in order to maintain the Company's profit in the severe price competition.
	<p>Shortened product life cycle</p> <p>As the ratio of artificial fibers used in textile products increases, the physical property is able to not only imitate natural fibers but may even become superior to the natural fibers such that natural fibers are replaced by artificial fibers. When the speed of new development of artificial fiber property and function becomes faster, a recipe of special usage may be replaced by a new application in a short period of time, such that the product life cycle is shortened.</p>	<ol style="list-style-type: none"> Continue to enhance the collaboration relationship with downstream operators, and through the sharing of information, obtain the latest application information, and collect domestic and international new trends and new technology information at the same time. Through the promotion of green product management, effectively integrate with the upstream and downstream partners, in order to provide relevant supports and services to customers, thereby satisfying customers' green eco-friendly demands within the shortest time, such that the delivery date is effectively shortened in order to cope with the rapid change of the market trend in textile products. Continue to invest in research and development, cooperate with overall processing needs, and develop new application recipe.

Legal risk	<p>As the environmental protection laws in various countries become tougher, and a lot of safety and environmental protection related regulations have been stipulated, relevant costs for manufacturing and sales are affected directly/indirectly, such that the market development and corporate profit are reduced.</p> <p>As the labor human rights awareness increases globally, there are changes to various labor criteria of working hours, wage or leave, etc., and all of such changes have impact on the labor-intensive manufacturing enterprises.</p>	<p>a. Increase the products and technical requirements certified by international environmental protection organizations, such as ZDHC and bluesign, in order to adopt higher standards and to overcome relevant environmental protection regulatory barriers, thereby creating beneficial sales market.</p> <p>b. Revise internal work rules according to the latest labor law, promptly adjust production line operation working hours and overtime rules, in order to achieve the most optimal efficiency in labor resource allocation.</p>
Financial risk	<p>Increase of credit risk</p> <p>Customers in China and South Asian regions tend to provide payment terms of longer periods, causing the payment collection risk of the Company to become higher.</p>	<p>To implement the Company's credit policy, the Company selectively provides loans and sets a secure quota for suppliers of relatively shorter term of payment, and gradually reduces the business dealings with suppliers of poor credit rating. Since 2015, customer commercial insurance has been purchased for loan borrowing customers in order to ensure the creditor's right of the Group on accounts payable.</p>
	<p>Impact of exchange rate fluctuation on revenue and profit of consolidated company: The consolidated revenue of the Company mainly refers to the local domestic market, and the exchange rate impact mainly comes from the export transactions and cross-border subsidiary accounts payable and unrealized profit or loss valuation of overseas subsidiary investments.</p>	<p>A. Establish clear foreign exchange operating strategy and control process, in order to monitor foreign exchange change status at all times.</p> <p>B. The Company performs hedging activities on foreign exchange of operating activities only, and the Company does not engage in non-hedging foreign exchange transactions.</p> <p>C. Collect foreign exchange change related information at all times, and maintain close contact with foreign exchange office of banks, in order to sufficiently obtain foreign exchange market change information, and to promptly adjust foreign currency position, thereby avoiding exchange risk.</p> <p>D. Provide export sale quotation monthly and consider future exchange rate</p>

		fluctuation factors in order to protect the Company's reasonable profit.
	Impact of interest rate change on revenue and profit of consolidated company: The Company's financial system is sound and healthy. In addition to the current market loan interest rate being low, close relationship with the banks, and close monitoring and understanding of the bank's loan interest rate trend, the Company has been able to obtain relatively low capital cost. In addition, regarding the short-term idle fund utilization method, the Company mostly focuses on the bank's time deposits of low risk, secured commercial notes and bond funds as the investment subject matter. In 2020, the ratio of the consolidated interest expense over the operating net income of the Group was 0.795%. In general, interest rate change has no major adverse impact on the profit of the consolidated company.	The consolidated company gains preferable interest rates from the banks and also applies for medium- and long-term loan quotas with banks. In addition to targeting the medium- and long-term loans and interest rates in order to prevent short-term market fund tightness that may affect the fund movement and interest cost, the Company also monitors the interest rate fluctuation at all times, in order to promptly use various financing tools in the capital market to reduce the cost of obtaining capital. Furthermore, the Company also maintains excellent interaction with banks in order to obtain greater interest rate information.
	Impact of inflation on revenue and profit of consolidated company.	<p>The products manufactured by the Company are one of the key or essential raw materials to the textile dyeing and finishing process, and its cost ratio over the total cost of the dyeing and finishing process is relatively low, such that it is not likely to be affected by inflation factors.</p> <p>To the present day, the consolidated company has not faced major impact on the profit or loss of the consolidated company due to inflation. In terms of the specific measures to cope with inflation, the consolidated company monitors the market price fluctuation at all times and understands the price change status of the upstream products, in order to reduce the impact on the profit or loss of the Company due to the change of cost.</p>
	Policies on high-risk and highly leveraged investments, loans to	The consolidated company has not engaged in any high risk or high leverage investment

	third parties, endorsements/guarantees, and trading of derivatives, and the main causes and impact on profit or loss.	transactions. For financial derivatives trading, the Company has only engaged in foreign assets and liabilities hedging transactions only. Regarding fund loaning and endorsement guarantee subjects, due to business development needs, when the parent or subsidiary of relevant investments of the Company engages in the aforementioned transactions, the consolidated company has relevant operation handling procedures in order to perform the aforementioned activities.
Information security risk	To ensure rigorous control of information security, and to ensure normal business operation with reduction of the impact level.	<p>To provide secure and proper services to the Company's employees, customers and suppliers, etc., in order to achieve information security zero risk.</p> <p>Regarding the information confidentiality and integrity, the Company adopts rigorous control measures as follows:</p> <ul style="list-style-type: none"> • File preservation: In addition to the establishment of dedicated personnel to perform computer system, application software and data file backups, remote backup and storage are also implemented in order to increase the file preservation security. In addition, confidential files are stored with encryption. • Data security protection: In terms of the internal protection, personal computers are established with the anti-virus protection mechanism, and leaks on the system software are updated periodically, in order to increase the defense capability of the computers. In terms of the external protection, a firewall is established to detect equipment intrusion and each computer is installed with information security software, in order to rigorously monitor abnormal network behaviors, thereby eliminating the risk of hacker intrusion and disclosure of personal data. • System quick recovery: implement remote system recovery actual drill periodically and increase system stability in order to ensure the normal operation of the Company. • Server virtualization: Implement server virtualization in order to facilitate centralized management. Establish fault tolerance mechanism for data storage

		equipment in order to ensure data security and quick recovery.
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1-2-2 Risk Counter Strategy

Facility Site Major Hazardous Risk Assessment

Risk assessment has been implemented for numerous years in the facility, and all units re-inspect the assessment content periodically on an annual basis.

- (1) Determine whether there is any new operation or revised operation model?
- (2) Determine whether the existing equipment has been periodically inspected and maintained, and whether existing protective measures are implemented properly.
- (3) Re-assess the risk level of each operation.
- (4) Establish new protective measures, and attempt to implement new protective equipment.

Regarding the “Facility Site Major Hazardous Risk Assessment”, all department supervisors are called to perform cross-department discussion on the risk assessment result of the unit and propose corresponding strategy

- (1) Propose unit risk, and areas that may possibly be affected.
- (2) Propose methods to mitigate or control risk.
- (3) Assess the feasibility of each plan.
- (4) Execution.
- (5) Execution outcome review

Through discussion, allow department supervisors to obtain different professional aspects of viewpoints, such that by breaking through the traditional thinking pattern, communication and collaboration among departments can be achieved indirectly.

Through the aforementioned discussion, re-inspection of each operation process and the content of relevant regulations, such that the impact scope of man-made, natural disasters and other major accidents can be readily reduced, and normal operation can be resumed swiftly. For disasters of large scale, such as fire, earthquake, and chemical leakage, the Company has established an emergency response procedure, and education, training and drill are implemented on employees annually, such that in case of the occurrence of accident, employees are able to swiftly escape to designated locations for assembly and complete the employee number checking.

JINTEX Emergency Responsive Plan and Operation

The “Emergency Response Management Procedure” has been established to include possible internal and external accidents, in order to reduce personnel injuries, equipment and property losses and to reduce external environmental impact; it is also a management procedure established to be used as a guideline for emergency response. Accordingly, during the occurrence of an accident, all employees are able to effectively and promptly take appropriate responsive actions in order to eliminate and mitigate disaster completely.

Its content includes the emergency response plan scope, emergency response organization with responsibility of each team and response content, emergency response management procedure and operation process, evacuation plan, emergency response drill and periodic testing, etc. Responsive measures and actions are established according to the responsibilities, such that the risk and impact that may be faced by the corporate management are reduced to a minimum.

Regarding possible risks during operation, through organizational management functions, emergency measures and drills are established in order to ensure the sustainable operation of the company and the safety of all personnel and properties, such as Computerized Information Management Regulations, Fire Emergency Response Standard Operation Procedure and Natural Disaster Preparation and Emergency Responsive Operation Standard Operation Procedure, and Chemicals and Toxic Chemicals Emergency Response Standard Operation Procedure.

JINTEX emergency evacuation and assembly drill in practice:

Fire Drill 

JINTEX (Suzhou) Emergency Responsive Plan and Operation

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Regarding possible risks during operation, through organizational management functions, emergency measures and drills are established in order to ensure the sustainable operation of the company and the safety of all personnel and properties; these include: extreme weather, fire explosion, hazardous chemicals, special equipment accident responsive and preventive plans, etc. Through the aforementioned operation process and thorough implementation of relevant regulations, such that man-made, natural disasters and other major accidents can be readily reduced, and normal operation can be resumed swiftly. For disasters of chemical leakage, fire explosion, poisoning and suffocation, electric shock injuries, machinery injuries, etc., the Company has established field handling plan, and education, training and drill are implemented on employees annually, such that in case of the occurrence of accident, employees are able to swiftly escape from the site and prevent leakage of chemicals.

The Company performs actual drills on the responsive measures and preventive drills of chemical drill. The 2019 drill in practice:



Chemical leakage drill 插入圖片:10

Responsive equipment application training 插入圖片:10-1

Transportation Management

The shipping of all products is clearly regulated with requirements:

- For vehicles transporting hazardous substances
 1. Vehicle head and tail are installed with hazard marks of triangle red flags.
 2. The two left and right sides of the vehicle are installed with hazardous substance marks and signs.
 3. Vehicle tanks shall qualify the inspection specified by the competent authority, and vehicles shall be equipped with valid certificates.
 4. Vehicles are equipped with appropriate personal protective equipment and fire extinguisher.
 5. Vehicles are equipped with material safety data sheet or new labels QR code scanning for inquiry.

● For drivers

Driver or guarding personnel riding with the vehicle shall have received professional training and be equipped with training certificates properly placed in the vehicle.

- When vehicles carrying hazardous substances is traveling on a highway, temporary access license shall be applied.

