



SCI Partner
for Success

Partner for 2023 Success.

SUSTAINABILITY REPORT

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About the report

This report is issued by SINTEX LTD. (SINTEX or this company in short in the following chapter). It is the first sustainability report to reveal corporate sustainability performance and development in the reporting year. The report covers Energy, Environment, Social, and Corporate governance.

SINTEX has reported the information cited in this GRI content index for the period January 1, 2023, to December 31, 2023. The report references the Global Reporting Initiative (GRI), TCFD Recommendations, and Sustainability Accounting Standards Board (SASB). It incorporates feedback from diverse stakeholders through established communication channels in the company's daily operations. It employs materiality analysis to adopt sustainable management practices and ensure alignment with global sustainability standards.

Reporting Boundary

The reporting boundary covers the SINTEX group, the Taiwan office, all factories in the Philippines, three factories in Vietnam, three factories in Cambodia, and two factories in China.

Reporting Period

The reporting period is from January 1, 2023, to December 31, 2023. Some parts of the data can be traced back to 2022 or extend into 2024.

Published

The report will be available on our official website, and it will be published yearly in mid-July.

Published on August 19, 2024

Contact Information

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Hi Team,

As the global landscape and its complexity continues to evolve, we become increasingly more connected to the communities around us. We significantly impact the communities that we operate in, at the same time, our long-term future is tied in with their well-being. While we take pride and attribute our success to the connections we have made with our communities, we are also responsible for making them a better place.

As the world faces increasingly challenging environmental and social conditions, the importance of our commitment to sustainability has never been more evident. As brands and governments call for our ESG investments, it will soon become a necessity to enter our industry

To become a long-term sustainable company group, we must care for the environment, support our communities, and maintain a financially healthy operation. Our ESG committee and team have developed a comprehensive strategy, action plan, and clear responsibilities to help us tackle the challenges ahead. Active participation from everyone is crucial and will be required.

We encourage everyone to embrace the necessary changes to reduce our environmental footprint, enhance our social impact, and ensure strong governance practices across all operations. Remember, each action we take contributes to a better, more sustainable future for all.

"No single raindrop feels responsible for the flood." Every person has the power to make a difference.

Sincerely,

General Manager Kai.

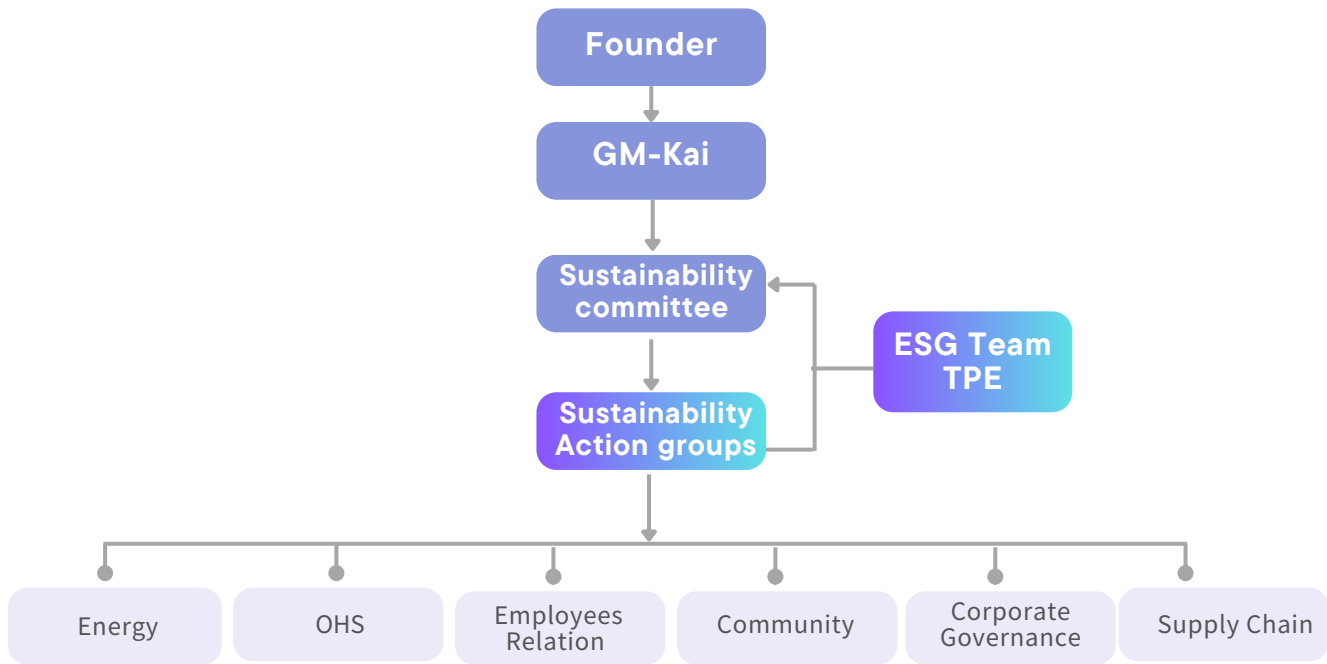


Sustainability Committee

The Sustainability Committee is chaired by the Founder, with the General Manager serving as its leader. Committee members include management groups, department heads, regional factory managers, internal specialists, and the ESG team, which is a dedicated full-time role reporting directly to the committee.

The committee oversees six Sustainability Action Groups, each tasked with implementing specific measures. Regional project managers are assigned to coordinate activities across factories within operational countries. These Action Groups are accountable for achieving the objectives and projects endorsed by the Sustainability Committee, with support from the ESG team.

The committee convenes bi-monthly, during which the Action Groups and ESG team provide updates on project progress. Attendance at these meetings is consistently 100%. Following recent discussions, the primary focus areas for 2024 have been established as Energy and Occupational Health and Safety (OHS).

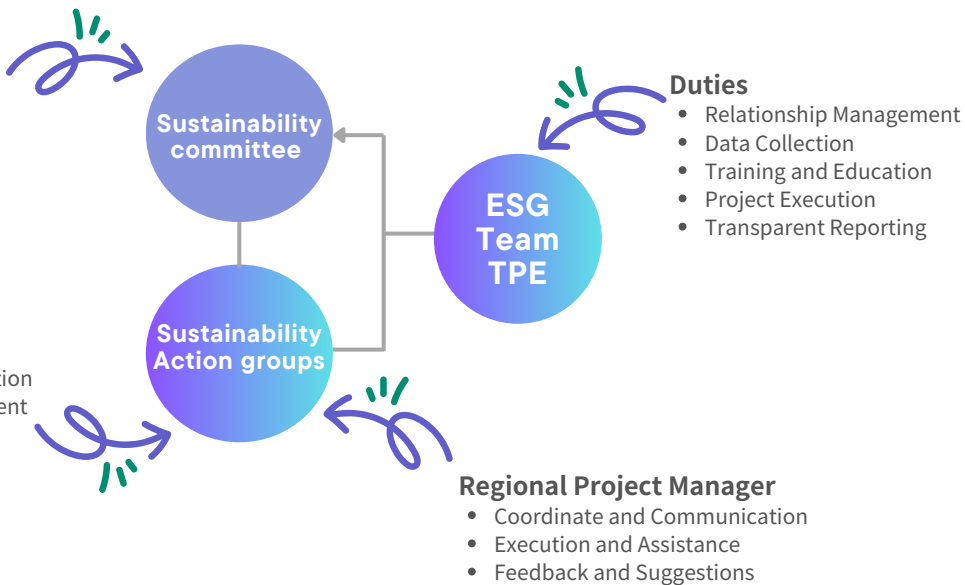


Duties

- Strategy Formation
- Risk Management
- Drive Implementation
- Leadership

Global Project Manager

- Planning and Driving
- Maintaining Compliance
- Supervision and Coordination
- Innovation and Improvement





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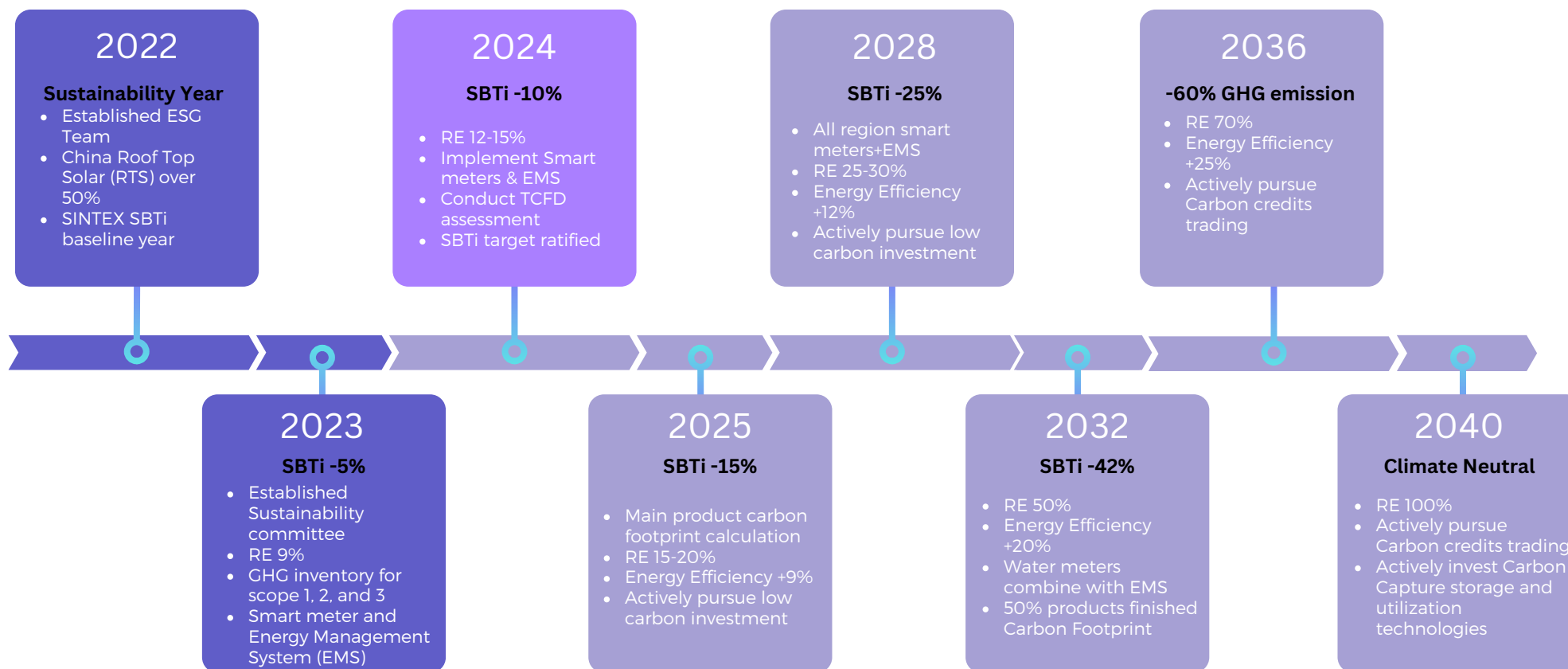
Outline of Sustainability Committee:

- Recognizes Energy as the main priority
- Surpass the Brand Partners' Energy Targets
- Calls the attention of OHS
- Emphasizes the importance of talent attraction
- Approves Energy and OHS targets set by the ESG team

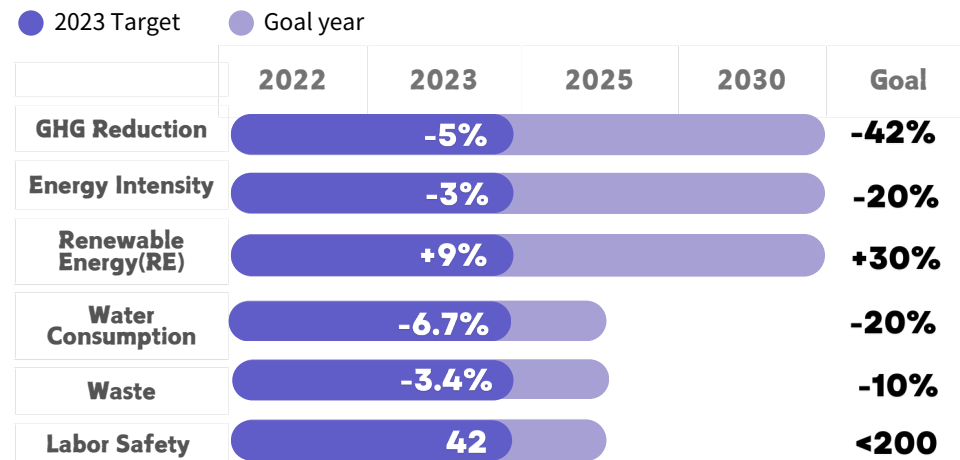
Outline of Sustainability action groups:

- Conducts Energy and OHS targets set by the ESG team
- Supports the data collection for Energy, OHS, and employees

Net Zero roadmap



SINTEX ESG Targets





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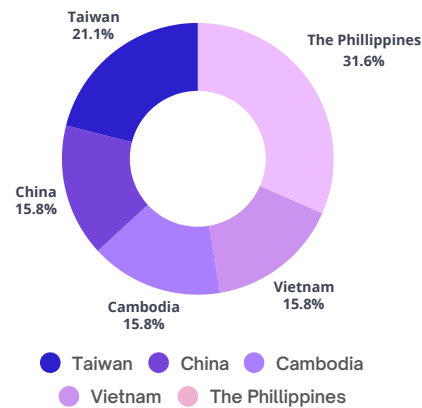
Governance

Stakeholder

The ESG team reviews the sustainability reports of our peers and Brand Partners, examines the HIGG FEM guidelines, and evaluates local regulations and standards set by our Brand Partners to ensure comprehensive consideration of all relevant issues.

Additionally, the ESG team administers an extensive questionnaire to gain insights into materiality and stakeholder concerns. The final results are detailed below.

Employees Nationality



Stakeholders

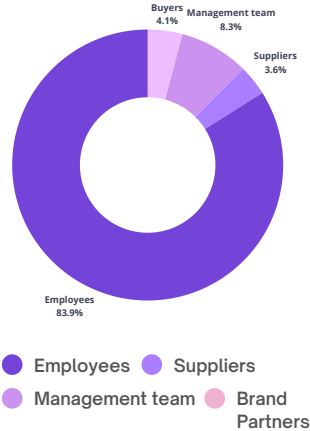
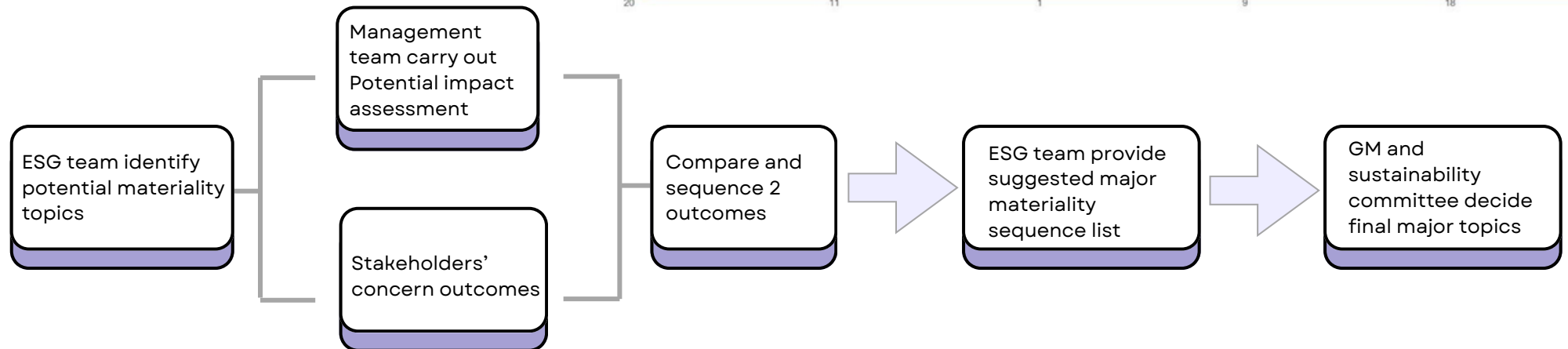


Figure 1: Decision making chart for Materiality chart



Materiality Assessment

The management team assesses various topics based on their potential impact and severity. The results of this evaluation are presented in Figure 2 below. The topics under review include Climate Change Adaptation, Energy and GHG Management, Compliance with Legal Obligations, Product Quality and Safety, Risk Management, Talent Attraction and Retention, Business Performance, Customer Relationship Management, Labor Health and Safety, and Talent Development and Training.

Figure 2: SINTEX Materiality analysis based on GRI 3





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Materiality Assessment

Environment	Climate change adaption (Flood and Heat)	Climate change adaption (Typhoon)	Energy and GHG management
Positive impact	1. Increase and assurance Woker safety 2. Increase capacity to handle natural disasters	1. Decrease damage to workers, buildings, and capital lost 2. Increase the safety of expatriates during disasters	1. Preciously Control GHG emissions 2. Reduce energy intensity
Risk and Negative Impact	1. Rising temperature make the working environment too hot 2. Flood caused damage in KH and PH	1. Damage to factories and warehouses in PH 2. Destroy communication method between factory and HQ	1. Fail to meet customer requirements and lost orders 2. Fail to calculate actual carbon tariff
Affected level	Operation & Company order	Operation & Company order	Operation & Company order
Risk happened trend	Within one year	Within one year	Within one year
Risk severely level	High	Extremely High	Extremely High
Risk management behaviors	1. Designing flood preparation SOP 2. Regular flood drills and move the machine to higher ground	1. Designing typhoon preparation SOP 2. Reviewing current insurance on buildings 3. Storage of food and generator in dormitories	1. Install smart grid and EMS for all factories 2. GHG Reduction plans for all factories 3. RE and EAC percentage increase
Related Policy/Promise	Increase natural disaster capacity in dormitories and factories.	Increase natural disaster capacity in dormitories and factories.	Participated SBTi, with 2022 as baseline
Targets	KH floods drill and SOP in 2025	PH typhoon drills insurance check-in 2024	Reduce 42% GHG in Scope 1 and Scope 2 in 2030
Progress update	1. Identify climate risks in each area 2. The Philippines implement typhoon SOP in Q2 2024		1. GHG baseline finish in Q1 2024 2. RE+Energy Attribute Certificate (EACs) 55% in China and 9% in Vietnam, Cambodia, and Philippines.
Evaluation methods	Drill evaluation to see if the result matches internal regulation		GHG inventory yearly
Communication/Contacts	ESG team and Factories compliance		ESG team and Factories compliance



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Social	Talent attraction and retention	Talent development and training	Labor Health and Safety
Positive impact	1. Improve technique development ability 2. Enhance decision quality 3. Increase the company's development	1. Improves performance and capable of different roles 2. Closing the human talent gap	1. Working safety increase 2. Injury and accident rate drop 3. Less insurance expense for the employees
Risk and Negative Impact	1. Job vacancy lasts too long and affects decision-making 2. Frequent resignations lead to miscommunication 3. Poor decision-making due to poor talents	1. Poor performance due to insufficient training 2. Employees resign due to lack of improvement training	1. The increase in work injuries leads to a decrease of efficiency 2. The worker lost their life 3. Frequent audit due to poor OHS conditions 4. Penalties, warnings, or termination from Brand Partners
Affected level	Operation	Operation	Operation & Company order
Risk happened trend	Within three years	Within three years	Within one year
Risk severely level	High	High	Extremely High
Risk management behaviors	1. Improving the company website 2. Factories increase their popularity by social media	1. E-learning platform for Taiwan HQ 2. Regular seminars	1. compliance track working injuries 2. Compliance improves equipment based on audit 3. Regular OHS training
Related Policy/Promise	Better Retention rate than competitors	NA, under discussion	Zero work-related death
Targets	Retention rate in HQ down to 15% in 2024	NA, under discussion	1. Each factory has less than 3 OHS findings 2. Zero Building safety findings
Progress update	Retention rate drop to 23% in 2023.	NA, has not started yet	1. Internal monitoring of the OHS reporting system 2. Implement Spontaneously potential OHS reporting platform
Evaluation methods	HR performance metric check	HR performance metric check	External audit reports
Communication/Contacts	Factories HR	Factories HR	ESG and Factory compliance