When the transportation route of hazardous substances passes through any highway, it is necessary to submit an application with the government agency, and transportation shall be performed according to the road section and time approved.

● Accident Emergency Response Mechanism

JINTEX adopts the centralized incoming and shipping management in order to reduce transportation frequency and environmental impact. The contracted transportation operator shall enroll as a

cross-region alliance defense organization member (organized by the Environmental Protection Administration), and each vehicle transporting goods from the Dayuan Plant shall be equipped with the GPS global positioning system in order to allow the contracted transportation operator control center to understand and manage the vehicle trace and status at all times. In case of emergency, car accident, leakage incidents, etc., the contracted transportation operator control center is then able to report to all emergency response centers at northern, central and southern regions of Taiwan to request rescue, thereby controlling the accident situation in real time, reducing environmental impact and effectively controlling contamination. Zero accidents outside the plant in 2020.

Raw Material Storage Safety Management

- All subsidiaries of the enter Group store hazardous chemicals at the hazardous chemical warehouse of specified location according to the chemical properties.
- Freezer (<10°C)
- Refrigerator (<25°C)

In view of the effective operation of the aforementioned comprehensive emergency responsive mechanism, for the performance indicator of JINTEX, the entire Group was not subject to any occurrence of transportation emergency accidents throughout the year of 2020.

Robust and Solid Safety Defense

2-1 Innovation and Safety

The R&D Center integrates relevant resources based on the bio-raw materials. For product development, laboratory performs relevant application tests, and sales sample testing and trial run are also performed with the customer. In addition, a series of tests have been actually performed on bio-products. During the testing period, products have consecutively obtained the USDA-BioPreferred® certification label, making the Company the first domestic manufacturer to obtain bio-certification in the specialty chemicals for dyeing. Presently, a total of 24 series of bio-products for pre-treatment/dyeing/finishing have obtained the certification label. In 2017, the Company honorably received the Taiwan Chemical Industry Association (TCIA)-Industry Elite and Product Outstanding Research and Development Award. In 2018, the Company honorably received the Outstanding SBIR Industry Contribution Award, and in 2019, the Company honorably received the 1st Term of Green Chemical Application and Innovation Award/Green Safety Alternative Category Group Outstanding Manufacturer.

As a leader in the green products of specialty chemicals for textiles and leathers, JINTEX has dedicated itself in the field of green chemical technologies for more than 40 years, and various non-toxic products complying with the EHS regulations have been launched consecutively. In addition, the Company further collaborates with Beyond Surface Technology to launch the miDori® series of eco-friendly bio-auxiliaries, and to continuously release additional post-finishing auxiliaries of the properties of clean odor, antibacterial, cooled sensation and mosquito repellent.

JINTEX is the first in the industry to obtain the bluesign® blue certification for more than 200 products, and JINTEX is also the first company in the Asian region to officially enroll in ZDHC to become its member, and has also obtained certificates for Gateway235 products ranked as 3-star products. Accordingly, JINTEX has demonstrated its important role and contribution to the green textile regulations and standards.

2-1-1 Protection Mechanism

Hazardous Substance Management

According to European REACH-SVHC/Oeko-Tex Standard 100/ZDHC-MRSL/GOTS/bluesign BSSL, suppliers are requested to eliminate relevant chemical substance lists or to comply with the regulations such that safety, toxicity free or low toxicity must be ensured starting from the raw materials at the very beginning in order to comply with the regulations. Based on the consideration that most of the product applications of the downstream customers are related to wearing or contacting with user skin as the main market, our products must be completely safe. With reference to ZDHC-MRSL, JINTEX provides a positive product list, i.e. non-toxic products, complying with ZDHC-MRSL to customers at least once a year.

In terms of our hazardous substance management, the Company has not been subject to any illegal conceptions or violations.

2-1-2 Legal Compliance

Up to the present day, in terms of the provision and use of our products and services, JINTEX has not been subject to any penalties or fines due to violation of laws or regulations.

2-2 Green Raw Material Source and Product and Service Label

All products manufactured by JINTEX use raw materials complying with various laws and regulations, and we make reference to the highly concerned substances announced by European REACH-SVHC semi-annually and the restricted substance list newly requested by customers, in order to update the green supply chain system requirements at the same time, thereby swiftly and effectively reducing impacts of products and services on the environment.

Since 2015, JINTEX has been dedicated in the green eco-friendly development of dyeing and finishing auxiliaries, and during such period, we have launched more than 10 green products of bio-characteristics. In comparison to non-bio structured petrochemical raw material products, bio-products clearly demonstrate the environmental friendliness characteristic with the reduction of carbon emission during the production process. In addition, under the trend of increasing environmental protection concepts and awareness, the demand for such green bio-products increases year after year. Up to the present year, the total production volume has reached above 1,000 tons. Accordingly, in addition to consumers' direct feedback on the special functionality of the textiles associated with the use of green auxiliaries, the use of bio-dyeing and finishing textiles also makes contribution to the reduction of carbon emission for the global environment indirectly. Presently, the Company will continue to purchase bio-raw materials to perform the research, development and manufacturing of bio-products. Bio-raw materials use plant-based ingredients, and carbon dioxide is used for photosynthesis in order to replace the petrochemical raw materials of high energy consumption, thereby achieving carbon emission reduction. Bio-products have obtained the U.S. Department of Agriculture Bio-Preferred Product Label, and are considered part of the sustainable development for production and manufacturing.

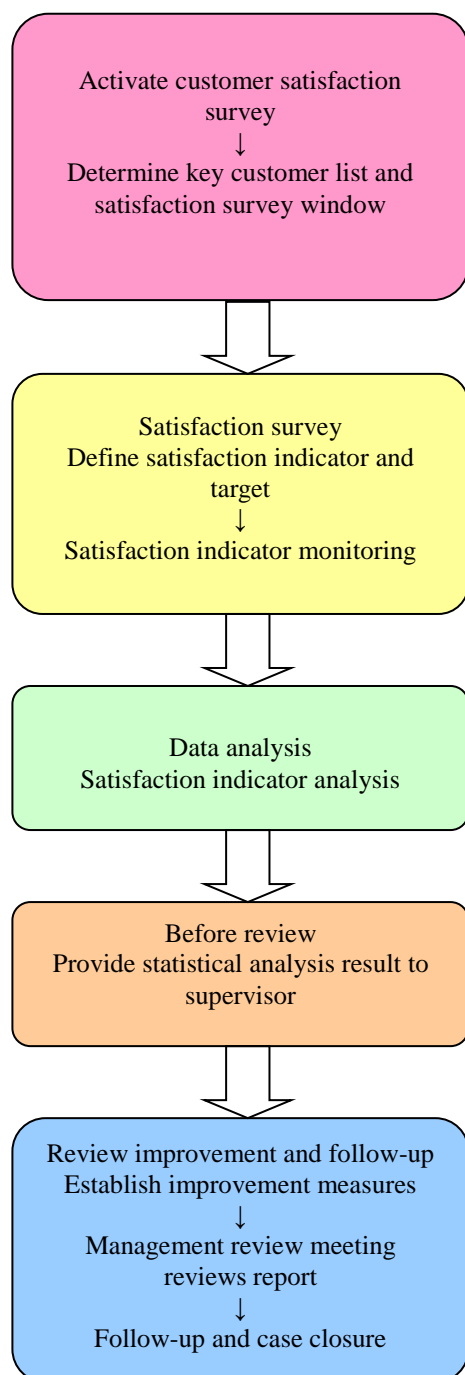
JINTEX's products and packages are provided with the Safety Data Sheet (SDS) and comply with the CHS regulatory requirements, in order to ensure that users are able to use products properly. As numerous food safety incidents have been found to be associated with the mixed use of industrial raw materials in food, accordingly we have emphasized the indications on the Safety Data Sheet (SDS) and the warning label of "Do Not Use in Food" on our products.

To the present day, we have not been found to violate laws and regulations for our products and

packaging labels.

2-3 Customer Trust and Service

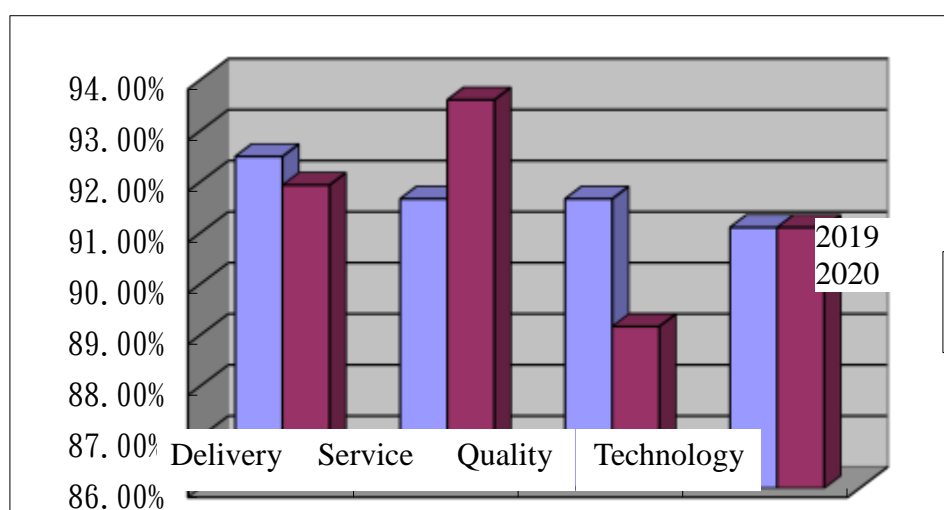
JINTEX upholds the principle of “Professional Service” and the “Customer-Oriented” business philosophy. We apply “Precision Research and Development” to various high value-added products and establish solid relationships with upstream and downstream business partners to achieve “Mutual Growth” and win-win situations. We are dedicated in the production of specialty chemicals of “Stable Quality”, and we provide “Outstanding Products” to customers in order to achieve added value and competitiveness. Through customer satisfaction survey, we are able to identify the customer demand indicator and actively improve deficiencies continuously in order to increase customer satisfaction, thereby achieving outstanding service quality and establish brand trust.



Each year, the Sales unit sends out customer satisfaction survey forms to distributors or customers periodically. In addition, the survey forms are collected after a certain period of time. According to the type of survey form, it is classified into four main indicators: Delivery, Service, Quality and Technology. After data analysis, it is submitted to the Sales supervisor for reference and the result is summarized and reported in the management review meeting for discussion. In addition, for the indicator requiring improvement the most, improvement measures are established, and subsequent follow-up is performed periodically in order to ensure its effectiveness.

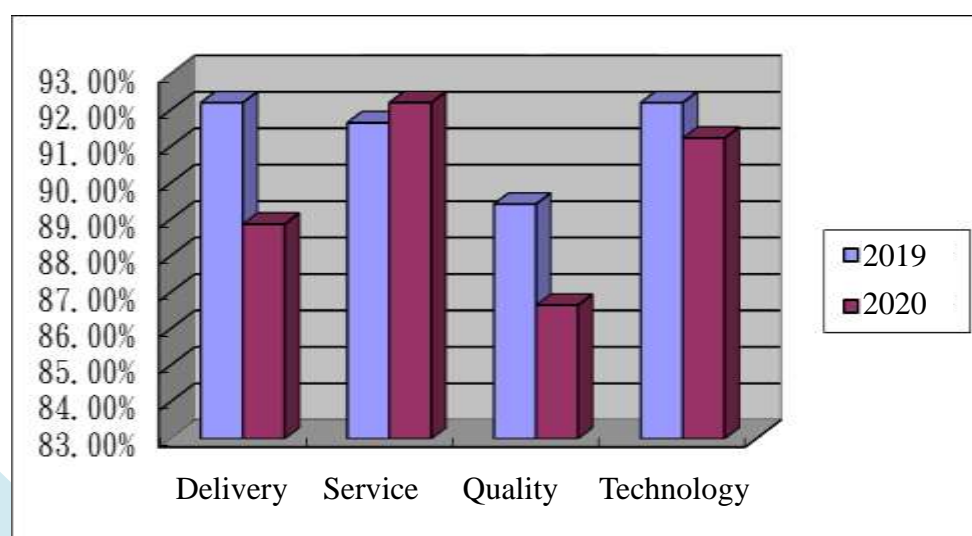
We value customers' feedback, and focus on every detail of the comments. We seek to satisfy customers' demands with our best effort and establish improvement measures for the cause of customer dissatisfaction. In addition, we also execute follow-up and investigation in order to increase product and service quality, thereby satisfying customer demands, which is also the ultimate goal for us.

Customer Satisfaction Survey Statistics (Table 14)



Note: The target for each indicator is >85

JINTEX (Suzhou) – Customer Satisfaction Survey Statistics (Table 15)



Note: The target for each indicator is >91%

From the data analysis of customer satisfaction questionnaire surveys of Table 14 and Table 15, the analysis result indicates that the area requiring improvement the most is product quality. To ensure stable quality of the product provided, to comply with the customer demands, and to further seize the opportunity for improvement and innovation, the Company established specific improvement measures and tracks the improvement results of relevant units, such as proposal of product process improvement plan, acceleration of quality analysis speed and improvement of accuracy, enhancement of water repellent and scouring agent production process/quality. We also implement the online e-system for customer complaint, in order to allow all customer complaints and feedback to be tracked for improvement and the corresponding responsible units. The quality control personnel's analysis technique is reviewed semi-annually in order to prevent human errors. The quality inspection personnel perform monthly verification on the appearance inspection in order to prevent customer complaints on packaging issues. To prevent urgent delivery such that the quality inspection standard is reduced, the production unit is requested to arrange production early in order to prevent the number of times of waive requests. For the year of 2020, the focus was to provide sufficient manpower and to increase personnel quality, as well as to implement all ISO system requirements and PDCA cycle. With the aforementioned measures, we expect to improve the satisfaction of customer demands, which is also the ultimate goal for us.

In addition, JINTEX particularly values the confidentiality of customer data and the privacy related data, such that the education and training are implemented irregularly. Furthermore, through the method of signing non-disclosure agreement with customers, the Company is able to sufficiently protect customer data and privacy related information. Up to the present day, the Company has not received any complaint or report related to disclosure of customer data or infringement of privacy.

2-4 Supplier Partnership and Management

2-4-1 Supplier Overview

To ensure that suppliers are able to provide raw materials of excellent quality, we request qualified suppliers to qualify the procedures of small sample quantity approval and mass production approval, etc. In addition, supplier evaluation is conducted semi-annually, and the quality of incoming inspection and delivery date are used as the evaluation criteria.

The main suppliers of JINTEX consist of raw material, packaging and process suppliers and contractors, among which raw material suppliers indicate the greatest ratio. In 2020, the ratio of transaction amount of raw material suppliers accounted for 91%.

The main suppliers of JINTEX (Suzhou) consist of raw material, packaging and process suppliers and contractors, among which raw material suppliers indicates the greatest ratio. In 2020, the ratio of transaction amount of raw material suppliers accounted for 96%.

Supplier Transaction Amount Ratio: (Table 16)

JINTEX- Supplier Category	Raw Material Supplier	Packaging Material Supplier	Process Contractor
Transaction Amount Ratio in 2018	90.01%	7.95%	2.04%
Transaction Amount Ratio in 2019	90.16%	7.89%	1.96%
Transaction Amount Ratio in 2020	91.13%	6.84%	2.03%
JINTEX (Suzhou)- Supplier Category	Raw Material Supplier	Packaging Material Supplier	Process Contractor
Transaction Amount Ratio in 2018	95.59%	4.41%	0%
Transaction Amount Ratio in 2019	94.31%	4.66%	1.02%
Transaction Amount Ratio in 2020	96.38%	3.62%	1.02%

Weight of Raw Material Used: (Table 17)

JINTEX-Raw Material Category	Raw Material Weight	Packaging Material Quantity	Percentage of Recycled Material
Weight of Raw Material Used in 2018	26,907,209kg	185,736 pcs	0
Weight of Raw Material Used in 2019	23,811,722kg	163,398 pcs	0
Weight of Raw Material Used in 2020	21,327,878kg	131,366 pcs	0
JINTEX (Suzhou)-Raw Material Category	Raw Material Weight	Packaging Material Quantity	Percentage of Recycled Material
Weight of Raw Material Used in 2018	9,579,208kg	29,481 pcs	0
Weight of Raw Material Used in 2019	5,617,865kg	25,773 pcs	0
Weight of Raw Material Used in 2020	11,888,486kg	19,447 pcs	0

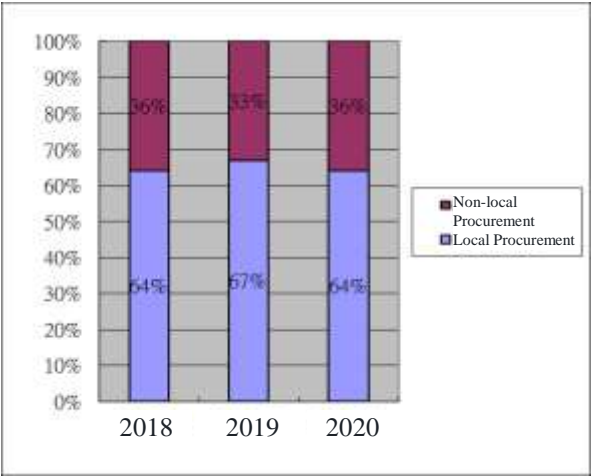
2-4-2 Local Procurement

JINTEX's procurement is classified into local procurement and non-local procurement. Based on our consideration of support of the local enterprises and timeliness of material supply, the ratio of local procurement amount in 2020 reached 64%. For packaging material suppliers and process contractors, the local procurement amount ratio even reached 100%.

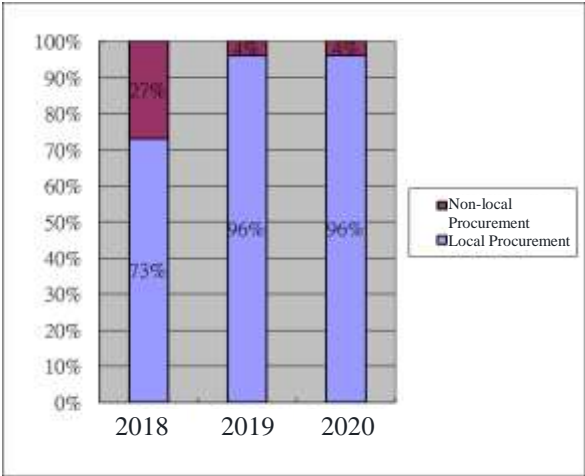
JINTEX (Suzhou)'s procurement is classified into local procurement and non-local procurement. Based on our consideration of support of the local enterprises and timeliness of material supply, the ratio of local procurement amount in 2020 reached 96%. For packaging material suppliers and process contractors, the local procurement amount ratio even reached 100%.

Raw Material Local Procurement Ratio (Table 18)

JINTEX

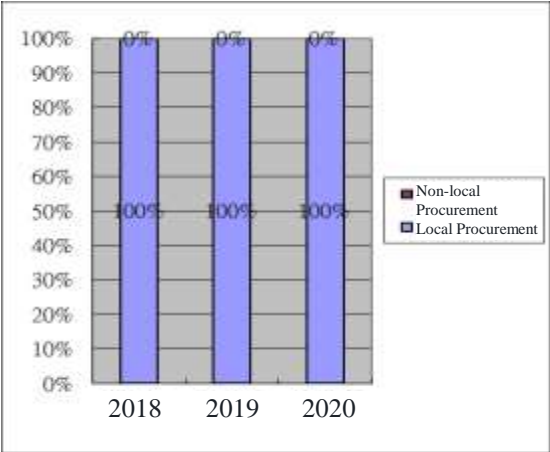


Jintex (Suzhou)

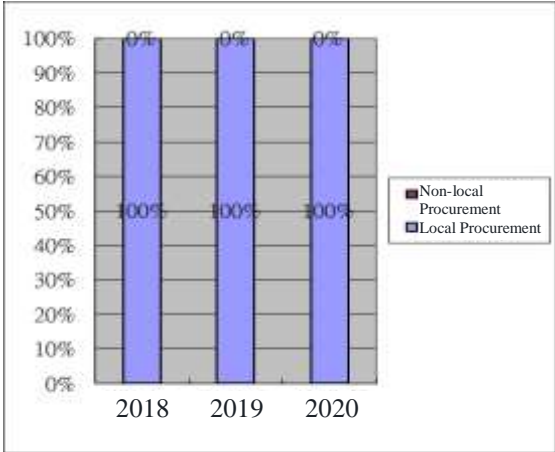


Packaging Material Local Procurement Ratio (Table 19)

JINTEX

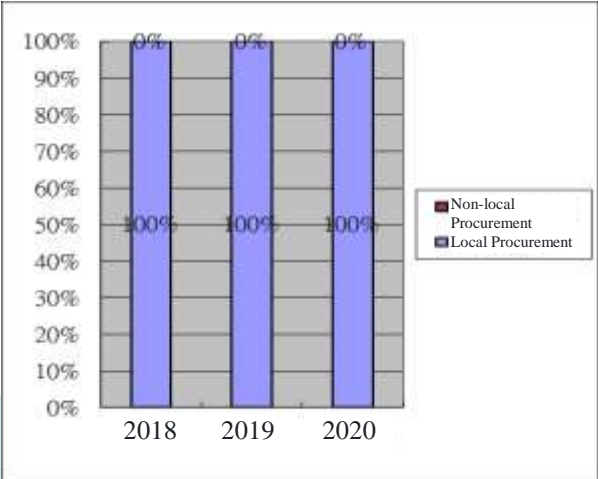


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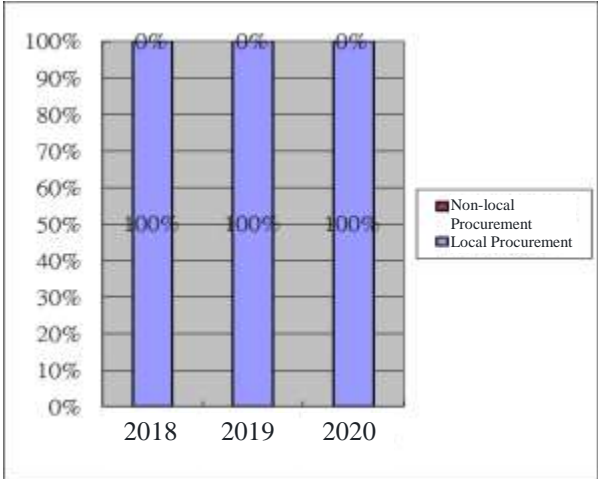