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Governance	Laws obligation and obey	Product quality and safety	Customer relationship
Positive impact	1. Obtain good reputation 2. Maintain good relationships with neighbors and local governments	1. Better quality improves reputation and credibility 2. Can lower customer complaint rate and revenue lost	1. Higher reputation 2. Increase trust and cooperation for co-innovation
Risk and Negative Impact	1. Fined and penalties from local governments 2. Criminal charge to business or local in charge 3. Order lost due to law issues 4. Shipment and cargo detains lead to profits lost	1. Complain and return rate increase lead to revenue loss 2. Poor quality lower reputation and customer score 3. Product safety is zero tolerance and will lose all orders	1. Decrease the order obtained chances 2. Require the latest information later than competitors
Affected level	Operation & Company order	Operation & Company order	Operation & Company order
Risk happened trend	Every Day	Every quarter	Every quarter
Risk severely level	High	High	Extremely High
Risk management behaviors	1. Local compliance monthly meeting on law update 2. Quarterly group meeting for potential law violation incidents 3. Finance team meetings for potential Finance law violation incidents	1. Increase Quality check times 2. Increase worker training 3. Metal detective machine	1. Spontaneously update information to customers 2. Actively attend performance meetings and seminars
Related Policy/Promise	Decrease law violation rate yearly	Decrease complaint rate	1. Increase customer satisfaction 2. Increase Brand Partners satisfaction survey to all customers
Targets	1. Less than 5 finance law violations yearly 2. Less than 10 environment law violations yearly	1. Decrease 20% complain rate 2. Increase 1 time passing rate	1. Conduct satisfaction surveys quarterly 2. Increase survey items to sustainability
Progress update	1. No environment law violations in 2023 2. Pass effluent and air emission tests in 2023	Complain rate decrease 5% in Q1 compared previous quarter	Internal discussion; estimated to start in Q3 2024
Evaluation methods	Law violation incident numbers	1. Monthly quality report 2. Quality scores from customers	Quarterly performance from the customer
Communication/Contacts	Factory compliance and Local Finance	Head of Quality Management team and Factory QMS team	Account Managers



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The committee oversees the ESG team and relevant factory departments. It will evaluate the topics using the assessment report provided by the ESG team, client concern priorities, and financial impact models.

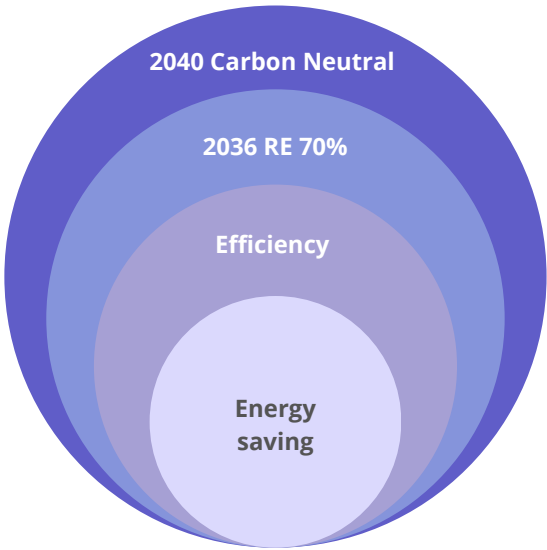
Strategy

In 2023, the General Manager explicitly declared that climate risks have become an immediate and severe threat to the company’s operations. To mitigate these risks, the company will implement targeted climate strategies and a Business Continuity Plan (BCP).

Risk Management

The ESG Team and the responsible factory departments collect, identify, and monitor climate risks annually. The ESG Team evaluates the impact on factory managers and related departments. The process of identifying, assessing, and responding to short-, medium-, and long-term climate-related risks and opportunities is managed by the ESG Team. Additionally, the team gathers information on climate risks from each operating region and collaborates with factories to develop and implement appropriate actions.

Metrics and Targets



	Risks & Opportunities	Issues	SINTEX Respond
Physical Risk	Immediacy (In 2 years)	The Increase of extreme weather	1. The Philippines plans to implement Standard Operating Procedures (SOPs) for typhoon prevention and recovery in 2024. 2. Replace or purchase an emergency generator for the dormitory. 3. Install a Reverse Osmosis (RO) water system to ensure water safety and supply.
	Long-term risks (In 5 years)	Rainfall patterns change dramatically, and weather patterns change dramatically	1. Develop and implement Standard Operating Procedures (SOPs) for water prevention in the Philippines and Cambodia. 2. Relocate high-value machinery to elevated areas.
	Long-term risks.	The average temperature increases	1. Explore the feasibility of installing Super Fans or water-cooled air conditioning systems in production buildings. 2. Monitor machine temperatures regularly. 3. Investigate options for replacing older machine models.



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01 Environment

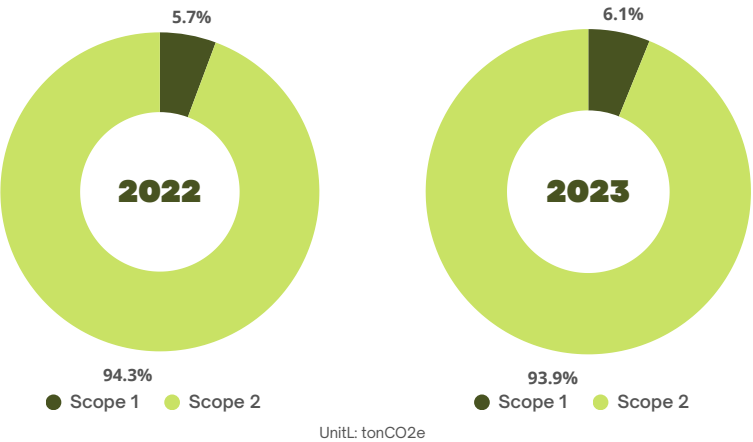


1.1 Energy management performance

SINTEX utilizes the GHG Protocol to conduct its greenhouse gas (GHG) inventory. The results reveal that purchased electricity is the primary source of emissions within Scope 1 and Scope 2. To address this, we are focusing on reducing electricity consumption and increasing the percentage of renewable energy as key strategies to lower our GHG emissions.

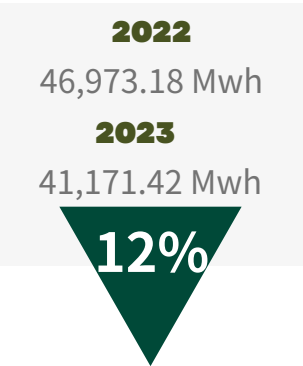
We are committed to establishing robust targets and clear roadmaps to achieve carbon neutrality by 2040 and net zero by 2050. Accordingly, we formally joined the Science Based Targets initiative (SBTi) in June 2023. As part of our SBTi commitment, SINTEX will aim to reduce GHG emissions by 42% by 2032. The baseline year for this target has been set as 2022, based on the comprehensive data evidence available.

GHG Emission

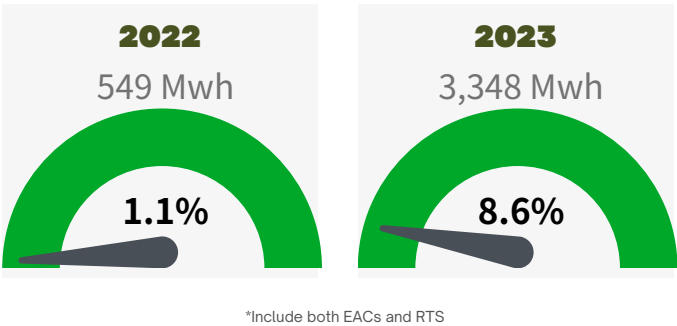


In 2022, the total greenhouse gas (GHG) emissions amounted to 314,722 tCO₂e, with Scope 1 and Scope 2 emissions totaling 34,796 tCO₂e. To align with the Science Based Targets initiative (SBTi), we have established absolute reduction targets for all three scopes of emissions. These targets are currently pending approval from SBTi.

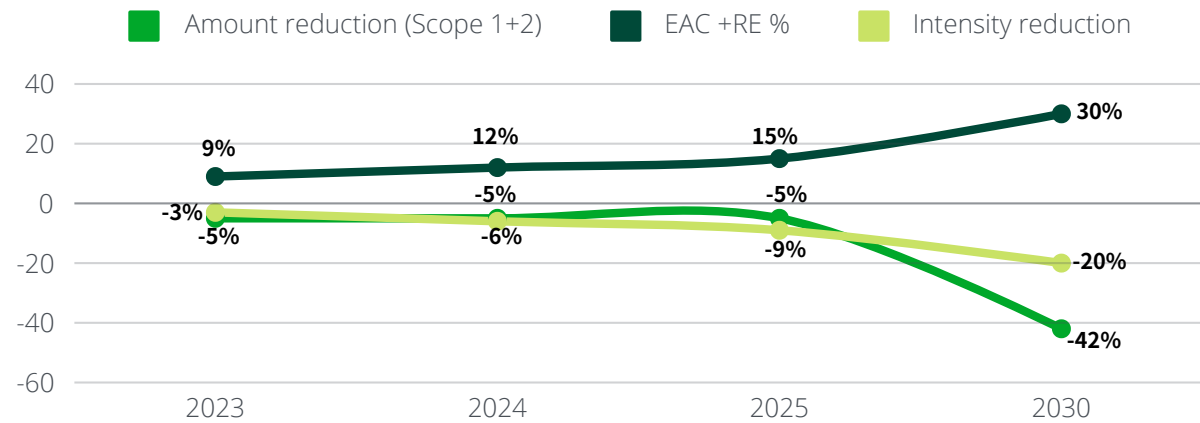
Purchased Electricity Usage



Renewable Energy*



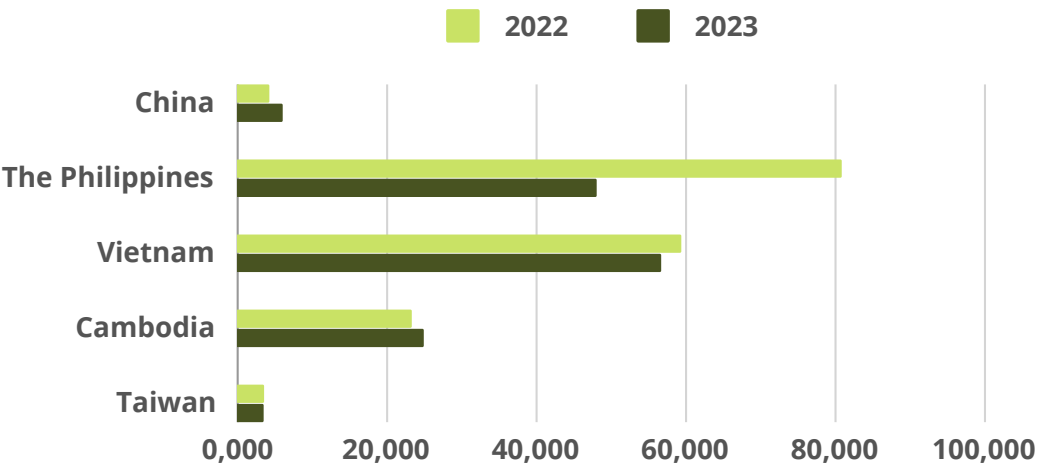
GHG goals for each factory until 2030



Energy Usage

In the Philippines, electricity usage decreased in 2023 compared to 2022. This reduction was primarily due to a major customer relocating its production and supply chain out of the Philippines, which directly resulted in lower overall electricity consumption. Table 4 illustrates the electricity consumption figures for 2022 and 2023.

Table 4: Total electricity usage in GJ in 2 years in each region

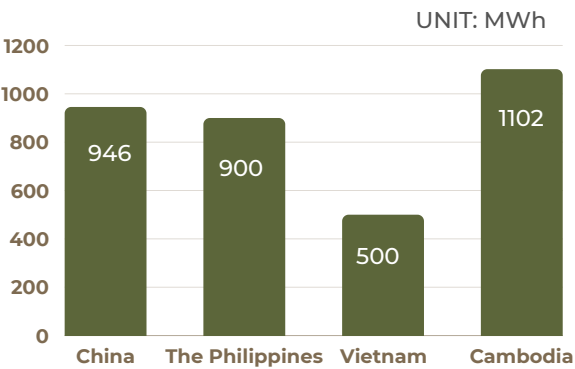


RE Usage

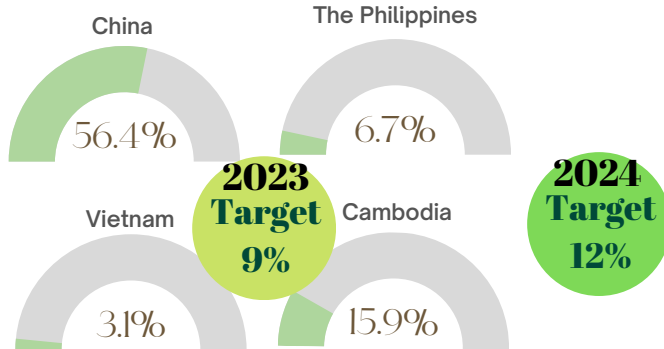
The construction of the RTS project in Vietnam has been postponed due to legal and contractual issues, necessitating redesigns. The project is now estimated to restart in 2024. In the Philippines, the RTS project is ongoing and is expected to be completed by Q1 2024.

In 2023, the overall group performance fell short of internal targets, achieving only 8.66% of the target. However, the China and Cambodia regions met their annual targets, with 56.4% and 15.9% of RTS, respectively. Additionally, we purchased a total of 1,584 MWh in EACs.

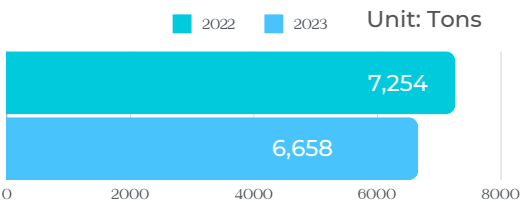
RE amount in 2023



RE amount percentage in 2023



Steam-China



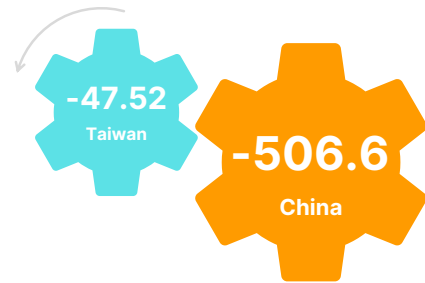
Energy consumption & Energy intensity

Category		2022	2023
Non-renewable sources	Electricity (Mwh)	46,973	41,171
	Gasoline (Liter)	81,273	79,516
	Diesel (Liter)	175,755	185,803
	Biofuel (Tons)	392	275
	Purchased steam (GJ)	19,897	18,262
RTS+EACs		549	3,348

Diesel, gasoline, and biofuel consumption in 2023

2023 Total amount (GJ)	Diesel	Diesel (generator)	Gasoline	Biofuel
China	666.33	0	402.17	0
Philippines	9,072.14	1,062.27	2,643.59	0
Vietnam	4,276.19	2,315.02	1,040.23	0
Cambodia	2,678.97	6153.84	859.31	405,420
Taiwan	9.09	0	30.03	0
Total (GJ)	10,702.72	9531.13	4,975.33	405,420

tCO2e/year Reduce in 2023



- ✓ Rooftop Solar in 2 factories
- ✓ Replace the rest of the T5 lighting facilities
- ✓ Removed 33.8% of T5 lighting facilities and redesigned floor settings for lighting facilities
- ✓ Installed timers for drinking machines
- ✓ Installed timer for AC heat exchangers
- ✓ Replace old model air compressor

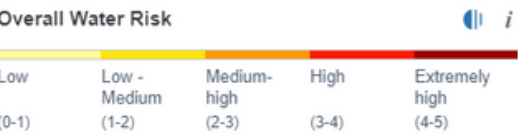
Many additional reduction measures are being implemented at each factory; however, accurate data is limited due to the absence of smart meters.

1.1.1 Water resources management performance

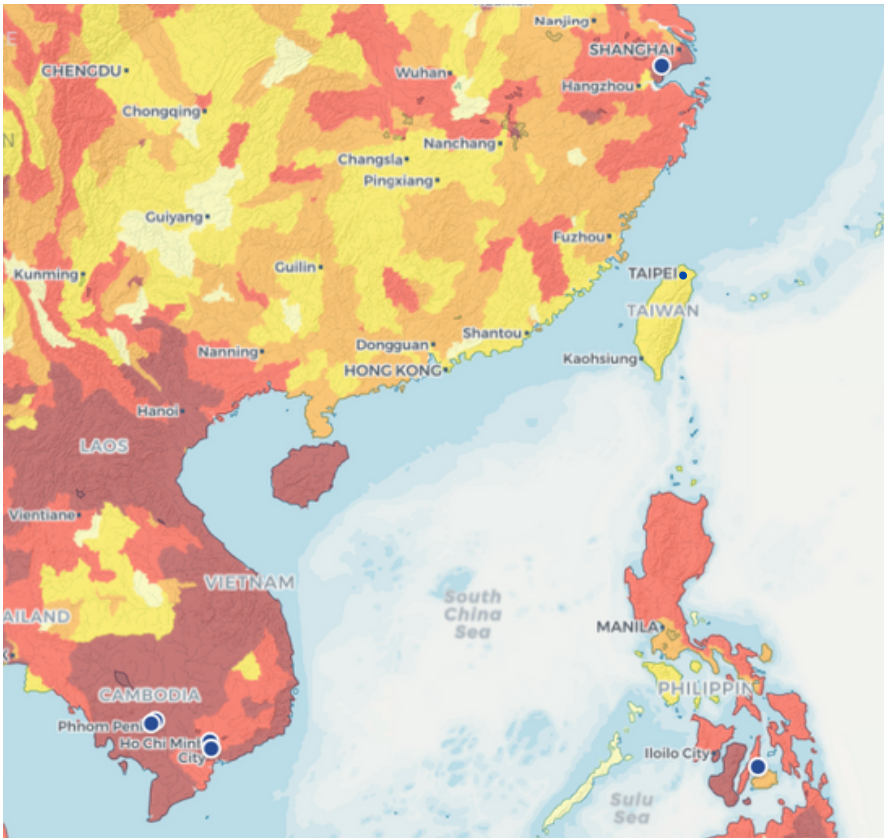


We utilized the Aqueduct Water Risk Atlas from the World Resources Institute (WRI) to conduct a comprehensive water risk assessment. This assessment covered factors such as water stress, drought, and flood risk.