Process Contracting Local Procurement Ratio (Table 20)

JINTEX



Jintex (Suzhou)



2-4-3 Supplier Management

JINTEX has been dedicated in the fulfillment of corporate social responsibility for a long time, and has established the specific “Supplier Management Policy” and requests new domestic and overseas suppliers to sign the “Supplier Social Responsibility Undertaking” in order to comply with relevant regulations in terms of the aspects of environment protection, safety and health, and to jointly enhance the corporate social responsibility. Accordingly, despite main suppliers being well-known giants with extensive years of cooperation, our relevant documents still specify that in case of violation of corporate social responsibility related regulations or causing significant impacts to the environment and society, the Company may terminate the procurement at any time. In addition, we also conduct the corporate social responsibility questionnaire survey on new domestic and overseas suppliers. There are a total of 10 new suppliers, among which 5 are manufacturers and the other 5 suppliers are trading companies. The content of the questionnaire is mainly related to the aspects of environment, human rights, labor practice and social impact, etc. All 10 suppliers have been found to comply with relevant regulations for the environment, human rights, labor practice and social impact.

To ensure that suppliers are able to comply with relevant regulations for the environment, human rights, labor practice and social impact, we also actively develop other sources of suppliers complying with the regulations and standards.

JINTEX (Suzhou) has also conducted corporate social responsibility questionnaire survey on new domestic and overseas suppliers. There are a total of 14 new suppliers, among which 5 are manufacturers and the other 9 suppliers are trading companies. The content of the questionnaire is mainly related to the aspects of environment, human rights, labor practice and social impact, etc. All 14 suppliers have been found to comply with relevant regulations for the environment, human rights, labor practice and social impact.

Supplier Corporate Social Responsibility Survey Result: (Table 21)

JINTEX Survey Form

Aspect of Consideration	Survey Matter	Yes (Number of Suppliers)	No (Number of Suppliers)	Not Applicable (Number of Suppliers)
Environment	Whether the supplier has qualified any certification?	3	2	5
	Whether the supplier complies with relevant environment, safety or health regulations?	8	0	2
	Whether the supplier has a wastewater treatment system?	4	0	6
	Wastewater discharged to public wastewater treatment plant	3	0	0
	Wastewater discharged to river or pond	0	*	*
	Others	1	*	*
	Whether the supplier implements waste gas emission control?	3	0	7
	Whether the supplier generates any industrial waste?	5	1	4
	Removal by qualified vendor	5	*	*

Aspect of Consideration	Survey Matter	Yes (Number of Suppliers)	No (Number of Suppliers)	Not Applicable (Number of Suppliers)
Human Rights and Labor Practice	Whether the supplier provides safety protection equipment to employees for operational use?	8	0	2
	Whether the supplier implements safety training on employees periodically?	8	0	2
	Whether the supplier signs legitimate labor contracts with employees?	10	0	0
	Whether the supplier employs child labor or illegal worker?	0	10	0
Social Impact	Whether the supplier implements anti-corruption mechanisms and establishes appropriate regulations?	10	0	0
	Whether the supplier requests its current vendors to comply with labor related laws and commercial ethical code of conduct and regulations?	9	1	0
	Whether the supplier provides environmental health contamination complaint mechanism or employee complaint channels?	7	0	3

JINTEX (Suzhou) Survey Form

Aspect of Consideration	Survey Matter	Yes (Number of Suppliers)	No (Number of Suppliers)	Not Applicable (Number of Suppliers)
Environment	Whether the supplier has qualified any certification?	3	8	3
	Whether the supplier complies with relevant environment, safety or health regulations?	11	0	3
	Whether the supplier has a wastewater treatment system?	1	10	3
	Wastewater discharged to public wastewater treatment plant	4	0	0
	Wastewater discharged to river or pond	0	*	*
	Others	*	*	*
	Whether the supplier implements waste gas emission control?	4	*	10
	Whether the supplier generates any industrial waste?	4	*	10
	Removal by qualified vendor	4	*	10

Aspect of Consideration	Survey Matter	Yes (Number of Suppliers)	No (Number of Suppliers)	Not Applicable (Number of Suppliers)
Human Rights and Labor Practice	Whether the supplier provides safety protection equipment to employees for operational use?	14	0	0
	Whether the supplier implements safety training on employees periodically?	14	0	0
	Whether the supplier signs legitimate labor contracts with employees?	14	0	0
	Whether the supplier employs child labor or illegal worker?	0	14	0
Social Impact	Whether the supplier implements anti-corruption mechanisms and establishes appropriate regulations?	14	0	0
	Whether the supplier requests its current vendors to comply with labor related laws and commercial ethical code of conduct and regulations?	14	0	0
	Whether the supplier provides environmental health contamination complaint mechanism or employee complaint channels?	14	0	0

Employee Career Development Support

3-1 Recruitment and Retention

Employment Overview

In 2020, the number of employees of JINTEX was 177 people. Due to the characteristic of the industry and the limitation of process operation, the production operation mainly involves male employees, and the number of male employees is 128 people, accounting for 72% of the total number of employees; the number of female employees is 49 people, accounting for 28% of the total number of employees.

In 2020, the number of employees of JINTEX (Suzhou) was 69 people. The number of male employees is 48 people, accounting for 70% of the total number of employees; the number of female employees is 21 people, accounting for 30% of the total number of employees.

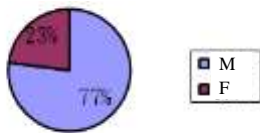
The distributions of the gender and age of employees of JINTEX for the years of 2018, 2019 and 2020 are shown in Table 21, Table 22 and Table 23 respectively. The distributions for JINTEX (Suzhou) are as shown in Table 21-1, Table 22-1 and Table 23-1 respectively.

Percentage Distribution of Number of Employees According to Gender (Table 22)

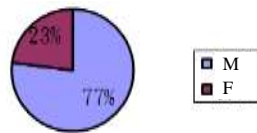
JINTEX

Gender Category	Number of employees in 2018	Number of employees in 2019	Number of employees in 2020
Male	147	144	128
Female	43	49	49
Total	190	193	177

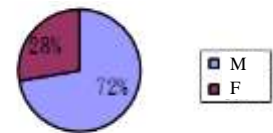
Percentage according to gender in 2018



Percentage according to gender in 2019



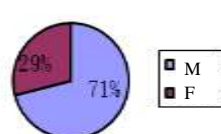
Percentage according to gender in 2020



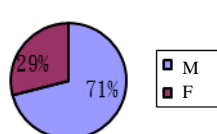
JINTEX (Suzhou)

Gender Category	Number of employees in 2018	Number of employees in 2019	Number of employees in 2020
Male	47	48	48
Female	19	20	21
Total	66	68	69

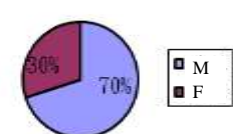
Percentage according to gender in 2018



Percentage according to gender in 2019



Percentage according to gender in 2020

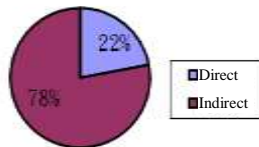


Percentage Distribution According to Employment Type (Table 23)

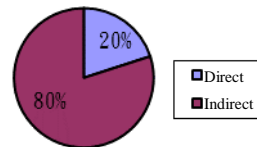
JINTEX

Employment Type	Number of employees in 2018	Number of employees in 2019	Number of employees in 2020
Direct Employee	41	39	39
Indirect Employee	149	154	154
Total	190	193	193

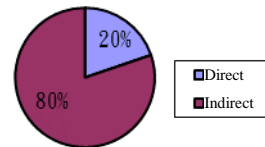
Percentage according to employment type in 2018



Percentage according to employment type in 2019



Percentage according to employment type in 2020



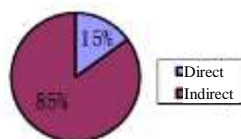
JINTEX (Suzhou)

Employment Type	Number of employees in 2018	Number of employees in 2019	Number of employees in 2020
Direct Employee	10	10	10
Indirect Employee	56	58	59
Total	66	68	69

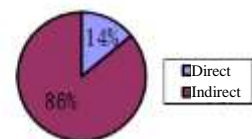
Percentage according to employment type in 2018



Percentage according to employment type in 2019



Percentage according to employment type in 2020



Distribution of Number of Employees According to Gender and Age (Table 24)

JINTEX

Gender	Age	Number of employees in 2018	Number of employees in 2019	Number of employees in 2020
Female	Less than 29	7	8	3
	30–49	25	27	30
	Above 50	11	14	16
Male	Less than 29	36	34	17
	30–49	81	78	89
	Above 50	30	32	22

Suzhou, China

Gender	Age	Number of employees in 2018	Number of employees in 2019	Number of employees in 2020
Female	Less than 29	6	5	4
	30–49	10	12	17
	Above 50	3	3	0
Male	Less than 29	6	6	5
	30–49	32	33	32
	Above 50	9	9	11

In the past 42 years since the establishment of the company, JINTEX has emphasized the aspects of environmental protection, employee rights and implementation of corporate social responsibility while seeking the company's sustainable operation and business performance. Accordingly, over the years, the employee turnover rate has been low, and a lot of senior employees with the seniority above 25 years are eligible to apply for retirement.

Comparison of New Employees According to Gender and Age for 2018–2020 (Table 25)

JINTEX

Gender	Age	Number of employees in 2018	Number of employees in 2019	Number of employees in 2020	Increase/Decrease Rate
Female	Less than 29	4	2	2	-25%
	30–49	3	3	3	0%
	Above 50	3	2	2	-7%
Male	Less than 29	11	11	11	0%
	30–49	15	11	11	-5%
	Above 50	7	4	4	-9%

JINTEX (Suzhou)

Gender	Age	Number of employees in 2018	Number of employees in 2019	Number of employees in 2020	Increase/Decrease Rate
Female	Less than 29	0	1	4	20%
	30–49	1	1	1	0%
	Above 50	0	0	0	0%
Male	Less than 29	3	3	0	0%
	30–49	3	4	5	3%
	Above 50	3	1	0	-22%

Comparison of Resigned Employees According to Gender and Age for 2018–2020 (Table 26)

JINTEX

Gender	Age	Number of employees in 2018	Number of employees in 2019	Number of employees in 2020	Increase/Decrease Rate
Female	Less than 29	4	4	2	-67%
	30–49	3	2	4	7%
	Above 50	3	1	2	6%
Male	Less than 29	11	10	10	0%
	30–49	15	22	14	-9%
	Above 50	7	6	12	27%

JINTEX (Suzhou)

Gender	Age	Number of employees in 2018	Number of employees in 2019	Number of employees in 2020	Increase/Decrease Rate
Female	Less than 29	1	2	1	-20%
	30–49	2	1	2	8%
	Above 50	0	0	0	0%
Male	Less than 29	1	1	5	67%
	30–49	5	5	4	-3%
	Above 50	2	2	5	33%

We have established a reasonable salary package range according to the job rank and market salary survey result. Our basic wage is superior to the standard specified by government laws, and the salary package and treatment to employees are consistent without any gender difference. To protect the employees' retirement rights and benefits, JINTEX has established complete employee retirement regulations. In China, we also appropriate amounts to the employee pension account according to the required ratio of 16% (company) and 8% (individual) of the standard amount announced by the local

government.

To stimulate employees' job potential and to achieve individual, department and company goals, in order to increase business performance, the appropriation and issuance standard of the year-end bonus of the Company is linked to the business outcome of the Company and individual performance, and it is implemented according to the "Year-end Bonus Appropriation and Issuance Regulations".

Ratio of Local Citizens at Senior Management Positions for 2018–2020 is as shown in the follow: (Table 27)

	JINTEX			JINTEX (Suzhou)		
Year	2018	2019	2020	2018	2019	2020
Total Number of Employees	190	193	177	66	68	69
Senior Manager	7	16	12	3	3	2
Employment Ratio	3.70%	8.29%	6.78%	4.55%	4.41%	2.9%

3-2 Labor Rights and Welfare

Human Rights Policy

To implement corporate social responsibility and to promote economic, environmental and social advancement, in order to achieve the objective of sustainable development, the Company respects and complies with the internationally recognized human rights regulations/principles, including the "Universal Declaration of Human Rights", "United Nations Global Compact", "Basic convention core labor standards of the International Labour Organization", "UN Guiding Principles on Business and Human Rights", "International Covenant on Civil and Political Rights (ICCPR)", "International Covenant on Economic, Social and Cultural Rights (ICESCR)" and local laws and regulations.

Specific policies are as follows:

- Prohibition on illegal discrimination and protection for equal job opportunities;
- Prohibition on child labor;
- Assist employees to maintain physical and mental health and balance between work and living;
- Prohibition on forced labor and respect labor's opinions;
- Periodic inspection and evaluation of relevant system and actions;
- Provide safe, clean and health working environment.

JINTEX establishes a manpower plan according to the needs annually, and the manpower requesting unit submits the manpower application to the Administrative Human Resource Department,

following which the Human Resource Department adopts the open recruitment and fair screening principle in order to perform the talent recruitment. All employees, including foreign workers, enjoy equal opportunities in the recruitment, employment, attendance, reward/punishment, service requirements and management system, and all employees are not subject to any differential treatment and discrimination due to difference in gender, race, religion, faith, skin color, job position or job rank, etc. In addition, the Company has not been subject to any violation of the Employment Service Act, Act of Gender Equality in Employment and relevant prohibition or restriction matters.

In our “Employee Recruitment Regulations”, we have explicitly specified that child labor is prohibited, and we properly comply with the regulations to prevent any employment of child labor less than the minimum statutory employment age. To protect the legal rights and benefits of employees, in addition to human-based management and standards superior over government’s relevant laws, the Company has not been subject to any occurrence of forced labor. Presently, in addition to the employment of aboriginal people, we also employ people with disabilities. In addition, we also pay attention to their workplace adaptability and provide necessary assistance and care at all times. All of the above indicates our commitment to the protection of employees’ rights and benefits, implementation of human rights management in compliance with the government laws, fair treatment to all employees and there is certainly no issue related to forced labor on employees.

To protect the interests of labor and management, labor–management meeting is convened periodically in order to allow employees to sufficiently express their opinions and to provide face-to-face explanation, such that senior supervisors are able to communicate with the employees promptly and to convey relevant matters of the Company’s current operational status, thereby establishing an effective communication channel. For concerns or recommendations proposed by employees, the Company is able to pay attention to such matter and provide response promptly or establish solution for implementation. Up to the present day, the labor–management relationship is harmonic and there has been no major labor–management dispute. To further protect the legitimate rights and benefits of employees, to establish excellent and effective communication environment, and to promptly discover and handle various man-made frauds, in order to establish harmonic, stable and united labor–management relationship and to further enhance the internal cohesiveness and creativity of the enterprise, we have also established the “Complaint Event Handling Operation Regulations” to provide an effective and sound complaint filing channel. Up to the present day, there has been no complaint events in the Company.

All of the internal regulations established by JINTEX, including “Work Rules”, “Workplace Sexual Harassment Prevention Measure, Complaint and Discipline Regulations” or “Complaint Event handling Operation Regulations”, have clearly stated the protection of human rights, prohibition of improper or illegal conducts of discrimination and sexual harassment, etc., thereby establishing a diverse and effective communication mechanism. Since the implementation of such regulations, up to the present day, there has been no labor–management disputes arising from violation of labor human rights, equality principle or discrimination and sexual harassment events. In the future, we will continue to enhance the two-way communication between labor and management and establish a harmonic labor–management workplace based on the principle of protecting employees’ rights and benefits.

All material business change notices of the Company are handled according to the local government laws.

Regarding the welfare, in addition to the enrollment of labor insurance and health insurance for new employees upon their reporting to job, appropriation of pension under the new system, and pension reserve under the old system, the Company also applies for group accident liability insurance for all employees at the Company’s expense, such that secure protection is provided at the workplace and work efficiency can be promoted.

We also value employees’ health greatly. In addition to the annual health examination, the

Company also encourages staff to form various sports clubs and subsidies are provided, such that employees are able to achieve balanced physical and mental development, to gain physical strength and to promote health during their free time off work, thereby creating an exercise culture that is beneficial to employees. The Employee Welfare Committee formed by employees provides diverse welfare to employees, including birthday and holiday gift money, employee marriage subsidy, funeral subsidy, etc. The Company also provides activity subsidies to encourage cross-department communication, thereby creating a harmonic and quality workplace. The Committee organizes travel activities periodically, and employees and their relatives are encouraged to participate in such activities. For staff working at the facility site, we provide meals at the facility cafeteria free of charge. Moreover, for employees working at the facility site but who cannot commute to work, we also prepare a clean and comfortable employee dormitory for their use.

插入圖片:11,11-1

3-3 Cultivation and Development

To improve the employees' competence, quality and professional knowledge, the work training system implemented by the Company for employees is classified into orientation training, specific training, irregular training and internal educational training for different stages of operations. Each new employee is arranged to receive the workplace safety and health seminar courses. In addition, according to the skills necessary for job promotion and according to difference among job levels, different training courses are provided.

Based on the principle of talents as important assets of enterprises, the Company encourages employees' self-growth in order to increase professional skills and innovative value, thereby improving work performance, achieving operational goals and promoting overall development as well as increasing competitiveness.

JINTEX comprehensively plans employee educational training and employee career development according to the annual goal and development strategy, job rank structure and job function, special training demands of each unit, experience and feedback from the training courses organized in the past and the benefit evaluation aspect. In addition, regarding the job skill and function required for personnel at different ranks of each unit, the Company classifies the training type into two types of technical training and management training. Through the integration of the organization's manpower development strategy, job rank training structure and career development aspect, etc., the Company analyzes the training demands in conjunction with the training policy, and according to the training type list, the Company is able to achieve relatively greater training effect, such that it can be used as a basis for training review.

We also include the core functions in the performance evaluation items, and the Company has established the employee evaluation regulations, and the reward and disciplinary items have been specified in the "Work Rules". The clear reward and discipline system is also conveyed during the reporting to work of new employees.

Comparison of Education and Training Outcome for 2018–2020 (Table 28)

JINTEX

Year	2018			2019			2020		
Training Type	Number of People		Total Hours	Number of People		Total Hours	Number of People		Total Hours
	Male	Female		Male	Female		Male	Female	
Orientation Training	42	7	428	33	10	357	14	6	170
Job Level Training	63	24	590	29	15	1051	100	42	1291
Professional Training	94	36	4063	100	23	2532	89	40	1894

JINTEX (Suzhou)

Year	2018			2019			2020		
Training Type	Number of People		Total Hours	Number of People		Total Hours	Number of People		Total Hours
	Male	Female		Male	Female		Male	Female	
Orientation Training	10	4	42	9	2	33	5	5	40
Job Level Training	10	4	126	12	4	130	11	4	132
Professional Training	30	8	1520	31	10	1845	30	12	1908

Employee Education and Training Type: (Table 29)

Employee Education and Training Type: (Table 1)							
Training Type	Orientation Training	Job Level Training	Professional Training				
			Sales and Marketing	R&D and Intellectual Property	Product Application	Production and Environmental Safety	Administration and Finance
Purpose of Training	Assist new employees to adopt the organization's culture, become familiar with work method and understand the Company's system.	Enhance management knowledge and ability of each level.	Improve professional knowledge and skills of on-job or transfer employees.				
Training Method	1. External education and training: Participate in general knowledge, professional and management courses or seminars organized by external institutions. 2. Internal education and training: Participate in the general knowledge, professional and management courses arranged by externally contracted instructors, company designated or internal department instructors. 3. Specific education and training: Individual work guidance provided by unit supervisor.						

Average Hours of Learning of Employees for Different Type of Courses for 2018–2020 (According to Gender) (Table 30)

JINTEX

Course Type	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Technical	26.4	31.3	29	31.1	12.2	15.9
Management	9.4	8.1	6.5	6.9	9.2	8.5

JINTEX (Suzhou)

Course Type	2018		2019		2020	
	Female	Male	Female	Male	Male	Female
Technical	13.6	21.6	14.6	13.6	21.6	14.6
Management	8	8	8	8	8	8

Average Hours of Learning of Employees for 2018–2020 (According to Job Function) (Table 31)

JINTEX

Employee Type	2018		2019		2020	
	Direct Employee	Indirect Employee	Direct Employee	Indirect Employee	Direct Employee	Indirect Employee
Average Number of Hours	30.3	34	31.4	40.9	22.4	21.2

Jintex (Suzhou)

Employee Type	2018		2019		2020	
	Direct Employee	Indirect Employee	Direct Employee	Indirect Employee	Direct Employee	Indirect Employee
Average Number of Hours	23.2	18.7	24.2	20.2	26.2	22.6

插入圖片:12,12-1

3-4 Healthy and Safety Workplace

According to the Occupational Safety and Health Act, JINTEX statistically analyzes the employee attendance days (number of hours), leave, overtime and job injury hours monthly, and also reports promptly on a monthly basis to upload to the occupational accident reporting platform of the Ministry of Labor.