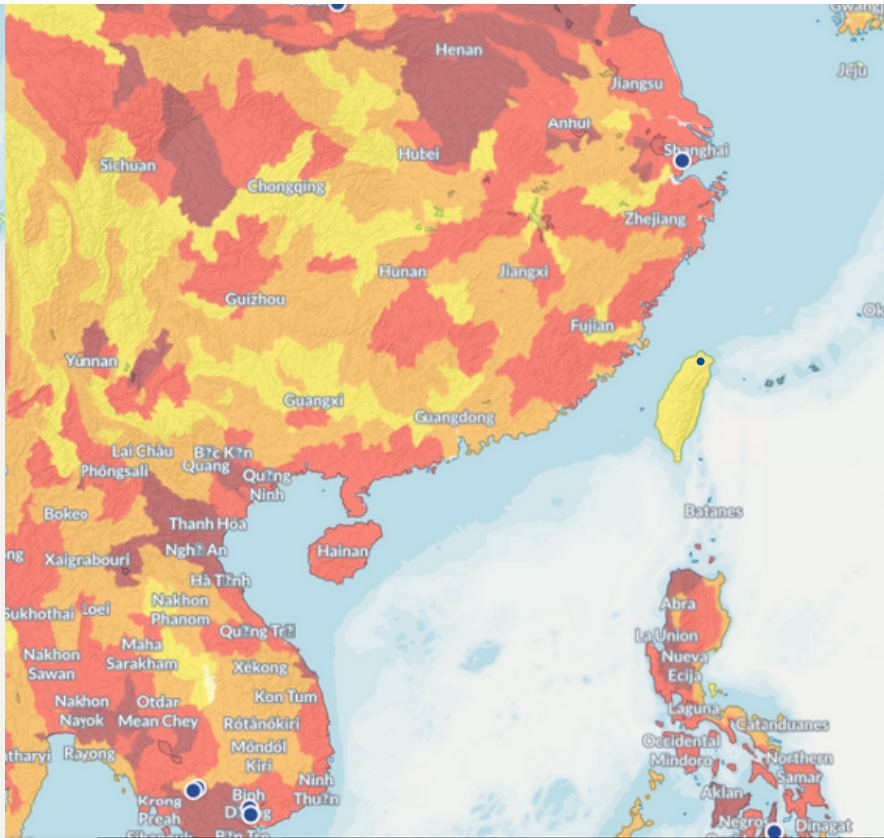
Among the facilities within our business boundaries, seven factories in the Philippines and one factory in China are situated in areas with high to extremely high water stress. Additionally, seven factories in the Philippines and one in China face medium-high drought risk. Furthermore, three factories in Cambodia and seven in the Philippines are located in areas with extremely high flood risk.



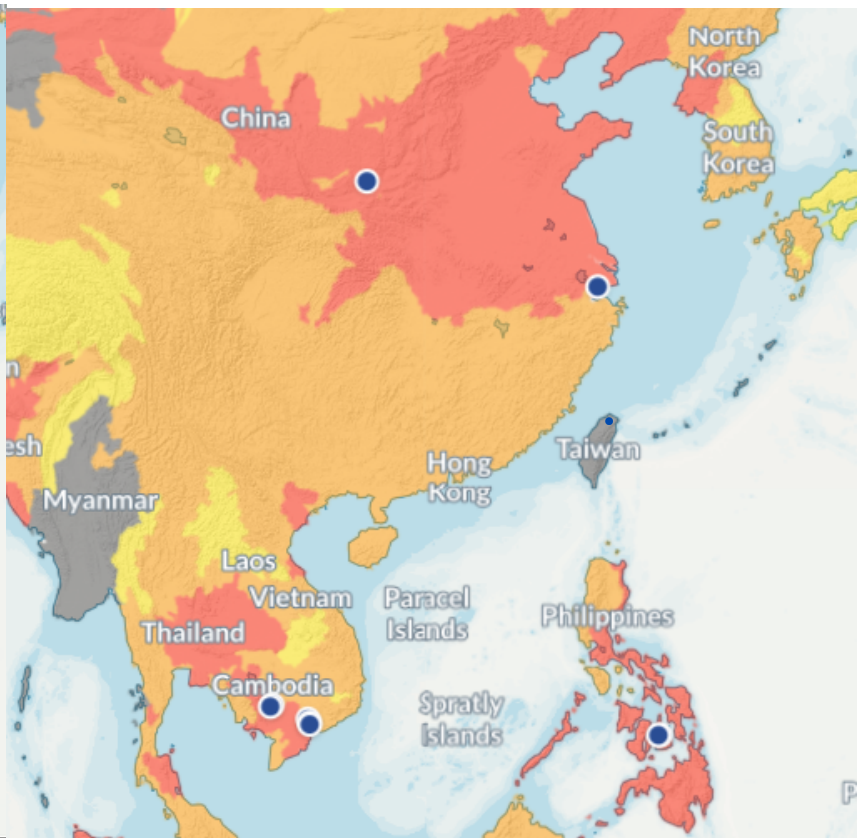
Water Risk



Flood Risk



Drought Risk



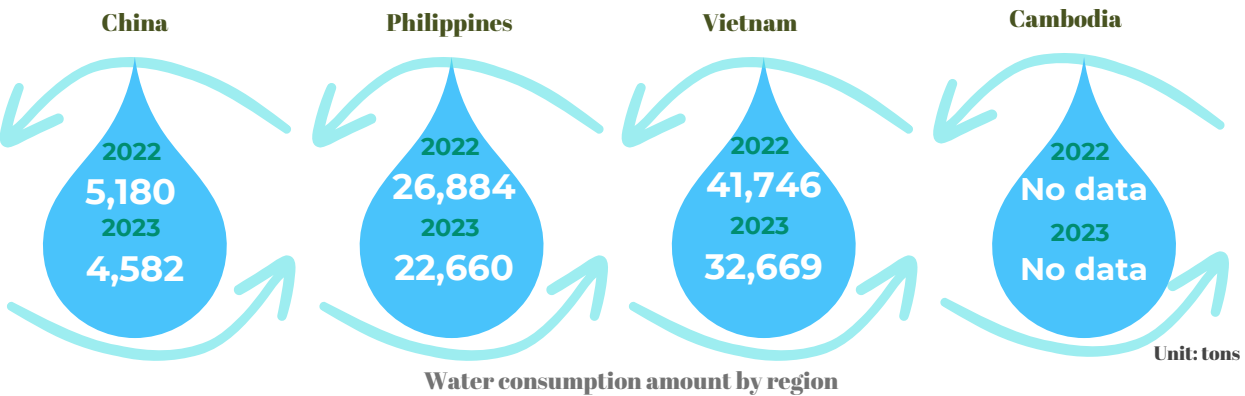
Risk	Overall Risk	Flood Risk	Drought Risk
China	High	Medium High	Medium High
Philippines	Extremely High	Extremely High	Medium High
Vietnam	High	High	Low Medium
Cambodia	Extremely High	Extremely High	Medium High
Taiwan	Low	Low	No data

Water Resources

SINTEX adheres to local government regulations regarding wastewater discharge, and collecting and monitoring effluent data for testing by local authorities is mandatory. We have reported zero violations of regional standards

The total water withdrawal was 636,857 tons in 2022, and it dropped to 605,536 in 2023. For withdrawal amount by region, please check the form below. There are currently no group-level projects focused on water conservation or rainwater collection. However, we are actively developing and planning water-saving and rainwater recycling initiatives in the Philippines to address water scarcity issues.

In Cambodia, accurate water consumption data for 2022 and 2023 is unavailable due to the storage hard drive being broken in late December 2023. We plan to install the necessary metering equipment by no later than Q4 2025.



Water Withdrawal

Unit: tons	2022	2023
China	25,898	22,910
Philippines	274,453	226,369
Vietnam	198,851	202,098
Cambodia	132,994	149,612
Taiwan	4,661	4,547

1.1.2 Waste management performance

Approximately 98% of the total waste generated is processed but not reused. Energy recovery methods account for 0.22% of the total waste, while incineration and solidification treatment address only 0.67%.

Each operating site continually optimizes waste management practices, actively promotes waste classification and recycling among employees, and carefully selects qualified waste disposal vendors to ensure proper handling and minimize pollution. The waste generated within our factories includes both non-hazardous materials, such as fabric, paper, cartons, nylon, and domestic waste, as well as hazardous waste, such as medical waste, waste oil, absorbents, filter metal containers, and rubber containers.

"WASTE go, GIFT back - Beat Waste Pollution" Program

Employees have the opportunity to bring hazardous waste from their households to the Company for proper disposal. In appreciation of their participation, we provide a corresponding gift to encourage ongoing involvement in this initiative.

Over 500 employees participated in the program, resulting in the collection and regulated treatment of hazardous waste. A total of 260 kg of household hazardous waste was collected and processed by the local environmental agency.



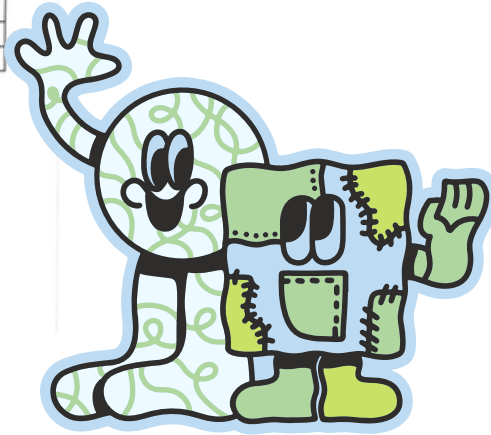
1.1.3 Air pollution emission performance

There were no violations of local laws in 2022 and 2023. The identified sources of emissions include biofuel boilers, vehicles, and diesel forklifts. Each factory's emissions were audited by a third-party auditing company.

To mitigate air pollution, SINTEX replaced the last of its non-biofuel boilers with electric boilers in Q2 2022.

For biofuel boilers, we utilized wood chips as the fuel source, which passed local authority inspections. We also adhered to local regulations by conducting air emission tests on the biofuel boilers to obtain the necessary legal permits, with the tests being carried out by the local government.