Up to the end of 2020, there has only been one work loss incident with a loss of 352 hours.

For JINTEX (Suzhou), since the establishment of the plant in the past twelve years, there has been no work loss incident.

The human resource unit periodically organizes employee health examination annually. In addition, according to the Occupational Safety and Health Act, the Company also organizes the health examination for especially hazardous operations, and employees receiving the examination and government labor management authority are informed of the examination result each time.

Up to the present day, the Company has not been subject to any occupational injury due to factory operations.

JINTEX Occupational Disease High Frequency/High Risk Statistics: (Table 32)

Occupational Disease High Occurrence Rate, High Risk Employee					
Occupational Risk Type	Number of Examined Employees	Health Management Level 1	Health Management Level 2	Health Management Level 3	Health Management Level 4
n-Hexane Operation	58	58	0	0	0
Dimethylformamide	16	14	2	0	0
Benzene operation	16	14	2	0	0
Formaldehyde	50	38	12	0	0
Toluene diisocyanate or 2,6-Toluene diisocyanate, 4,4-Toluene diisocyanate, Isophorone diisocyanate	50	44	6	0	0

Health Management Level Description: (Table 33)

Health Management Level 1	Health Management Level 2	Health Management Level 3	Health Management Level 4
For the special health examination or health follow-up examination result, all items are normal, or some items are abnormal, but after comprehensive determination of a physician, it is considered normal.	For the special health examination or health follow-up examination result, some or all items are normal, and after comprehensive determination of a physician, it is considered to be abnormal but irrelevant to the work.	For the special health examination or health follow-up examination result, some or all items are normal, and after comprehensive determination of a physician, it is considered to be abnormal, but the correlation between such abnormality and work cannot be confirmed, and it requires further evaluation by a professional medical department and physician.	For the special health examination or health follow-up examination result, some or all items are normal, and after comprehensive determination of a physician, it is considered to be abnormal and it is related to the work.

Eco-Friendly and Natural Sustainable Environment

4-1 Environmental Management System

According to ISO-14001 Environmental Management Manual (EM-001), the review targets applicable to the Company's environmental management and setting includes continuous improvement environment and implementation of management system.

Environmental protection policy: Comply with environmental protection regulations, implement government environmental protection policy, continuous improvement and protection of environment.

Specific Commitment:

- I. Rigorous compliance with relevant environmental protection laws, regulations and requirements of the government and customers.
- II. Enhance product design and process improvement, perform industrial waste reduction and pollution prevention.
- III. Through all employee participation and continuous improvement, increase environmental protection awareness, and fulfill the responsibility of a global citizen.
- IV. Implement environmental protection education of employees.

JINTEX has always been committed to global environmental protection works and has implemented various warning measures along with the establishment of an excellent environmental management system. Regarding the direct greenhouse emission and indirect sources of greenhouse emissions, such mainly comes from boilers with heavy oil burning, and indirect emissions from power consumption. The remaining sources includes kitchen gas burning, company car fuel consumption, air conditioner chiller units and equipment coolant escape, as well as personnel methane emission (since the emission amount is low, it is not counted as part of the statistical result).

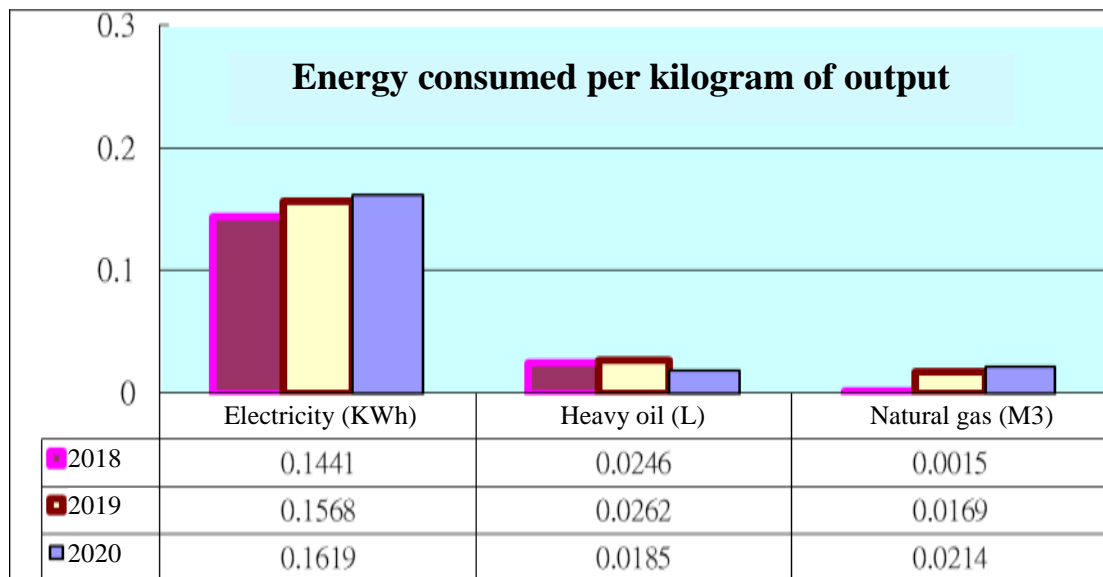
The specific environmental protection measures and plans of **JINTEX** are as follows:

- a. In 2021, the Company expected to invest an amount of NT\$1.2 million in the sewage collecting channel/collecting well improvement construction.
- b. In 2020, an amount of NT\$600 thousand is invested in wastewater treatment plan corrugate sheet replacement work.
- c. In 2019, an amount of NT\$4.5 million was invested in the clean energy natural gas pipeline construction.
- d. In 2019, an amount of NT\$4.3 million was invested in the low-pollution emission type of boiler replacement.

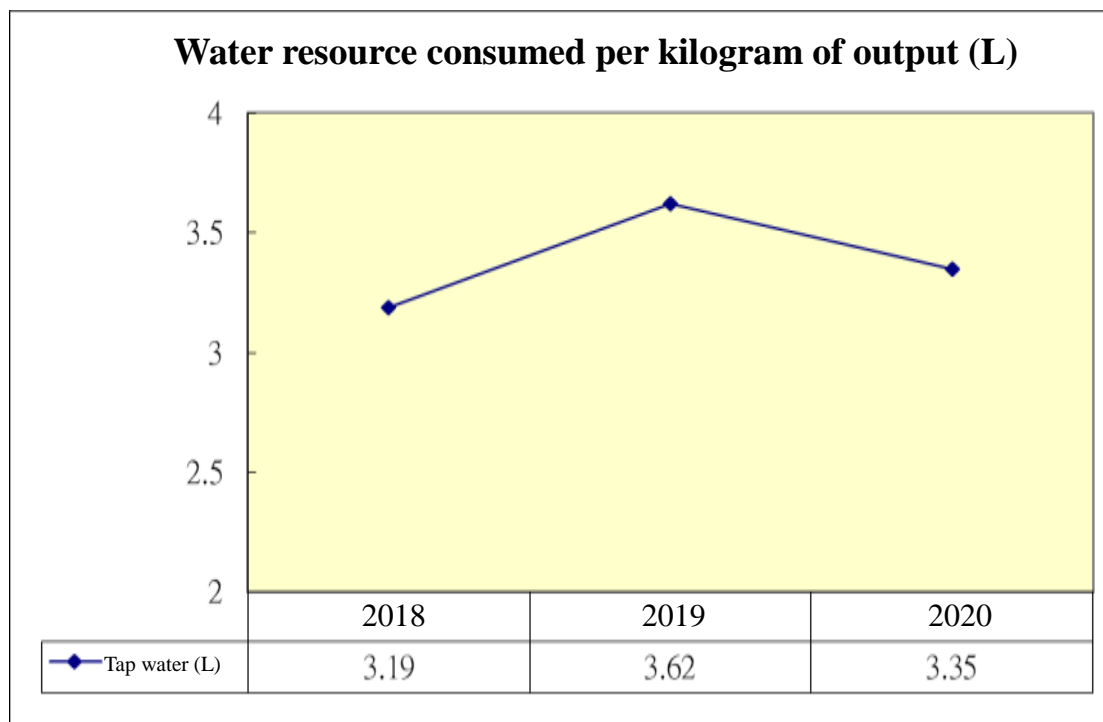
The specific environmental protection measures and plans of **JINTEX (Suzhou)** are as follows:
(Unit: CNY)

- a. In 2020, an amount of CNY100 thousand is expected to be invested for the installation of rainwater discharge outlet COD online monitoring.
- b. In 2020, an amount of CNY80 thousand is expected to be invested for the steam condensation collection of machine shop.

Energy Resource Consumed by Manufacturing and Production Activities (Table 34)



Water Resource Consumed by Manufacturing and Production Activities (Table 35)



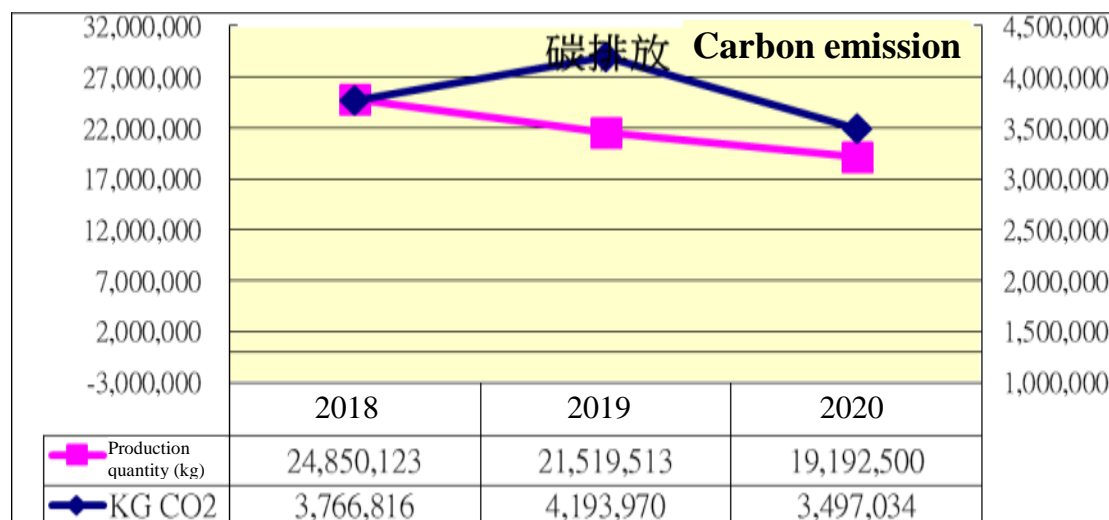
Greenhouse Gas Emission

We deeply understand the impact of operating activities on climate change, and we actively engage in energy saving and carbon reduction improvements. In addition, we have also implemented ISO 14001 environmental management and the replacement of obsolete equipment by changing to highly efficient equipment along with the implementation of education and training, thereby increasing employees' environmental protection awareness and ability, in order to comply with the environmental protection laws and relevant regulations for operation.

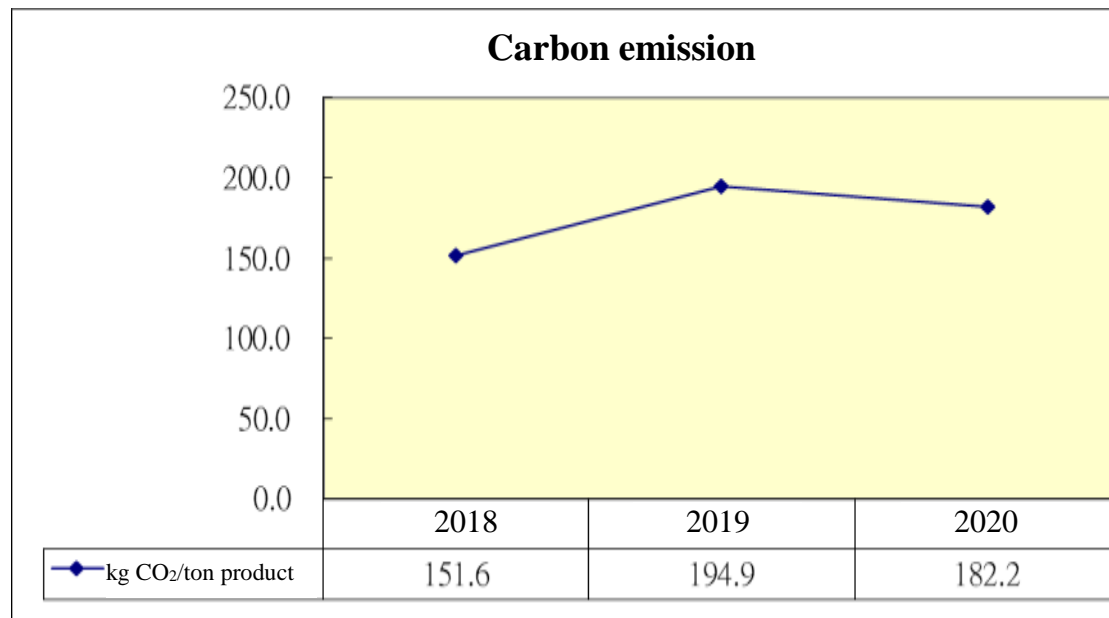
Greenhouse gas eco-efficiency = Greenhouse gas emission (kgCO₂e)/Production quantity (ton)

Greenhouse Gas Emission (carbon emission calculated based on the heavy oil of boiler natural gas and power consumption of Taoyuan Plant only)

(Table 36)



(Table 37)



Outcome Achieved in 2020:

Regarding the greenhouse gas eco-efficiency, after active investment in energy saving and carbon reduction improvement, an amount of approximately 194.9kg of greenhouse gas emission generated per ton of production quantity in 2019 has been reduced to approximately 182.2kg of greenhouse gas emission generated per ton of production quantity in 2020.

Greenhouse Gas Eco-Efficiency	2019	2020
KGCO ₂ e/per ton of production quantity	194.9	182.2

To cope with the overall environmental protection policy, our product shipping package mainly uses 120L plastic tanks. In October 2013, we launched the packaging tank recycle and reuse plan. Up to the end of 2020, according to the statistics, the parent company has recycled 84,155 units of packaging tanks. In the last three years, the average recycle rate for domestic shipping is 24.2%. Due to the local customer management factor, the subsidiary has not executed the recycle operation.

(Table 38)

(G4-EN28) 120L Plastic Packaging Tank Domestic Sale Recycle Rate Statistics			
Year	2018	2019	2020
	JINTEX	JINTEX	JINTEX
Domestic sale shipping tank quantity (pcs)	64322	67711	84065
Number of recycled tank (pcs)	11082	14601	26608
Recycle ratio (%)	17.23%	21.56%	31.65%
Average recycle ratio in last three years (%)	24.2% (JINTEX)		

Establish 10-year Recycle Total Quantity Target Statistical Analysis							
Year	2014	2015	2016	2017	2018	2019	2020
Number of recycled tanks in current year (pcs)	10,262	8,242	6,878	6,482	11,082	14,601	26,608
Accumulated total number of recycled tanks	10,262	18,504	25,382	31,864	42,946	57,547	84,155
10-year target of accumulated number of recycled tanks (pcs)(100,000 pcs/10 years)	10,000	20,000	30,000	40,000	50,000	60,000	70,000
Accumulated target achievement rate (%)	102.6%	92.5%	84.6%	79.7%	85.9%	95.9%	120.2%

Regarding the packaging tank recycle project, a lot of customers have additionally participated in this project. In comparison to the previous years, the recycle ratio has significantly increased, demonstrating the contribution of effort to environmental protection and reduction of use of new plastic

raw material. In 2020, the recycle ratio reached a new high (up to 31.65%), and it has reached the annual total target quantity.

We also provide the environmental protection complaint telephone: 03-3869968. Once the operator receives any calls, the responsible unit will be informed to handle matters accordingly. Up to the end of 2020, there has been no complaint related to the recycling of packaging tanks.

4-2 Pollution Emission and Prevention

The waste gas emission from fixed pollution source of JINTEX complies with the regulatory standard. In 2020, the amount of sulfides was 1.94 tons, a decrease of 2.38 tons of emission from 2019. The nitrogen oxides in 2020 was 1.93 tons, a decrease of 3.07 tons of emission from 2019. The volatile organic compounds in 2020 was 8.07 tons, a decrease of 6.22 tons of emission from 2019. The particle pollutants in 2020 was 0.08 ton, a decrease of 0.08 ton of emission from 2019.

JINTEX's nitrogen oxides, sulfides and other main gas emissions (Table 39)

	ton/year	2017	2018	2019	2020
Pollution emission type	Sulfides	5.83	3.69	4.32	1.94
	Nitrogen oxides	4.04	2.56	5.00	1.93
	Volatile organic compounds	26	16.76	14.29	8.07
	Particles	1.52	0.35	0.16	0.08
Remarks					

After the wastewater is treated completely inside the factory of **JINTEX**, it is necessary to comply with the Dayuan Industrial Park sewage wastewater incoming limit value in order to be permitted to drain into the Dayuan Industrial Park sewage plant. In 2020, the waste water discharge total volume was 53,526 tons.

To cooperate with the groundwater monitoring operation of the Environmental Protection Administration, a groundwater monitoring well is respectively installed at the internal transportation zone, storage tank zone and rainwater drainage, in order to allow the government environmental protection authority to perform periodic testing.

The waste gas emission of fixed pollution sources of **JINTEX (Suzhou)** complies with the regulatory standard.

JINTEX (Suzhou)'s main gas emissions (Table 40)

	Year/ton	2018	2019	2020
Pollution emission type	Formaldehyde	0.0002	0.001308	0.000153
	Particles	0.00396	0.00376	0.002121
	Ammonia	0.001937	0.000432	0.000265
Remarks				

On December 10, 2019, **JINTEX (Suzhou)** obtained the new version of the pollution discharge permit, and the newly added testing items include sulfuric acid mist, hydrogen chloride and volatile organic compounds.

JINTEX sewage discharge total quantity according to water quality and discharge purpose (Table 41)

Type/Year	2017	2018	2019	2020
Chemical Oxygen Demand Emission (ton)	7.021	9.231	10.557	8.36
Biochemical Oxygen Demand Emission (ton)	3.511	4.615	5.278	4.18
Suspended Solids Emission (ton)	0.673	1.185	1.479	0.73

With regard to sustainable development, for factory wastewater discharge standard, in addition to the Dayuan district sewage plant incoming inspection and items announced by the Environmental Protection Administration, the Company also makes references to other non-government organization, such as bluesign, AAFA: American Apparel & Footwear Association and BSR: Business for Social Responsibility, in order to further include raw material residual or impurity inspection items potentially used by the factory as the emission standard, including total phosphorus, heavy metals (mercury, cadmium, copper, nickel, lead and total chromium, etc.) The outsourced sampling and testing items for the water quality of discharged water of JINTEX adopts a higher wastewater discharge standard, and it is increased from the raw material procurement end control residue or impurity to the manufacturing end of technology improvement in order to reduce the occurrence of residue or impurity.

After JINTEX (Suzhou) completes the treatment of wastewater inside the factory, it is required to comply with the Binjiang Sewage Treatment Plant wastewater connection limit value, in order to be permitted to drain into the Binjiang Sewage Treatment Plant. In 2019, the total wastewater discharge volume was 9,409 tons. On December 10, 2019, JINTEX (Suzhou) obtained the new version of the pollution discharge permit, and the newly added testing items include the testing of five-day biochemical oxygen demand, total nitrogen, and surfactant. With regard to sustainable development, for factory wastewater discharge standard, in addition to the national sewage discharge permission standard, the Company also makes reference to other non-government organizations, such as bluesign, in order to further include the testing of fluoride and heavy metals.

JINTEX (Suzhou) sewage discharge total quantity according to water quality and discharge purpose (Table 42)

Type/Year	2018	2019	2020
Discharge water total quantity (ton)	7090	9409	9,907
Chemical oxygen demand emission (ton)	0.326	0.288	0.752
Suspended solids emission (ton)	0.089	0.106	0.079
Total phosphorus (ton)	0.021	0.149	0.018
Ammonia nitrogen (ton)	0.019	0.0317	0.008
Formaldehyde (ton)	0.0011	0.0004	0.0005

The type of wastes of JINTEX mainly includes: four types of organic sludge, inorganic sludge, mixed waste liquid, consumer garbage. A qualified disposal operator is entrusted to perform

transportation and disposal of wastes, and the operator is also requested to transport to the qualified treatment plant to complete the disposal.

(Table 43)

Type	Characteristic	2017	2018	2019	2020
Organic sludge	Regular	127.64	113.16	70.22	63.61
Inorganic sludge	Regular	33.57	30.14	48.99	61.09
Mixed waste liquid	Flammable	46.58	69.38	23.96	21.21
Waste woods	Regular	81.12	69.55	61.13	74.91
Waste plastic mixture	Regular	28.03	13.66	10.38	8.3
Toxic waste container	Harmful	0.745	0.801	0.4962	1.82
Waste lubricant oil	Regular	0.515	0	0	0
Waste oil mixture	Regular	0.515	0.73	5.26	2.14
PE waste plastic container	Regular	22.2	0	0	8.93
Waste plastic mixture corrosive	Harmful	0	0.5	0.6	0.5
Waste glass container	Regular	0	0	2.5	2.14
Total quantity (ton)		340.92	297.92	223.54	244.65

The type of wastes of JINTEX (Suzhou) mainly includes: six types of sludge, organic filter residue, waste activated carbon, waste packaging bags, waste packaging tanks, waste lubricant oil. A qualified disposal operator is entrusted to perform transportation and disposal of wastes, and the operator is also requested to transport to the qualified treatment plant to complete the disposal.