Figure 3: Air emission test and permission of local government



1.1.4 Chemical management performance



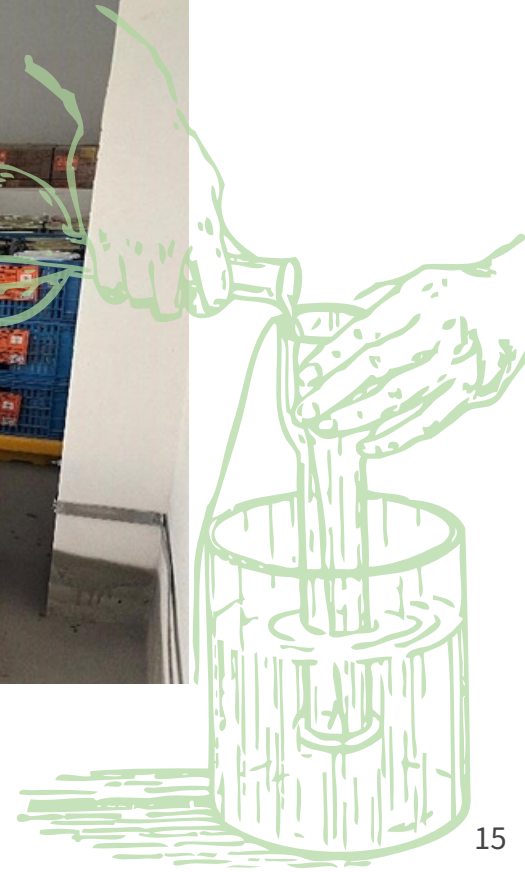
We manage our chemicals in strict adherence to the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation standards and the HIGG FEM guidelines. We also require our suppliers to comply with ZDHC standards. The top five waste materials we handle are lubricants, maintenance and cleaning sprays for machines, machine oil, gasoline, and paint.

Our factories rigorously follow ZDHC and HIGG FEM protocols for chemical storage. There have been no incidents of chemical leakage or damage from 2021 to 2023.

For chemical stock management, each factory maintains detailed records of chemicals entering and leaving inventory and performs regular inventory checks to ensure accuracy.



Separated storage rooms with second containers and wash equipment





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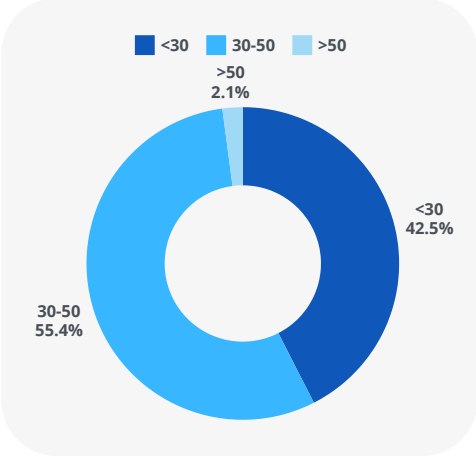
2.1 Talent Recruitment and distribution

SINTEX employs 23,654 individuals globally, with a gender distribution of 73% female and 27% male.

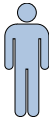
We are committed to enhancing local hiring practices, particularly for our middle management team, achieving a local hiring rate of over 99%.

In 2023, there was a decrease in the number of employees in the Philippines due to our client's production shift. Additionally, the overall number of employees across all regions declined from 2020 to 2023, driven by factors such as reduced orders due to the COVID-19 lockdown and the global economic downturn.

Employees age percentage in total regions

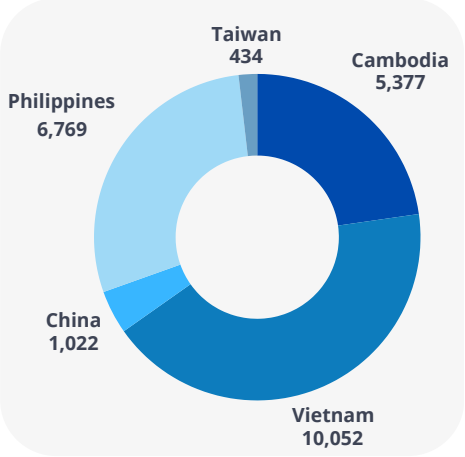


73%
Woman



27%
Man

Employee numbers by regions



Employees age distribution by region and age

Employee categories	<30yrs old		30~50yrs old		>50yrs		Total
	Male	Female	Male	Female	Male	Female	
Taiwan	23	89	70	224	7	21	434
China	31	73	104	747	20	47	1,022
Vietnam	1,204	3,674	1,025	4,069	20	60	10,052
Philippines	1,286	1,360	1,501	2,466	34	122	6,769
Cambodia	180	2,130	247	2,654	35	131	5,377
Subtotal	2,724	7,326	2,947	10,160	116	381	23,654
Percentage (by gender)	11.52%	30.97%	12.46%	42.95%	0.49%	1.61%	
Percentage (by age)	42%		55%		2%		



Employee Numbers by categories of each region

		Number of permanent employees (A)	Number of temporary employees (B)	Number of non-guaranteed hours employee (C)	Total Number (A+B+C)	Number of full-time employees (D)	Number of part-time employees (E)	Total Number (D+E)	Aboriginal staff	Employees with disabilities
Cambodia	Female	3,304	1,066	0	4,370	4,370	0	4,370		
	Male	156	851	0	1,007	1,007	0	1,007		
	Total	3,460	1,917	0	5,377	5,377	0	5,377	110	22
	%	64.35%	35.65%			100%	0%		2.05%	0.41%
Vietnam	Female	3,769	4,037	0	7,806	7,806	0	7,806		
	Male	1,064	1,182	0	2,246	2,246	0	2,246		
	Total	4,853	5,219	0	10,052	10,052	0	10,052	6,808	0
	%	48.28%	51.92%			100%	0%		67.73%	0.00%
China	Female	57	803	0	860	860	0	860		
	Male	22	140	0	162	162	0	162		
	Total	79	943	0	1,022	1,022	0	1,022	813	11
	%	7.73%	92.27%			100%	0%		79.55%	1.08%
Philippines	Female	3,943		0	3,943	3,943	0	3,943		
	Male	2,826		0	2,826	2,826	0	2,826		
	Total	6,769		0	6,769	6,769	0	6,769	6,750	34
	%	100.00%	0.00%			100%	0%		99.72%	0.50%
Taiwan	Female	337		0	337	337	0	337		
	Male	97		0	97	97	0	97		
	Total	434		0	434	434	0	434	400	5
	%	100.00%	0.00%			100%	0%		92.17%	1.15%

2.2 Occupational Health & Safety Performance



We have implemented an Occupational Health and Safety (OHS) management system in accordance with ISO 45001 standards and local regulations. In 2023, there were no incidents of legal violations. The OHS system extends to all employees, including outsourced contractors, who are required to sign safety declarations and comply with local regulations.

OHS staffs’ trainings and communications

We provide related training every year to each factory compliance and HR team. In total, 157,178 attendees participated in the OHS topics training or seminars, and the total training hours were 152,415. The reason for NA in Cambodia in 2022 and 2021 is that the data storage hard disk was broken in December 2022.

In 2023, there were 42 work-related injuries and 571 lost work days but 0 death.

Total Working hours in production and office

	Working hours			Lost Workdays			Work-related injuries			Total OHS training employee numbers	Total OHS training employee hours
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2023
China	957,367	1,092,825	1,132,539	472**	151	212	14	8	12	630	7,869
Vietnam	30,130,204	55,445,938	53,663,745	51	104	136	14	18	20	22,338	1,020
Philippine	23,231,001	38,887,274	49,912,468	47	169	83	14	42	20	133,346	142,657
Taiwan	3,472	3,360	3,104	0	0	0	0	0	0	0	0
Cambodia	11,541,592	NA*	NA*	0	NA*	NA*	4	NA*	NA*	864	869
2023 total	65,863,636	95,429,397	104,711,856	571	424	431	46	68	52	157,178	152,415

*Data storage hard disk was broken in December 2022
**The lost work hours increased in China 2023 is because there was 1 traffic accident during commuting, in total lost 285 days.

Internal monitor and prevention system

We have implemented an internal Occupational Health and Safety (OHS) reporting system to enhance incident monitoring. In 2023, the primary incidents reported included needle punctures, slips during rainy conditions, and traffic accidents during commuting. In response, we launched improvement initiatives in collaboration with our brand partners and engaged with the Life and Building Safety (LABS) Initiative to enhance building safety and mitigate potential risks to our workers.

Additionally, to enhance incident management, we plan to transition from monthly Excel reports to an immediate online platform. This upgrade will allow relevant personnel to access real-time updates on incident status and processes. Furthermore, we have organized regular seasonal seminars, lectures, and workshops to underscore the importance of OHS and to educate employees on effective prevention strategies for potential OHS incidents.

We have exceeded local regulations by conducting fire drills at least four times a year. Given the labor-intensive nature of our industry, frequent drills are essential for effectively preventing potential casualties and ensuring the safety of our workforce.



OHS and fire drill trainings

2.3 Employee wages and benefits

In 2023, SINTEX reported zero labor disputes. We are dedicated to ensuring equal pay for employees with the same job title, duties, service duration, and performance across all our factories. In the Philippines, production line staff are compensated based on attendance. We are committed to continuously improving our practices to address and close any existing pay gaps.

In addition to complying with local regulations, SINTEX collaborates with local partners and customers to establish breastfeeding rooms in all factories. We also provide monthly subsidies for newborns in each region, with the subsidy amounts varying by region.

Salary gap between male and female by regions

2023 Male/Female Salary	Cambodia	Vietnam	China	Philippines	Taiwan
Top Management team	Confidential	Confidential	Confidential	Confidential	Confidential
Staff with management duty	1.00	1.01	1.53	1.16	0.98
General staff with no management duty	1.00	1.00	0.86	0.99	1.00
Production line staffs	1.00	0.98	1.00	0.99	NA
2023 Male/Female Salary	Cambodia	Vietnam	China	Philippines	Taiwan

Remuneration gap between males and females by regions

2023 Male/Female Remuneration	Cambodia	Vietnam	China	Philippines	Taiwan
Top Management team	Confidential	Confidential	Confidential	Confidential	Confidential
Staff with management duty	1.00	0.97	Confidential	1.16	0.98
General staff with no management duty	1.00	1.04	Confidential	0.97	1.03
Production line staffs	1.00	0.98	Confidential	1.02	NA

Parental leave numbers by regions

Parental leave	Item	2023 - entitled to leave (A)	2023 - using leave (B)	2023 - should return to work after taking leave (C)	2023 - Actual return to work in 2023 after leave (D)	2022 - Actual return to work in 2022 after leave (E)	2022 -took leave and still employed 12 months after reinstatement (F)	Application rate for child care leave without pay (B/A)	Reinstatement rate (D/C)	Retention rate (F/E)
Cambodia	Female	319	319	319	228	0	0	100%	71%	0%
	Male	0	0	0	0	0	0	0%	0%	0%
	Total	319	319	319	228	0	0	100%	71%	0%
Vietnam	Female	982	847	703	461	326	238	86%	66%	73%
	Male	137	4	4	1	2	2	3%	25%	100%
	Total	1,119	851	707	462	328	240	76%	65%	73%
China	Female	53	35	35	5	12	12	66%	14%	100%
	Male	7	4	4	1	2	2	57%	25%	100%
	Total	60	39	39	6	14	14	65%	15%	100%
Philippines	Female	3,831	524	460	427	1,343	723	14%	93%	54%
	Male	1,009	131	142	142	581	69	13%	100%	12%
	Total	4,840	655	602	569	1,924	792	14%	95%	41%
Taiwan	Female	19	8	5	3	4	4	42%	60%	100%
	Male	4	0	0	0	1	1	0%	0%	100%
	Total	23	8	5	3	5	5	35%	60%	100%

2.4 Talent acquisition



We are committed to increasing local hiring to foster decent work opportunities and improve living conditions for local communities. In Vietnam, the number of new hires has exceeded the average seen in other regions due to a newly established factory that commenced full-capacity production in early 2023.

New hire numbers in 2023

	Age	< 30	31-50	>51	Total Number
Cambodia	Female	864	615	2	1,481
	Male	102	65	0	167
	Total	966	680	2	1,648
	%	59%	41%	0%	
Vietnam	Female	3,128	2,051	4	5,183
	Male	644	331	2	977
	Total	3,772	2,382	6	6,160
	%	61%	39%	0%	
China	Female	103	231	3	337
	Male	60	59	1	120
	Total	163	290	4	457
	%	36%	63%	1%	
Philippines	Female	307	0	0	307
	Male	0	0	0	0
	Total	307	0	0	307
	%	100%	0%	0%	
Taiwan	Female	35	19	0	54
	Male	16	16	0	32
	Total	51	35	0	86
	%	59%	41%	0%	

Turnover numbers in 2023

	Age	< 30	31-50	>51	Total Number
Cambodia	Female	436	514	2	952
	Male	80	61	0	141
	Total	516	575	2	1,093
	%	47%	53%	0%	
Vietnam	Female	2,232	1,511	2	3,745
	Male	599	327	1	927
	Total	2,831	1,838	3	4,672
	%	61%	39%	0%	
China	Female	85	179	13	277
	Male	56	49	2	107
	Total	141	228	15	384
	%	37%	59%	4%	
Philippines	Female	565	407	14	986
	Male	585	379	12	976
	Total	1,150	786	26	1,962
	%	59%	40%	1%	
Taiwan	Female	43	28	2	73
	Male	9	13	3	25
	Total	52	41	5	98
	%	53%	42%	5%	

2.5 Talent developments and improvements



We provided training tailored to workers' job roles and levels, covering areas such as English presentation, internal communication, onsite management, and sewing. In total, we delivered 365,258 training hours to 15,210 employees.

Training people number and hours by regions



Employee training structure

The annual training plan must be approved by the HR/Training/Compliance Manager every December to prepare for the following year's training initiatives. We are currently collaborating with Worker Voice (WOVO) and our customers to implement digital training systems in the Philippines, Vietnam, and Cambodia. Our goal is to achieve a 75% coverage rate by the end of 2024.

In 2024, we will prioritize training on sexual harassment prevention and awareness, with each region focusing on specific needs and production types relevant to their operations.

TP Training

Course	Target	Course Content				
Annual strategic training	Special needs	Special course				
	Expatriate	Professional course related to job duties				
Course type	Target	Co-occupation	Management skill	Professional Skill	Core ability	Self development
Keep developing	Management team	NA	Regular Workshop Inspiration ability	On the Job Training	E-learning Innovation lectures	Celebrity talks Business English
	High rank (7-9 rank)	Innovation Negotiation Project Management	Work and execution ability improvement			
	Medium rank (4-6 rank)	Partnership relation Performance improvement Problem-solving and analyze				
	Basic rank (1-3 rank)	Communication Work management Customer oriented	NA			
Orientation	Within 3 months	Corporate Culture Corporation Identity	NA			

In 2023, we launched our first sustainability lectures to promote sustainability.

Sustainability lectures Attendance rate: 95%
Total training employees in Taiwan: 366
Total group numbers: 6
Satisfaction rate: 4.6/5
Training hours: 1.5 hours/group



Sustainability seminars

Human rights communication and trainings

There were 0 human rights violation incidents in all regions this reporting year, but three were wage-related issues in the Philippines. Two cases are related to the wrong calculation of double pay for a holiday, and one is from an outsourced canteen supplier. All cases were closed, and to prevent these from happening again, we are implementing an automatic counting and calculation payroll system.

We are also cooperating with our partner, Worker Voice (WOVO), to give our employees a clear communication channel when potential human rights violations occur. We aim to reach a 25% coverage rate of WOVO in all factories and over 70% coverage rate in 2024.

We also align with our customers, strongly supporting freedom of association (FOA) and group bargaining. Hence, to help workers understand their rights, we organize seminars yearly and provide orientation materials.



Performance evaluation

During the reporting year, the evaluation rates were 98% for male employees and 99% for female employees. By employee rank, the evaluation rates were as follows: 90% for the Management team across all regions, 94% for Mid-level managers, including production line managers, 99% for General office staff, and 98% for production line staff. Evaluations are conducted for employees who have worked for over six months, and the results are used to determine year-end bonuses and promotions. The percentage is calculated by the following formula: Actual calculates the percentage should be evaluated number ÷ Supposed should be evaluated number.

We value each employee's efforts and opinions. Hence, all managers and leaders will collect workers' views and suggestions for improvement during the performance evaluation. The evaluation will be held twice a year, at the end of Quarter 2 and the end of that business year, and it will be held one-on-one in a private area.

By Gender

Male 98%

Female 99%

2.6 Community Prosperity

We align our activities and initiatives with the priorities of our stakeholders and communities.

In Vietnam, our primary focus will be on Sustainable Development Goals (SDG) 4: Quality Education and SDG 7: Affordable and Clean Energy. In the Philippines, we will concentrate on SDG 3: Good Health and Well-being, SDG 4: Quality Education, and SDG 6: Clean Water and Sanitation.

The Philippines

Over the past decade, we have believed that it is our responsibility to care for nature, so we have planted over 5,000 mangrove seeds in Cebu and conducted annual coastal cleanups, removing over 500 kg of trash this year alone.

In 2023, in response to the fire incident in Looc, Mandaue City, we donated 1,270 bottles of 10L distilled water, 2,088 pairs of slippers, 26 boxes and 1 sack of used clothing contributed by our employees, and 1,284 blankets to assist the fire victims.



Color Run (Left top), Coastal Cleaning (Left and Right bottom), and Blood Donation (Right top).

Vietnam

We consistently implement the “Be Responsible, Be Sustainable” project within the community. Our local team collaborates with authorities and hospitals to organize practical charity programs focused on healthcare and clean water.

1. Health care: Provide free medical examinations and medicine to 350 economically disadvantaged people in Xuan Bac Village, Xuan Loc District, Dong Nai Province.

2. For pupils in remote villages schools:

- Sponsor funds for the construction, renovation, and upgrading of toilets and for installing a drinking water system in Dinh Quan District.



Health check for female workers (Left top), Family Day (Left middle and right Bottom), Academic award (Left bottom), and Free Health check (Right top)

Taiwan

In September, we partnered with the Ministry of Agriculture Forestry Bureau to remove 274 kg of Mikania micrantha from mountainous areas. In November, we collaborated with Hiin Studio to conduct a coastal cleanup in northern Taiwan, where we collected a total of 457 kg of waste from the shoreline.

We also encourage our employees to participate in these activities with their families, aiming to foster environmental awareness and responsibility in the next generation.



Coastal Cleaning(Left top), Pride Parade (Bottom), and Blood Donation (Right top).



About the report

Words from the GM

Sustainability org.

2023 Progress Review

Materiality management

Climate change risk

Environment

Social

Governance



03 Governance



3.1 Cyber Security



Information Security Management System (ISMS)

The company plans to implement the ISO 27001 Information Security Management System from 2024 onwards, aiming to establish relevant procedures and standards by international standards for internet security, system development, data backup, intellectual property rights, and other information-related security aspects. The company will also continuously implement the PDCA (Plan-Do-Check-Act) cycle management to promote the information security management system.

Security Reporting Mechanism and Standard Processing Procedures

The company has subscribed to join the "TWCERT/CC Computer Network Crisis Response Center" to obtain firsthand information on cybersecurity threats and vulnerabilities and various software and hardware vulnerabilities. It regularly reviews and evaluates the company's situation and provides corrective and preventive plans.

Enforcing Information Security

Regular audits of the logs generated by various security devices, such as firewalls, IDS/IPS systems, antivirus software, and endpoint-related data, are conducted to collect, analyze, debug, and manage various network security incidents, thus effectively responding to potential risks. Effective management of various information security alerts ensures that procedures are followed when information security incidents occur, reducing harm and losses to key information systems, critical information assets, and company reputation.