(Table 44)

Waste total quantity classified according to type and treatment method (Unit ton/pcs (tank in unit of pcs))					
Type	Characteristic	Treatment method	2018	2019	2020
Sludge of sewage treatment	Toxic	Burning	9.5	12.68	12.2
Organic filter residual	Toxic	Burning	0	26.3	14
Waste activated carbon	Toxic	Burning	1	1.275	2.249
Waste packaging bag	Toxic	Burning	3.76	5.063	4.476
Waste packaging tank	Toxic	Cleaning	3,290 pcs	5,231 pcs	4,104 pcs
Waste lubricant oil	Toxic Flammable	Burning	0.18	0.07	0
Waste liquid					0.202
Nonconforming product					32
Total quantity (ton)			13.6	50.25	65.537
Total quantity (pcs)			3,285	5,236	4,104

To prevent leakage of chemicals and wastewater, JINTEX has installed the facilities of a collecting channel, jetty and collecting well, etc., in the facility site, and has also installed an impermeable surface at areas where leakage may occur in order to prevent soil and groundwater contamination due to leaked substances.

Collecting channel 

Jetty 

Collecting well 

To prevent leakage of chemicals and waste water, JINTEX (Suzhou) has installed the facilities of a collecting channel, jetty and collecting well, etc., at the machine shop and warehouse, and has also installed an impermeable surface at areas where leakage may occur in order to prevent soil and groundwater contamination due to leaked substances. Throughout the year of 2019, there was no leakage contamination event.

JINTEX environmental protection expenses and investment items and fees:

Up to 2020, there has been 0 environmental protection administrative disposition cases. 2020 Environmental Protection Expense Statistics (Unit: NTD) (Table 45)

Sludge removal and disposal	1,589,200
Garbage removal and disposal	559,640
Environmental protection processing agent	304,042
Air pollution control fee	448,019
Flexible intermediate bulk containers	19,120
Other wastes	175,662
Inspection	570,538
Waste water treatment	1,407,826
Punitive fine	0
Other environmental protection expenses	860,151

JINTEX (Suzhou) environmental protection expenses and investment projects and fees:

Up to 2020, there has been 0 environmental protection administrative disposition cases.

JINTEX (Suzhou) Environmental Protection Expense Statistics (Unit: CNY) (Table 46)

Year	2019	2020
Hazardous waste disposal	336,675	167,871
Water and air acoustic inspection fee	23,490	27,830
Waste water piping	23,522.5	33,150
Punitive fine	0	0
Other environmental protection expenses	45,600	266,577

4-3 Energy Management

Energy Consumption in Recent Years: (Table 47)

JINTEX Energy Consumption Item Statistics (Year)			
Type	2018	2019	2020
Boiler fuel consumption (KL)	614	455	355
Natural gas consumption (M ³)	37,275	144,410	411,369
Power consumption (KWH)	3,351,248	3,265,252	3,107,976
Water consumption (M ³)	79,333	78,020	72,056
JINTEX (Suzhou) Energy Consumption Item Statistics (Year)			
Type	2018	2019	2020
Natural gas consumption (T)	1023	1006	330
Power consumption (KWH)	654,515	648,838	585,215
Water consumption (M ³)	14,984	12,143	8,475

In 2019, JINTEX Dayuan Plant B changed to natural gas boilers. In November 2020, JINTEX Dayuan Plant A changed all boilers to natural gas steam boilers and installed natural gas pipelines completely. Accordingly, JINTEX Dayuan Plant has used natural gas to replace heavy oil burning to produce steam, such that it is able to reduce 56.9KG carbon emission monthly, and an annual carbon emission reduction of 682.5KG is achieved. In addition, unnecessary energy use is shut down during holidays. The new boilers adopt the digital monitoring system, such that it is able to effectively monitor the unit repair to achieve periodic maintenance in order to reduce energy consumption.

The supplier collects boiler data monthly to understand the steam generation amount of the boiler, fuel consumption rate and boiler efficiency and other status. In addition, the data is compared with the last month's data in order to clearly understand the boiler use condition, thereby calculating the actual efficiency from such values.

All buildings in the facility site use sensor type lighting equipment at all floors in order to reduce electricity and energy consumption. The production zone and warehouse use anti-explosion LED lighting fixtures and mercury lamps have been changed to LED lighting tubes completely. If a period of 12 hours per day is used for the calculation, it is estimated to save 2,566 (KWh/year) of electricity, equivalent to the reduction of 1,357kg of carbon emission (please refer to the following equation).

T5 lighting fixture electricity saving calculation: $[0.648 - 0.432 \text{ (KWh/pcs-day)}] * 45 \text{ (pcs)} * 22 \text{ (day/month)} * 12 \text{ (month/year)} = \mathbf{2,566 \text{ (KWh/year)}}$

Carbon emission calculation: $[2,851 \text{ (KWh/year)}] * 0.529 \text{ (kg/KWh)} = \mathbf{1,357 \text{ (kg/year)}}$

Since 2019, the production operating zone mercury lamps have been replaced by 20 anti-explosion LED lighting fixtures, and the mercury lamps at Warehouse Zone A have been replaced by 25 LED lighting fixtures. By converting the traditional mercury lamps and anti-explosion fluorescent lighting fixtures into 10W/90W and 100W LED lighting fixtures, the illuminance is increased and an estimated amount of 78,840 KWh/year of electricity can be saved annually, equivalent to a total reduction of 43,407kg of carbon emission (carbon emission estimation is as shown in the following table):



(Table 48)



JINTEX Corporation Ltd. LED energy-saving lighting fixture power consumption and carbon emission calculation table															
Item	Year	2017				2018						2019			
	Zone	Road lamps and all storage zones				Production zone		Leather chemical laboratory		Warehouse Zone A		Production zone		Warehouse Zone A	
		Replaced mercury lamps by LED lighting fixtures				Energy-saving LED light fixtures		Replaced fluorescent lamp by LED lighting fixtures		Replaced mercury lamps by LED lighting fixtures		Anti-explosion LED lighting fixtures		Replaced mercury lamps by LED lighting fixtures	
	Code	Existing	New lighting fixtures	Existing	New lighting fixtures	Existing	New lighting fixtures	Existing	New lighting fixtures	Existing	New lighting fixtures	Existing	New lighting fixtures	Existing	New lighting fixtures
Lighting fixture type	A	Mercury lamp	LED lamp	Mercury lamp	LED lamp	Mercury lamp	LED lamp	Fluorescent lamp	LED lamp	Mercury lamp	LED lamp	Anti-explosion fluorescent lamp	Anti-explosion LED lamp	Mercury lamp	LED lamp
Lighting tube power/W	B	400W	100W	400W	90W	500W	90W	20W	10W	500W	90W	80W	60W	500W	90W
Unit power consumption (W)	C	400	100	400	90	500	90	20	10	500	90	80	60	500	90
Number of interior lighting fixtures (unit)	D	135	25	110	110	45	45	80	60	70	60	35	20	50	25
Number of illumination hours per day (HR)	E	12	12	6	6	16	16	12	12	12	12	16	16	12	12
Number of illumination days per month (22)	F	22	22	22	22	22	22	22	22	22	22	22	22	22	22
Total KWh of electricity consumption G=(C*D*E*F/1000) KWh	G	14256	660	5808	1307	7920	1426	420	150	9240	1426	986	422	6600	594
Monthly KWh of electricity saved	H	1,980		4,501		6,494		270		7,814		564		6,006	
Carbon emission reduced annually (I=H*12*0.554) kg	I	12,569		28,572		43,172		1,795		51,947		3,479		39,928	
Electricity saved due to use of LED lighting fixtures (KWh)(H*12)		119,760				174,936						78,840			
Total amount of carbon emission reduction annually due to use of LED lighting fixtures for Dayuan Plant (kg) (total I)		63,353				96,914						43,407			



※ Source of data: <http://www.eigic-estc.com.tw/>

In view of the aforementioned applications, warehouse has changed to use T5 lighting fixtures, and the production zones, etc., have used LED energy-saving lighting fixtures. Accordingly, in 2019, a total amount of 43,407kg of carbon emission was reduced.

插入圖片:16 至 16-5

Production zone LED anti-explosion lighting fixture	Production zone LED anti-explosion lighting fixture
	

Warehouse LED energy-saving lighting fixture	Warehouse LED energy-saving lighting fixture
	

Natural gas steam boiler	Process cooling water recycle and storage facility
	

(Table 49)

JINTEX tap water consumption and production quantity statistics			
	2018	2019	2020
Production quantity (T)	24,850	23,292	19,193
Water consumption (T)	79,333	78,080	72,056
Unit production quantity and water consumption ratio (T/T)	3.19	3.35	3.75
JINTEX (Suzhou) tap water consumption and production quantity statistics			
	2018	2019	2020
Production quantity (T)	5,054	4,913	2,956
Water consumption (T)	14,984	12,143	8,475
Unit production quantity and water consumption ratio (T/T)	2.96	2.78	2.86

To reduce the risk of water shortage, in recent years, the Company has invested in water energy recycling and water saving facilities. At the production zone, a process cooling water recycling and relevant storage facility have been installed. The recycled water amount is approximately 17 (tons/day) and is used for process circulation and cooling. In addition, tap water is used completely without extraction of groundwater or other waterbody use. Furthermore, to cope with climate change, the Company announces to promote water saving and also cooperates with the office and process water consumption flexibly according to the water restriction period announced by the government, in order to achieve the objective of saving water.

Process cooling water recycle and storage facility 插入圖片:17



JINTEX Target Management

(Table 50)

Item	Target (total amount of reduction with 2015 as the base period)	Achievement status in 2018	Achievement status in 2019	Achievement status in 2020
Carbon reduction (greenhouse gas emission, CO ₂)	With estimation of annual reduction of 1% of emission, the total amount of reduction is 10% by 2024	Total reduction amount -0.46%	Total reduction amount -11.3 %	Total reduction amount 16.6 %
Waste reduction (organic sludge output quantity)	Estimated organic sludge reduction rate of unit product, reaching 65% by 2024	Reduction rate 59.99%	Reduction rate 61.56%	Reduction rate 47.7%
Energy saving (power consumption)	With annual reduction of 1 % of consumption, the total amount of reduction is 10 % by 2024	Total reduction amount 5.76%	Total reduction amount 2.6%	Total reduction amount 5.1%
Water saving (water consumption)	With annual reduction of 0.5 % of consumption, the total amount of reduction is 5 % by 2024	Total reduction amount -3.25%	Total reduction amount 1.7%	Total reduction amount 8.3%

Note: 2015 is used as the base year for the calculation of the reduction rate of unit product.