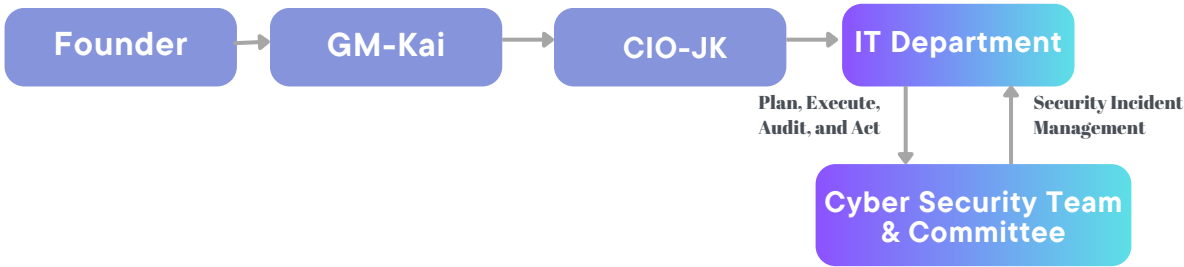
Internal Education

In addition to conducting general information security education and training courses for employees to enhance information security awareness and vigilance, Sintex also requires system development colleagues to undergo education and training on OWASP TOP10 application system vulnerabilities to increase system security and reduce information security risks.

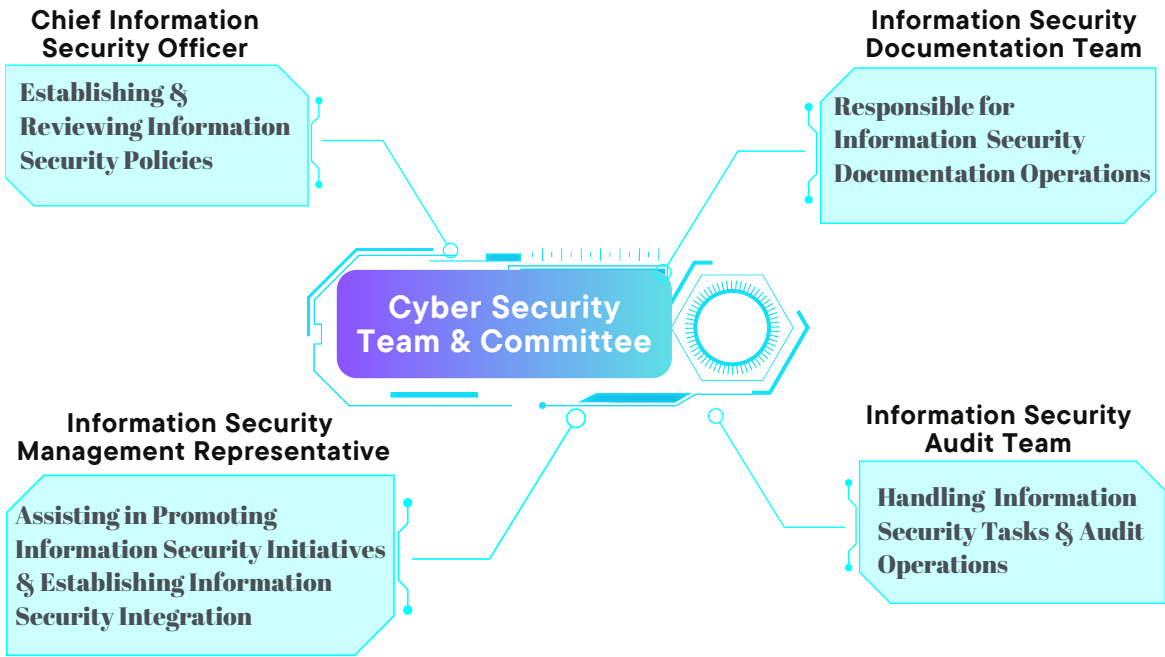
Internal drills

To prevent various information security threats, the company, in addition to adopting a high-availability system architecture to increase integrity and establishing various information protection systems and threat detection response mechanisms, gradually implements information security information sharing, reporting, and monitoring to enhance the overall maturity of information security governance and reduce information security risks.

Cyber Security Org.



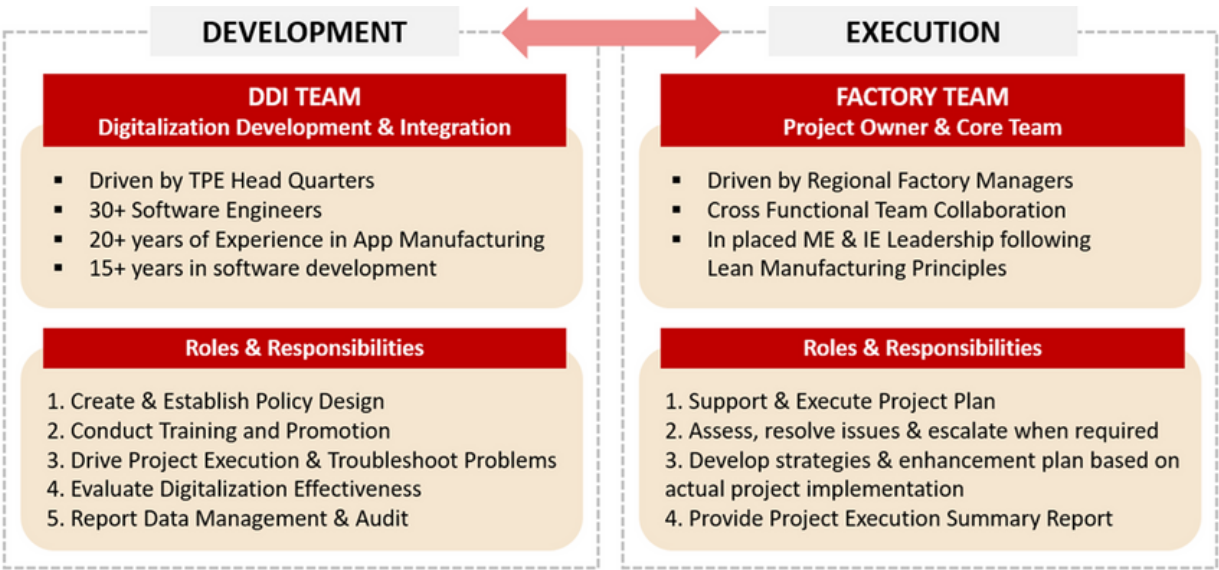
Cyber Security Team & Committee Duty



3.1.1 Digitalization and Automatic production

We acknowledge the importance of digitalization and automatic production to be more productive and make more precise decisions based on data; we are cooperating with our supplier and manufacturer to develop a dashboard and mission center. Moreover, we implement radio-frequency identification (RFID) to further improve our tracking and shipping efficiency.

Besides, we are expanding our Digitalization Development & Integration team (DDI team) to better serve our manufacturer's needs. With the establishment of the mission center in 2024, there will be 14 branch projects further to improve our ability in Digitalization and Automatic production.



3.2 Performance management

The operational growth of the company is a key factor enabling SINTEX to sustain its operations. Simultaneously, financial performance is a primary concern for investors. Therefore, maintaining steady operational growth is crucial for us. We regularly review the company's operations and financial performance, adjusting our business strategy based on evaluating customer trends and industry trends.

3.3 Legal Compliance

Compliance with environmental, social, and economic regulations is a crucial cornerstone for gaining the trust of stakeholders at SINTEX. We do this through periodic communication with internal staff and establishing internal regulations. Additionally, we implement internal audit functions to identify anomalies and prevent any illegal operations within the company.

In this reporting year, there is no major law violation, defined as being fined over 30 thousand USD.

3.4 Integrity in business

SINTEX's corporate vision centers on "Value Creation, Market Focus, and Sustainability." To achieve this vision successfully, we recognize the utmost importance of establishing a culture of corporate integrity and ensuring its implementation throughout every aspect of the company.

To establish a culture of integrity and transparency in business operations and promote sound management, our company guarantees that the whistleblower will not have any effect. We have established channels for reporting via official websites, internal networks, hotlines, or postal addresses. These channels are accessible to both internal employees and external parties. We maintain strict confidentiality regarding the identity of whistleblowers and prohibit any adverse personnel actions against internal employees who report concerns. We also allow anonymous reporting to prevent dishonesty, fraud, and criminal activities.

3.5 Technological Innovation

In 2022, we collaborated with fabric mills to develop new fabrics, breaking through traditional fabric structures with innovative clothing fabrics and structural changes achieved through weave pattern variations. This patent covers men's underwear with skin friction prevention functionality.

We promise to continue developing new manufacturing procedures and methods with our brand partners to improve manufacturing and energy efficiency. At the same time, we will invest more effort and financial support in technological innovation over the next three years.

SINTEX primarily deepens its commitment to anti-corruption and ethical behavior (GRI 205-2) through its "Code of Ethics," "Integrity Operating Guidelines," and "Employee Code of Conduct." These guidelines bind senior management to faithfully execute their duties and responsibilities as prudent managers. They are expected to exercise their authority with high self-discipline and caution. Furthermore, these regulations prohibit senior management and employees from using non-public market information for personal gain or using their authority to harm stakeholders' interests.

The company and its subsidiaries have developed integrity behavior prevention programs after communicating with employees, unions, key business partners, and other stakeholders. These programs aim to prevent various unethical behaviors, including:

- Bribery and extortion
- Providing illegal political contributions
- Improper charitable donations or sponsorships
- Offering or accepting unreasonable gifts, hospitality, or other undue advantages
- Infringement of trade secrets, trademarks, patents, copyrights, and other intellectual property rights
- Engaging in unfair competition practices
- Safeguarding the rights, health, and safety of other stakeholders

These measures are designed to uphold ethical standards and ensure compliance with legal and regulatory requirements, fostering trust and transparency in business operations.

In addition to requiring its management to actively implement the commitment to integrity in business policies and practices within internal management and commercial activities, SINTEX also mandates that before engaging in any business dealings, consideration must be given to the legality of agents, suppliers, customers, or other business counterparts, and whether they are involved in any dishonest conduct. This precaution is taken to avoid transactions with entities engaged in unethical practices. Furthermore, contracts signed with agents, suppliers, customers, or other business counterparts must include provisions for compliance with integrity in business policies, with clauses allowing termination or cancellation if the counterpart engages in dishonest behavior.

